

ANDY KALTENBRUNNER, MATTHIAS KARMAVIN,
DANIELA KRAUS (EDS.)

Journalism Report V Innovation and Transition

J-R V

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Journalism Report V

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Journalism Report V

Innovation and Transition

Collaboration: Renée Lugschitz

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PREFACE

Around a decade ago, anyone visiting the Danish regional newspaper Nordjyske Stiftstidene could admire a large sign displayed in the editorial office. “Change never ends”, the board proclaimed. At the time, Scandinavia was busy integrating its newsrooms, early digital strategies were being developed, and specialist editors were being dispatched to Japan, to find out why it should suddenly be imperative for telephones to be *smart*. Media researchers interested in trends asked the question, just as we did for the first *Journalisten Report*, in German then, whether curious new networks such as this so-called Facebook could possibly have a future – and whether they confirmed Berthold Brecht’s one century old *Radio Theory*: That every receiver should also be a transmitter. At that time, in 2007, the New York Times inaugurated its 52-storey skyscraper with an integrated newsroom at ground-level and an *Innovation Laboratory* overlooking Manhattan. We all were somehow concerned about the future of professional journalism and its traditional organisations. The air was beginning to get rather thin for much of the legacy media world, even without high-rise buildings.

Contributing to an internal *Innovation Report* in 2014, a project team from the New York Times defined what even the flagships of the press desperately need in order to survive: “Smart new strategies for growing our audience.” However, this internal paper was leaked by Buzzfeed, a young – digital only – “media company for the social age”, that attracts millions of visitors every day.

There is a growing demand for accelerated research and development. The best we can hope to achieve with books such as our *Journalism Report*, now the fifth volume in this series, is this: We want to pause for a moment, gain an overview, analyse changes, classify trends, in order to identify prospects. This is accomplished with the assistance of distinguished colleagues from the spheres of media research and media practice. To bring these together has always been a key concern for our research association Medienhaus Wien. The biographical profiles of our authors demonstrate how well that can work: Without exception they are familiar with both worlds, having spent time working in media

companies as scientists with their sleeves rolled up, and having repeatedly participated in research projects in the role of journalists and media managers. Their ideas and experiences, drawn from many countries, come together in the present *Journalism Report* – and serve as the starting point for further debate. Nothing is of greater practical use here than a good theory, in order to gain a better understanding of current developments. After all: Change never ends.

In 2007, the first, German-language *Journalism Report* calculated that a mere five per cent of journalists in Austria were working for online media. In Germany and Switzerland the proportion was much the same. The extent to which the world of journalism can change over the course of a decade is also illustrated by the titles of lectures presented at the Global Editors Network (GEN) Summit 2017 in Vienna. We learn that “Virtual Reality is here to stay”, and discover new digital trends shaping “Artificial Intelligence for journalists”, see journalists fighting the “battle of algorithms” – topics for the participants representing more than 70 countries at the GEN summit. Together with Bertrand Pecquerie, the CEO of the Editors Networks, we were convinced that the summit in Vienna was the ideal opportunity to present this new *Journalism Report: Innovation and Transition*. Thank you to the GEN team for supporting this endeavour.

In her analysis of how the legacy media need to change in terms of organisation, our research colleague Lucy Küng opens with this sentence: “We are now at the end of the digital beginning”. This sober realisation from the final chapter of the *Journalism Report* holds true for the entire volume. We have divided the publication into three sections: In the first part, innovation and transition are categorised by means of scientific methodology, and journalists are interviewed about their digital self-conception; the second part comprises observations of significant new fields, from audience engagement to investigate journalism; finally, the third part poses the question, how media organisation is transforming, and what relevant lessons journalism may learn from other industries. The numerous practical examples among the texts represent the attempt to learn from one another internationally: They are drawn from Spain, Great Britain, the USA, Denmark, Germany, Austria, Serbia, and many more countries.

In particular, we would like to thank the authors, who, in this instance and including the academics, willingly submitted to an up-to-the-minute compilation of contributions at very short notice, to a report produced under almost journalistic production conditions. We believe that the readers – be they academics, journalists, or media managers – appreciate this kind of topicality. It's about innovation, after all. Nevertheless, sufficient time remained for a review of all research contributions by at least two members of the scientific board.

The overall success of these more than 200 pages is owed to many from the team of Medienhaus Wien, from the Austrian Academy of Sciences, and the publisher, facultas. Thank you to our partners Astrid Zimmermann and Alfred J. Noll for all their support and to Klaus Bichler and Patricia Käfer for collaborating in our journalism research over many years. Working closely with the editors, Renée Lugschitz crafted the content design and co-ordinated the overall production; Karen Meehan was ever ready to offer support as meticulous translator and proof-reader with a keen feeling for language; and Sonja Luef deftly combined the implementation of both content and logistics.

For many years now, we have been able to count on the steady support of our editor Sabine Kruse at the publishing house facultas. She and the experienced graphic designer Norbert Novak patiently resist any lasting ill-effects, even from scares such as design preferences at short notice, journalistic rush jobs, and last-minute updates.

Furthermore, the production of the special issue for the participants at the Global Editors Network summit would not have been possible without the assistance of the Austrian Federal Press Service (Bundespressdienst). We are grateful for their support of the network development of journalism research of Austrian origin, a source for so many editors and scholars from all over the world now.

We hope that the ambition and delight felt by all those involved in submitting new findings from theory and practice as a basis for discourse may be revealed by this *Journalism Report*. We will not run out of topics for discussion and research, that much is abundantly clear. Indeed, it would be a misconception to interpret “innovation and transition” as a process with an official beginning and an ultimate goal. The reality is far more exciting and we have understood: Change never ends.

Andy Kaltenbrunner
Matthias Karmasin
Daniela Kraus

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PART I: DEFINITIONS

Journalism in Transition

A matrix to categorize change and innovation

Andy Kaltenbrunner, *media researcher, lecturer and developer, Medienhaus Wien and Institute for Comparative Media and Communication Studies (CMC), Austrian Academy of Sciences, Austria*

In the mid-nineties he was a digital wunderkind, one of the very early, big names in the World Wide Web Hall of Fame: Marc Andreessen, co-developer of the (almost) first web browser Mosaic and co-founder of Netscape. Today the entrepreneur with an estimated net worth of 600 million dollars, who is also member of the Facebook board, spreads optimism in a world he disrupted: "I am more bullish about the future of the news industry over the next 20 years than almost anyone I know. You are going to see it grow 10x to 100x from where it is today. That is my starting point for any discussion about the future of journalism", it says on the official website of his company Andreessen Horowitz.¹

When Andreessen first posted this belief on Twitter a few years ago he kicked off a tweet-storm. Not many journalists shared Andreessen's conviction that "maybe we are entering into a new golden age of journalism, and we just haven't recognized it yet" (ibid.).

Reactions, especially of experienced, long-time serving professionals from legacy media rather agreed with Philip Meyer's much quoted earlier US analysis in *The Vanishing Newspaper* (Meyer 2004). The book's first sentence simply states: "Journalism is in trouble". During the decade following its publication the situation for many traditional media houses also in Europe had become even worse: 42 % decline in English daily newspaper sales in only half a generation (Taylor 2014); inadequate journalist's fees of only a few Euros for long stories in leading political weekly magazines even in the strong German-speaking market. "The

¹ <http://a16z.com/2014/02/25/future-of-news-business/>

internet's siphoning off of advertising had also led news organisations to cut back on expensive editorial commitments like investigative reporting and specialists and foreign correspondents" (Freedman 2010, 41).

When cost-cutting was not enough, media operations were closed almost everywhere in the Western Hemisphere. The legendary France Soir which sold 2 million copies in its best days had only 36.000 buyers left in 2011 – and closed its doors. The problems were regional and national. The local Canal Nou in Valencia gave all its 1700 employees the sack overnight in 2013. Greece's national ERT had completely shut down radio and TV operations a few months earlier.

Meanwhile, labour market statistics in 2017 in general show a remarkable increase in the number of unemployed journalists all over Europe. Even in countries where digital change is taking more time and the consumption of news is "still substantially based on traditional distribution" as the *Digital News Report* states for Austria (Reuters Institute 2016, 61), pressure on journalists has increased as fast as the steadily growing unemployment rate (Lachmayr and Dornmayr 2015).

All of this illustrates a phenomenon: the crisis of traditional journalism – in the so-called legacy media – and thus of its actors, the journalists. Yet, on the US website Newspaperdeathwatch.com, which has followed the steady decline of the daily print-market with prosaic counting, listings and bitter remarks since 2007, a decade later we also find blogposts for "great examples how journalism has changed for the better". In many media journalists' reports a turning point can be clearly identified in mid-2014, when the New York Times' *Innovation Report* was leaked in such a well-planned manner that it perfectly provoked more interest in newspaper transition and promoted hope for legacy media's future in general. The innovation report was considered "one of the key documents of this media age", said Harvard's Nieman Lab at the time.²

Big, clumsy steamships such as the New York Times or the Washington Post learned how to turn their journalism, distribution and subscription models towards digital. And yet, they are "still a long way away from compensating for their loss in print revenues" (Küng 2015, 3).

Other financially successful legacy-media groups like Springer in Germany and Globo in Brazil have invested heavily in non-journalistic digital operations.³ They are now selling cars, houses, dog food, partner-

² <http://www.niemanlab.org/2014/05/the-leaked-new-york-times-innovation-report-is-one-of-the-key-documents-of-this-media-age/>

³ For recent company data see e.g. Mediendatenbank of the Institut für Medien- und Kommunikationspolitik: <http://www.mediadb.eu/datenbanken/internationale-medienkonzerne.html>.

ships and more. Half of Springer's income and a wider profit margin than with the news operation is coming from other digital businesses rather than from selling news. At the same time the new kids on the block have grown up fast: Vice, Quartz, BuzzFeed and more have set new standards in digital journalism. Kovach and Rosenstiel ask the key question: "To what extent do the principles that guided journalism in the nineteenth and twentieth centuries still apply? Indeed, are there any principles at all?" (Kovach and Rosenstiel 2014, X). What further complicates analysis and categorization is this: Digital platforms offer just about unlimited space for all kinds of new publications. Individual YouTube channels enjoy thousands of subscribers. Specialized internet projects, bloggers and freelance, data-driven journalists are finding their feet – economically, as well.

Also hybrid forms of ownership sometimes look promising: Like journalistic newcomers old, big names like El Mundo's former co-owner Pedro J. Ramirez are investing in new digital crowdfunding projects with young teams of digital-minded news professionals. With its emphasis on quality content – one third covers political topics – their digital news operation El Español has earned a good journalistic reputation and growing subscription numbers in a short time (del Arco Bravo et al. 2016, 540).

They all are searching for new (international) audiences with content on all kind of technical devices – and creating new jobs for data journalists, search engine optimisers, community managers, social media experts and other developers for interactive, digital journalism with job profiles which were unknown only a few years ago.

Which throws up the following questions: Who is still a journalist in 2017 and what does she/he do? Is there a system that might help identify and categorize the variety of tremendous changes in what is researched internationally as the "Worlds of Journalism" (Hanitzsch et al. 2011, 273–293).⁴

For relevant answers we need

- New definitions: Communication science groundwork in the international context needs to ask the following questions: What defines journalists? Where and how is the drawing of borders between professional journalism and citizen journalism still possible? What types of convergence and delimitation exist between journalism on

⁴ Medienhaus Wien and the Austrian Academy of Sciences are currently working on the FWF Research Project "Journalism in Transition" (P 29614-G27). The Journalism Report V, and this chapter in particular, are part of it.

the one hand, and, on the other, advertising, PR and the prospering media projects of corporate publishing, all of which are increasingly becoming integrated into a journalist's job description?

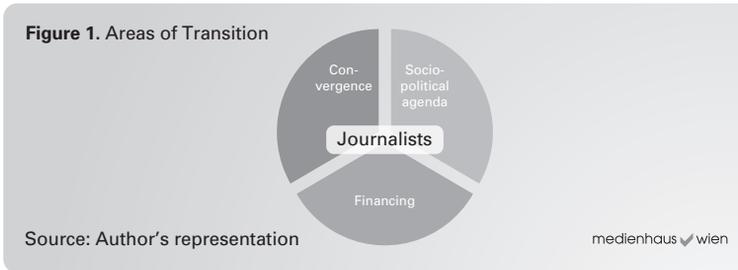
- New characterizations: We need surveys that aim at determining, among other parameters, journalists' changing role perception and political self-conception, ethical guidelines, media-convergent working conditions and qualification perspectives. Hereby we have to see the relevant differences in media-cultures as e.g. defined by Hallin/Mancini (2004). Just think of how the politically bi-polar fundamentals of the Southern European media systems are very different from the more corporatist Central European models in countries like Germany or Switzerland and from the Atlantic understanding of independent and investigative journalism in Great Britain and the USA. We have to expand our comparative analysis to Eastern Europe and all the continents systematically after decades of Western European- and US-centric media and journalism research.

Actors in the field of journalism are reliant on such particular media structures like resources, the rules of their environment, social embedding or allocative resources (Altmeyden and Arnold 2013, 12). The question of what functions the media still discharge as a social system today (Luhmann 2009) is becoming increasingly relevant.

Philip Meyer, as mentioned, described a negative trend in *The Vanishing Newspaper*. But, at the same time, he somehow remains optimistic that journalism might survive in different ways and formats. He coined the term "precision journalism" (Meyer 2012). For half a century the journalism professor, himself a winner of a Pulitzer Prize in 1967 for very early computer assisted research for the Detroit Free Press, had expressed the opinion that there would be further need "for systems that synthesize and process data into shared knowledge". This was long before Donald Trump's calling unwelcome media coverage as "Fake News" during and after the 2016 presidential campaign in the USA and before right wingers' raucous bawling using the German Nazi vocabulary of "Lügenpresse" during and after the 2015 wave of refugees in Europe. Both obviously aim to discredit journalism in general.

Hence, the question for all kinds of journalism remains then, how to guarantee quality standards in new media eco-systems adverse to a very critical public opinion and – which makes it even more difficult – while "the old stuff gets broken faster than the new stuff is put in place" (Shirky 2009). The latter has become a dictum of many a media researcher and media managers.

How to analyse change then, which can we recognize and categorize? US journalism, earlier than the European, had been facing “a revenue problem” as the annual *State of the News Media* report (2009) by the Pew Research Center already stated analysing 2008 market data – right before the worldwide economic crises amplified the negative trend. In a preliminary, more schematic approach, three major developments can be identified since, which have consistently changed legacy journalism and, thus, have newly defined its occupational fields:



- the technical changes brought about by the internet and digitalization, with their *convergence* consequences on all levels of the production process;
- the general alteration of the *sociopolitical agenda* and of the perception of the media system in the context of international, digital network conditions, social media development and its effects on legislative and regulatory general conditions, which, in turn, impact journalistic activity;
- the considerable shifts in the advertising and audience markets, shifts which have been eroding the legacy media's *financing*, their business models and their investment in journalism.

These realms, which are currently changing drastically, can be differentiated into three sub-levels (macro, meso and micro). The following matrix was devised as a basis of the research endeavour. Its aim is to give orientation whenever – almost every day – new questions about recent transitions of journalism and about changes in general and planned innovation in the field arise.

Table 1. Journalism Transition Matrix

	A. Change due to Media Convergence	B. Change in the Sociopolitical Agenda	C. Change in the Basic Principles of Financing
Macro Level – Media System	Digitalization and technical convergence	Changes in media perception, network culture, legislation and regulation	Change in advertising and sales revenues, new digital competition
Meso Level – Enterprise	Convergence within the enterprise and the newsroom	Internationalization vs. regionalization and specialization	New models: e.g. crowd funding and paywall, household charge on broadcast media
Micro Level – Journalistic Work Methods	Cross and trans-media journalism, new professions, usage of big data	Social web, blogs, storytelling: new journalistic formats, actors and interactions	Dissolution of borders: journalism, PR, advertising, organisational communications

Source: Author’s synopsis

For a better understanding of the meaning of this matrix let us further explain its raster. It is based on the conviction that for analysing new phenomena in practical journalism we need a structure to understand its sources and its goals. For the researcher there is nothing more practical than an applicable theory. But the questions are so manifold: How do copyright laws or search engines affect journalism? How shall professional journalists react to attempts from politicians with the US president at the top and all kinds of organisations and commercial companies to bypass media and journalism and their critical surveillance via social media channels? What happens in the newsroom when TV, radio and internet staff is integrated for news production? Is entrepreneurial journalism just a temporary emergence or enduringly changing the media landscape and professional options? On which level does which new technology influence journalistic production?

Henceforth, the idea is to find a system of layers and operational levels to explain more systematically what is going on. Here is the matrix suggestion with more details.

A. Convergence

Macro Level – Media System: Digitalization and Technical Convergence

The mid-2000s saw the transition of the internet to Web 2.0: Facebook erupted into the virtual space in 2004; Twitter was launched in 2006; Instagram went online in 2010. With its innovative functions and its novel

social and information management tools (Schmidt 2009, 71), the new web changed the world of communication. Some few years later, these technical developments manifested themselves in convergent end devices: the first smart phones hit the markets in 2007; Apple introduced the iPad in 2010. Not only do these technical innovations alter users' perception, they impact journalists' work routines as well. Social media are increasingly becoming a research instrument and Twitter, as we see, a US-presidential key communication tool (Albarran 2013; Hanusch 2017); smart phones and tablets have become permanent companions of the photograph-snapping, tweeting and interacting journalist. The above goes hand-in-hand with new tasks in management, further education and changes in the field of workflows (Diehl and Karmasin 2013, Kaltenbrunner and Meier 2013, 285). We are re-defining the media sector as a result of convergence processes, "driven by the increasing centrality of software and digital technologies" (Küng 2017, 7).

Meso Level – Enterprise: Newsroom Integration

In the last decade, newsroom convergence has been the main thrust direction in the strategic development of traditional print media companies in the USA, Asia and all over Europe (e.g. El Mundo or the Welt Group, New York Times or The Times of India). Equally developed for broadcasters like the BBC in its new integrated London headquarter since 2013 or the Danish Public Broadcaster DR as one of the pioneers of integration online, radio and TV operations since 2006. Initially, newsroom projects used to be perceived – much too often – as primarily architectural or technological tasks before content was discussed and the "reshaping the 'legacy' of legacy media in the online scenario" was considered a mainly journalistic challenge. (García-Avilés et al. 2014 and 2017). The fundamental change in journalists' work methods and their – to some extent – new tasks was insufficiently considered and even more sporadically researched scientifically.

Experience in North-American companies shows that, for numerous media companies, the transfer of production into integrated newsrooms primarily brought about editorial office savings. Goyette-Côté et al. demonstrate, based on Canadian media examples, that it is frequently the journalistic content that draws the short straw in such discussions (Goyette-Côté et al. 2012, 760). Our own research and market observation showed the same phenomenon with early integration projects in many European locations, especially in Central and Southern Europe (Carvajal et al. 2009).

Micro Level – Journalistic Work Methods: Cross and Trans-Media Journalism, New Professions

The present-day journalist is expected to be a tweeting, live-filming and, in parallel, a profound, in-depth-analysis-writing individual. The changes Web 2.0 brought to the world of media and the transformations it triggered in the professional reality of journalists are comparable to the impact of Gutenberg's printing press.

For instance, Twitter has become indispensable as a reporting tool for important events like aircraft crashes or revolutions (Hermida 2017). Of course: In different countries it is used differently. Twitter in Austria is an in-group phenomenon, a tool especially used for communication of media professionals and politicians. In Spain it is used by almost all social groups for all kinds of sharing of information, gossip, stories about stars and starlets. In the USA the president gathered 26 million followers behind his private account and another 16 million for the official "Potus" Twitter by March 2017. He alone has sent 35.000 tweets since opening his private account in 2009 – which statistically means a dozen daily. Twitter in political communication and daily journalism hereby has become an instrument to set the agenda and win the sovereignty of interpretation.

In parallel, Twitter has also evolved into a powerful tool of professional news content dissemination and as a traffic generator to professional news websites (e.g. Armstrong and Gao 2012, 495–496). The pressure on journalists to use Twitter is accordingly high.

Cross-mediality also spawns novel occupational fields, like that of community managers, who act as new go-betweens in journalism, shuttling between the gatekeepers, quality managers and moderators of a (deliberative) online discourse (Braun/Gillespie 2011, 395). Another case: the data journalist, who, in order to process data, needs to combine the skills of a graphic developer, statistician and journalist (Weinacht and Spiller 2014), but who, at the same time, is required to display profound understanding of the matter at hand. New technical capabilities, like search engine optimization (Dick 2011), are increasingly regarded as requirements for successful journalistic careers in the digital world.

As Kaltenbrunner et al. (2014) demonstrated, the new questions which media convergence has generated with regard to self-conception are reflected in the education of journalists across German-speaking countries, where cross-media, technical skills and convergence management are the new foci of numerous study programs at colleges, universities and journalism academies.

B. Changes in the Socio-Political Agenda

Macro Level – Media System: Changes in Media Perception, Network Culture, Legislation and Regulation

The demise of the traditional gatekeeper system brought about displacements in the communication hierarchy. Important new buzzwords are transparency (e.g. Meier 2011, 230) and accountability: To whom are journalists accountable? How do media enterprises generally ensure that their responsibilities towards society are met? The latter has already been investigated within the scope of European comparative research projects (Media Accountability: Mediaact 2010–2013; Legal Responsibility: Mediadem 2010–2013).

Mass media are assigned new tasks in the “network society” (e.g. Castells 2011). For journalists, the crucial issue was in what manner traditionally defined professional expertise, competence in the journalistic implementation and socio-political orientation knowledge (see e.g. Weischenberg 1990) could be brought to bear. Proficient, profound reflection is gaining ever more significance in the competition between millions of communicators. “Journalism still standing its ground in 2020 will have to be increasingly reliant on quality assurance, articulateness, [and] critical analysis of reality” (Kaltenbrunner 2009, 108).

Of course the areas as we describe them in our transition matrix are interlinked: National media are, ever more frequently, compelled to face international competition from the likes of Google or YouTube, which holds true for both journalistic performance and for the apportionment of the advertisement pie. It becomes evident that national media policy regulations are reaching their narrow limits. Yet, they are integrating different rules – such as the “Google Tax”⁵ – for digital copyright in different European countries. Even supposedly logical, traditional measures, like press subsidies (Nielsen 2014), have not been coordinated inside the EU. Not too much in-depth research in those fields is available – but evidently (new) political regulation has a drastic impact on journalists and their work.

Meso Level – Enterprise: Internationalization vs. Regionalization and Specialization

The media internationalization trend which has been clearly manifesting itself in the author’s small home-country Austria since the end of the 1980s is just as evident in numerous worldwide equity holdings

5 See e.g. Daily Telegraph. <http://www.telegraph.co.uk/finance/autumn-statement/11284781/Google-Tax-targets-double-Irish-tax-avoidance.html>.

of e.g. Comcast/Nbc, Fox, Vivendi, as well as Bertelsmann (see Institut für Medien- und Kommunikationspolitik 2013). Austrian media, for a long time “concentrated and interwoven” (Steinmaurer 2002), have had majority shareholders like Funke/WAZ-Gruppe, Gruner+Jahr/Bertelsmann, Pro7Sat1-Gruppe⁶. Spanish media likewise are part of large international groups, such as El Mundo with Unidad Editorial integrated in the Rizzoli group, Telecinco as part of the Berlusconi imperium. And if the US’ largest media take-over of AT&T buying Time Warner is finished by the end of 2017 this, of course, also includes the large international activities and shares of Time Warner’s TV sector Turner broadcasting, so active in Latin America, Europe and Asia.⁷

In parallel, access to information is becoming ever more specialized within the ranks of the public at large. Tattoo magazines cater to special interests, while numerous publishers attempt to expand their portfolios and avail themselves of the opportunities of complementary and additional purchases by means of apps dedicated to cars, dogs, stock, etc. Traditional media enterprises utilize two apparently opposite strategies when it comes to dealing with concepts in media economics and journalism. However, these are the two sides of the same coin: internationalization expands networks and markets, while the establishment of new special interest media and the regionalization of reporting and (digital) discourse cater to the requirements of specific target groups in a selective manner. “Local newspapers are at the heart of conversations” says a preliminary report by Columbia’s Tow Center for Digital Journalism researching the regional US newspapers’ (growing) importance for communities (Radcliffe and Ali 2017).

This theoretically boundless brand of journalism which desires to connect its audience with the world at all levels and at the same time aims at intimately understanding its audience’s interests requires a professional redefinition of journalism and, above all, of the occupational profile of the journalist.

Micro Level – Journalistic Work Methods: Social Web, Blogs, Storytelling. New Journalistic Formats, Actors and Interactions

One of the most significant changes to occur in the journalist’s socio-political role – as a conduit to the community at large – results from the numerous technical developments ushered in by

6 Der Standard. <http://derstandard.at/2000001818356/Oesterreichs-groesste-Medienhaeuser-ORF-erreichte-2013-die-Milliarde>

7 For more detailed market data see: Mediendatenbank, MediaDB.eu, e.g. October 23, 2016. <http://www.mediadb.eu/dossiers/dossiers/newsdetail/article/mega-merger-alle-hintergruende-zum-att-time-warner-deal.html>.

Web 2.0. As early as 2008, Bruns summarized this development tersely: “Anyone can edit”; what he referred to was not only the softening of the journalist’s gatekeeper role, but also the increased opportunities newly open to sundry players in society to become involved in the marketplace of opinions. Every citizen is, potentially, a generator of content – for instance in an encyclopaedia or in their own blog or YouTube channel – and thus becomes a hybrid “producer”. The term is derived from “produsage”, which designates the process of open participation and integration of many, conceivably all individuals in the production mechanism (cf. Bruns 2008, 22).

In 2017, this trend signifies a great change for journalists. Companies communicate their advertising messages directly via Facebook, politicians and parties attempt to convince their potential constituents by means of Twitter campaigns, readers encounter clueless palaver galore on blogs, but also profound knowledge emanating from renowned experts.

Especially in heated political debate and situations we will find those new players presenting themselves as journalistic products with unclear standards, often serving as propaganda instruments: There is ongoing research about the “role of the new media in the Arab spring” (see e.g. Khondker 2011; Axford 2011). There is not so much scientific analysis yet of the role and obviously great relevance of new media websites such as the US “Breitbart News”, a “platform of the alt-right” as its co-founder and today’s presidential advisor Stephen Bannon characterizes it.⁸

The boundaries of the ever more blurred occupational profile of the journalist are rendered increasingly frayed. It is unclear how these new actors are to be incorporated into the journalistic system, how they are to be assessed and, not least of all, whether they are to be integrated into a broader definition of journalism. In many new approaches of digital “storytelling” and of “content marketing” in PR, journalists are described, rather on the contrary, as avoidable disruptive factors. Communicators – whether in the service of parties, associations, enterprises or citizens’ action committees – should use their digital public relations as directly as possible with an eye to building trust (Schultz and Wehmeier 2010).

Another serious consequence of media convergence is the hampered delimitation of private and public communication – notably for journalists. The different reverse channels (Twitter, Facebook, fora, etc.)

8 Der Spiegel. <http://www.spiegel.de/politik/ausland/donald-trumps-wahlkampfchef-stephen-bannon-a-1120893.html>.

facilitate, as previously described, amendment and supplementation; conversely, they also require a reassessment of the journalistic self-conception. Many journalists are registered on Facebook, have Twitter profiles, are Google+ members or have Instagram accounts. But: What does one do there? How does one behave in Web 2.0? Is one a private individual, or a public opinion maker? Are pointed statements issued by journalists of public broadcasters popular on Twitter merely an airing of private opinions?

C. Change in the Basic Principles of Financing

Macro Level – Media System: Change in Advertising and Sales Revenues, New Digital Competition

Staff reductions at large newspapers; the demise of small regional dailies; continuous shrinkage in linear broadcaster market shares – especially TV, which faces fierce competition from international players beaming in via satellite, cable and internet: all these are clear indicators that the legacy media are staring hard times in the face.

Trends are similar in very large and in tiny media markets of the Western Hemisphere: Pew Research Center's annual *State of the News Media Report* in 2016 sees a shrinking of the newspaper work force by 39 % during the last 20 years until 2014 in the USA. 126 daily newspapers had closed in a decade since 2004 (Barthel 2016).

Fourteen daily newspapers are wooing the readers on the current market in Austria. There were twenty-nine in 1983 (Kaltenbrunner 2014). Most print media are bleeding paying readers continually. There were only a very few new print projects worldwide in the newspaper business – most of them failed fast: as did *El Público* in Spain, which closed in 2014 after only two years in the market. But there were also signals of how transfer to digital might give economic hope: *The Independent*, founded in 1986, which has cut in half its journalistic staff and stopped printing the newspaper in February 2016, reported black figures with its digital only news operation half a year later.⁹ The slump in advertising and classified ads is, next to sagging sales figures, the main reason for the financial dire straits. Advertising is, in 2017 as ever, the most important source of revenue for most media, as is shown by up-to-date statistics emanating from the USA, where 69 % of revenues can be

⁹ See e.g.: <http://meedia.de/2016/12/01/vor-sechs-monaten-hat-der-independent-seine-print-ausgaben-eingestellt-und-ist-jetzt-seit-ueber-20-jahren-erstmal-wieder-profitabel/>

ascribed to advertising (Pew Research 2014b). The same holds true for Europe. The revenues of legacy media are gradually moving into the hands of new digital platforms like Facebook and Twitter.

Further absorption occurs especially through Google and Facebook – a development increasingly discussed in Europe, or discussions on ancillary copyright (Futurezone 2014). To give an example: In 2013 the trend was already clear in Germany: Google.de claimed the top position in the ranking of German internet enterprises with a turnover of just below two billion Euros. Far behind, iTunes came in second with a mere 360 million Euros in yearly turnover (Rentz 2014).

The state and parastatal organisations have traditionally played an important role in some countries, especially in Central and Northern Europe, to support traditional media brands. Public finance has frequently been brought to bear, subsidiary even, in the wake of the significant drop in advertising revenues for legacy media which accelerated in 2008 with the financial crisis. Questions of political regulation and of new competition in ad- and sales-markets are closely connected then: The big international digital players are often charged very low taxes for their worldwide income in safe havens whereas legacy media usually have to pay their higher national taxes.

Meso Level – Enterprise: New Models from Crowd Funding and Paywall to Household Charge on Broadcast Media

The search for new business and pricing models has, however, just begun: reluctant board discussions regarding paywall models – inspired by the success of the New York Times which, however, cannot be emulated – are becoming the norm.

Praiseworthy proactive journalistic achievements are documented in detail in the media like that of the Krautreporter (krautreporter.de) in Germany, who, as an independent group, succeeded in signing up 15.000 customers for digital subscriptions – experiences difficult times in the following years. They could not fully follow the so far more successful example of the Dutch crowdfunded project DeCorrespondent.nl. And we will follow the very new project of Republik.ch in Switzerland.

In the USA a Pew Research study counted more than 600 journalistic projects that have received crowdfunding since 2009, from support for individual reporting to co-funding of established media-organisations such as ProPublica (Vogt and Mitchell 2016).

Public broadcast managements everywhere intend to develop a new financing scheme for their public: a household charge on broadcast media to replace other fees, which are based on (increasingly difficult to

define) end devices as in Germany is one version (Publicom 2015; Berg and Lund 2012).

It's the economy, stupid: Journalists across Europe declared in a huge study in 2012 that financial pressure was the most significant burden they experienced daily in the editorial department (Fengler et al. 2014). For journalists, the labour market is becoming increasingly competitive and the struggle for well-remunerated positions more cut-throat.

At this point, it is still not clear in what manner the new financing models influence journalism. The yet-to-be-determined accretion of these models requires a reassessment or, at the very least, a new discussion of these content creators.

Micro Level – Journalistic Work Methods: Dissolution of Borders between Journalism, PR, Advertising, Organizational Communications

What the financial situation of the media industry brings about for journalism on the micro level is a further blurring of boundaries. The financing crisis makes the borders between PR, respectively advertising, on the one hand, and journalism, on the other, more porous. The hybridization of journalism is narrowing, notably in niche magazines and niche fields. The trend is towards an "ad-driven discourse" (Bærug and Harro-Loit 2012, 182f.). The new buzz-word *content-marketing* is its symbol.

Novel questions are generated in the grey zone at the confluence of supposedly independent journalism and corporate publishing. Austria has given rise to a benchmark: the Red Bull Media House, whose core business is beverage production, is undertaking a "finely calibrated campaign" in the media industry (Der Spiegel¹⁰). In its print publications, its proprietary TV station and diverse web portals, it produces print and TV formats deemed high-quality as regards journalism and design, as well as openly declared product marketing and sports reporting in line with their sponsoring activities. For journalists, young and old, the Red Bull Media House has become an important new employer: the job experience is coupled with a juvenile, *feel-good* brand of journalism addressed to a younger audience.

Ultimately, the takeover of quality journalism by high-flying entrepreneurs from unrelated industries is a trend, as well – as recently illustrated rather spectacularly in the acquisition of the Washington Post by Amazon founder Jeff Bezos in 2013. Feuilleton writers, for instance

10 Der Spiegel. <http://www.spiegel.de/kultur/gesellschaft/red-bull-baut-zunehmend-erfolgreiches-medienhaus-auf-a-894939.html>.

at the German Zeit magazine, feared the demise of the Washington Post and the end of the line for its protagonists: In Jeff Bezos' internet economy, the quality of journalism will be mercilessly measured by the reach. Unfortunately though, "good journalism is, to a large extent, unprofitable", says Die Zeit.¹¹

The former Guardian's online director Emily Bell understood Bezos' investment as a "cultural statement", and found it interesting to follow what an internet entrepreneur and multi-billionaire would do in the "irrational world of newspaper ownership".¹²

Four years later, Bell, today the director of Columbia University's Tow Center for Digital Journalism writes: "The involvement of Jeff Bezos and his money at The Washington Post has been, from a civic and journalistic point of view, wholly beneficial." She seems optimistic that even with internet billionaires like Facebook's Marc Zuckerberg one should now discuss "the information environment we want to create in the smoking ruins of the one that has been systematically destroyed by external and internal forces" (Bell 2017).

Yet, one might see more light and more shadow likewise. True, we are witnessing the tectonic destruction of media landscapes as we have known them for decades and centuries – but at the same time this shapes out new chances and perspectives for journalism. For this, we need a systematic approach to structure, analyse and interpret. Our *Matrix of Journalism in Transition* might be a helpful instrument.

11 Die Zeit. <http://www.zeit.de/wirtschaft/unternehmen/2013-08/bezos-washington-post-kindle>.

12 <https://www.theguardian.com/commentisfree/2013/aug/06/jeff-bezos-washington-post-media-marriage>.

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A practitioner's view.

Peter Bale, *president of the Global Editors Network, USA*

Confrontation Drives Innovation and Tests Strength

An unprecedented confrontation between the leader of the free world and the global mainstream media is calling into question some of the basic tenets of the role of the fourth estate in civil society.

The deliberate undermining of trust and confidence in the media by the president of the United States is forcing journalists and publishers to reconsider their relationship to audiences and the methods by which they gather and deliver information.

It is sadly ironic that the greatest threat to press freedom in its theoretical home – the United States – comes at a time when decades of shrinkage in traditional advertising and subscription models have left many publishers weaker than ever financially.

It is no accident that the instinctive corporate power broker Donald Trump repeatedly calls the New York Times “failing” and attacks one of its shareholders, Mexican billionaire Carlos Slim. This is as much an attack on the diminished corporate power of media as it is against what the media might actually publish each day.

It is also why Trump has effectively held hostage the AT&T bid for Time Warner, using his disquiet at reporting by CNN, to see if he can none-too-discreetly influence the tone of the world's most important television news outlet through its prospective new owner.

Enemy fights back

In public, the president's description of the media as “the enemy of the American people”, seeks to delegitimize journalism itself. And if you think this is just a U.S. problem, think again. Cambodian strongman Hun Sen used Trump's outburst as justification for his own crack down, saying: „Donald Trump understands that they are an anarchic group.”

Trump is just the tip of the spear of an outright attack on the role of media in civil society worldwide. Other factors at work are the steady erosion of trust among the audience – which may be almost impossible to regain once it is lost – and the huge drift in attention to social media platforms and algorithmically-defined news sources, which vacuum up

and aggregate hundreds of news brands into an amorphous brand-eroding stream of information.

Against the combination of political, economic and technological threats it is arguable that innovation has accelerated over the past 12 months as media companies, journalistic collectives, some thinking politicians and technology firms realise what is at stake.

Innovation worth mentioning in this vein could include:

- The Trust Project, led by the Markkula Center for Applied Ethics at Santa Clara University in Silicon Valley and backed by Google, a wide range of media outlets and media philanthropist Craig Newmark. It is going to the heart of the lack of trust and finding incremental changes to reporting methods, transparency and areas like fact-checking in an attempt to restore trust.
- The Washington Post, under new owner Jeff Bezos, is quietly revolutionizing its underlying technologies, combining news metrics with news judgment to create new tools to get ahead of stories and detect public sentiment. It's also turning itself into a technology vendor, offering its world-class content management system to others.
- Norwegian publishers have joined forces to create Faktisk, a new combined fact-checking standalone operation to use reporting methods to confront the likelihood of “fake news” and the usual misleading claims ahead of the Norwegian election. It is a great example of news groups collaborating without being directed by governments, which is the way the fake news issue is playing out in some other European countries.
- Collaboration was the big news of 2016 with the unprecedented work of the International Consortium of Investigative Journalists (ICIJ) in coordinating the analysis, dissemination and publication of the Panama Papers. We can expect to see many more of these large and small collaborations, including entirely new arrangements such as the BBC in the UK working with local newspapers to defend home town journalism.
- Business models are also evolving with substantial input to journalism from philanthropic groups – from the Rockefeller Foundation supporting reporting on urban issues in The Guardian to multi-million dollar grants to investigative news outlets and fact-checking groups by U.S. businessmen Pierre Omidyar and Craig Newmark and others. Not to mention crowdsourced and member-funded projects like The Correspondent in the Netherlands and German investigative group Correctiv.

- Platforms, led by Google with Facebook now following it into this area, are also taking their responsibilities more seriously. Google has long supported mainstream and independent journalism and has invested in the Digital News Initiative to create a fund to support innovation in Europe. Yes, there is a public relations dimension to this, but it is clearly constructive. Facebook is also realising its own importance while it has yet to accept the responsibilities that come with being a publisher.
- Multi-talented newsrooms: one of the key innovations which has crept in over time but which, if you look at it over a decade, is remarkable, is the way newsrooms have retooled themselves. VG newspaper in Norway is now the primary source of breaking news in that market, the New York Times is now a leading video source, The New Yorker does podcasting, daily reporting and documentary films. Almost all newsrooms operate at a speed that was once the preserve of financial news agencies like Bloomberg and Reuters.

That record of historic and current innovation should stand the news industry in good stead (though non fully deal with the decline in the advertising business model, which is the subject of a different commentary). However, when the greatest source of “fake news” is a president who has himself innovated and disintermediated the traditional role of the media, we have to stay on our toes and keep competitive with rivals and with our subjects.

Identifying Innovation

How to grasp the chance of change – some lessons from Spain

Jose A. García-Avilés, *professor of journalism, University Miguel Hernández, Spain*

Innovation often marks an organization's competitive edge in any industry. It could be described as "a process that combines discovering an opportunity, blueprinting an idea to seize that opportunity, and implementing that idea to achieve results" (Anthony 2012, 17). Moreover, innovation is not limited only to a particular product, technology or content; rather, it may be based on a new combination of pre-existing ideas, processes and/or resources.

New technologies enable smaller companies to develop disruptive products and processes, thus overriding the dominant companies in a disruptive or incremental way. In 1997, Clayton Christensen noted that "disruptive innovations" amount to a complete break with the existing set-up and the introduction of a wholly new change. Accordingly, "incremental innovations" are improvements to existing processes and usually require existing capabilities to be expanded or adapted.

How to measure changes – the Index of Journalism Innovation

Media organisations need to develop strategies that respond to the disruptive changes in the industry at a time when technology, user behaviour and competitors' reach are evolving more rapidly than ever. As Lucy Küng (2015, 107) argues, "an unequivocal strategic focus involves clear priorities, which allows intelligent resource commitment and brings consistency and agility". For example, *The New York Times 2020 Report* (2017) outlined how "the most influential news organization in the U.S." needs to innovate in storytelling formats, use of visuals, audience engagement or news coverage priorities, thus establishing a clear path for facing the challenges ahead.

In fact, it can be argued that innovation is a must for any media company in our fast changing environment. When legacy media are witnessing their traditional business models crumble and many new players fail to achieve economically sustainable strategies, there is an increasing need to explore and implement innovative alternatives.

In this paper, we define journalism innovation as *the capacity to react to changes in products, processes and services through the use of*

creative skills that allow a problem or need to be identified, and to be solved through a solution that results in the introduction of something new that adds value to customers and to the media organization.

Thus, innovators become change agents who are expected to be good at identifying audience or company needs, and finding new ways to satisfy them. Media innovation requires a solid leadership, which integrates both people and resources in the processes of change (García-Avilés 2012). However, journalism innovation seems to be ill defined and poorly captured by statistics: there are few studies that quantify the reach of innovations in media companies.

Previous work by our research team produced an “Index of Journalism Innovation” in Spain, showcasing 25 of the most innovative cases (García-Avilés et al. 2016). We designed a matrix that measures an innovation index of market-specific media initiatives. Our method consisted of: a) sample collection and selection of case studies; and b) the quantitative and qualitative analysis of each innovation identified in the selected cases.

To choose the sample, we consulted a group of experts from the following fields: audiences, entrepreneurship, new narratives, online journalism, business models, social media, marketing and media consultation. Each was asked to put forward a list of ten Spanish media initiatives that, in their opinion, were the most innovative. The experts’ replies were then grouped into a list containing 60 innovative media initiatives. A final sample of the 25 most relevant cases was selected. To carry out the selection, a three-part filter was implemented: a) social relevance, b) professional relevance, and c) expert relevance.

To generate the Index of Journalism Innovation, the most innovative cases were analysed through a database consisting of 196 innovations. The method consisted of a qualitative and quantitative analysis of each selected case study, taking into account the four key areas of the media process: a) the product or service they provide; b) the production and distribution processes; c) the nature of the newsroom organisation and team; and d) the commercial actions or strategies.

These results indicate that, in Spain, journalism innovation occurs at the margins of the traditional news industry and, for the most part, it is expanding among digital natives, niche outlets and start-ups. Paradoxically, the economic crisis which has hit the country over the last nine years has led to many new projects: according to the Madrid Press Association, over 450 new media outlets have been launched since 2008, while over 12.000 media jobs have been lost in the same period. For this study, data were collected from interviews with 20 journalists

working in some of Spain's most innovative media: 10 professionals from seven outlets which were included in the Index of Journalism Innovation and 10 professionals from seven other outlets which were not in this Index. Among them are Fundación Civio, a public service foundation which has launched several investigative and collaborative news sites; El Confidencial, a successful digital native with a 100 staff newsroom; and Revista Vis-à-vis, an interactive magazine designed for iPads¹³. These 14 media initiatives were selected because of their commitment to innovation, which was discerned through market reports, professional assessments and the researchers' knowledge of the market. El Confidencial was invited to explain its development and experience more in detail in a "practitioner's view" for this Journalism Report (see the next contribution in this book).

Implementing innovation in the newsroom

According to the interviewed journalists, innovation mainly takes place in five areas, the foremost of which include contents and narratives followed by audiences, tools and technologies, media organisation and business models. The most innovative media outlets foster interaction between various departments and flexible workflows that encourage the spread of an open culture throughout the organisation. One senior editor argues that, "innovation arises from the idea that we have to be different at all costs. It's a way of surviving over the long term and of improving and providing the brand with values". El Confidencial's social media editor notes that, "a media outlet is innovative when it dedicates a major part of its resources to experimenting, to testing and to producing new narratives".

Some of the interviewees argue that innovation is a process that frequently comes from the management side, but which should be implemented from the ground up – in other words, it should come from rank-and-file professionals. As one editor highlights, "innovation should cut across the whole company, where everybody takes part and the greatest number of people on the corporate ladder gets involved".

Innovation arises from the leadership provided by management. According to one journalist interviewed, innovation involves the capacity to respond to opportunities and threats within the market, thereby "managing to beat competitors, identify opportunities and take risks". Most journalists emphasise the importance of "experimenting", of "trial and error". There is a general consensus that for a project to be inno-

¹³ The full list of media outlets included in our sample is in the Appendix. The 2014 Index of Journalism Innovation in Spain is available at <http://mip.umh.es/ranking/>.

vative it should involve an improvement in terms of audience, prestige, revenues and/or market share.

The main obstacles faced by journalists when it comes to innovating include a lack of investment, absence of leadership, or of a clear strategy that sets out and promotes specific goals. One interviewee stresses that innovation only occurs “in isolated cases, not as an integrated management policy” and that “it is often a public relations activity to promote the media outlet”.

There is a general lack of innovation in most Spanish newsrooms because “management resists change and it’s hard for them to transform structures or news practices that have developed over years”, claimed one journalist from Fundación Civio. Many managers interact with small groups from a similar level within the company organisation and barely have any contact with other areas in the newsroom. They therefore tend to stick to established models and resist change.

Examples of media innovation

The interviewees showcased numerous examples of innovations which have been implemented in their newsrooms, which we classified into five areas: content production, newsroom organisation, distribution, interaction with audiences and commercialization (Table 1).

In content production, we found several innovations such as the implementation of an in-house Content Management System (CMS) that is scalable and exportable to other companies; the production of long-format features, which increases the time users spend on a web page; interviewing candidates using 360° video during election campaigns; producing webdocs with *immersive* narratives, including data journalism visualizations; and creating bots that automatically inform about share prices on the stock markets.

Table 1. Examples of innovation in the Spanish media

Production	Organisation	Distribution	Interaction	Commercialization
Implementation of an in-house scalable, exportable CMS	Multidisciplinary teams of journalists and technicians to develop projects	A WhatsApp channel that provides news alerts	Users who register and interact can collaborate in a readers' blog	Pre-payment membership system that ensures the outlet's viability
Long-format features that increase the time spent on a web page	Tools that facilitate internal communication between editors and reporters	Early morning and weekend newsletters for subscribers	Messages on Twitter, citing rival media, with continuous feedback	A crowdfunding campaign that raised 3.6 million euros in 2 months
360° video interviews with election candidates	Integrating professionals from various sections in news production	News app to follow election results	Tools to monitor audience behaviour in real time	New advertising formats natively integrated into the product design
Webdocs with <i>immersive</i> narratives	Using planning tools that enable users to track professionals' work	Creating open investigation databases that others can use	Generating public debate on social media about current issues	Branded content strategy to integrate brands within content
Using bots that automatically inform of share prices	Teleworking in decentralized newsrooms	All journalists collaborate in the distribution on social networks	A tool that allows users to send tips that reveal corrupt practices	News sections sponsored by advertisers or brands

Source: Author's research

In terms of organisation, the foremost innovations include multidisciplinary project development teams made up of journalists and technicians who provide feedback among themselves; the use of software that facilitates both internal communication between editors and journalists, and teamwork; generating contents at the same time, integrating several professionals from various sections; using scheduling software that allows newsrooms to know at all times what other professionals are doing; and implementing teleworking, with decentralized newsrooms that enable journalists to work from home or anywhere.

In distribution, mention should be made of a WhatsApp channel that provides users with news alerts; early morning and weekend newsletters for subscribers; launching a news app to follow election results; the creation of open investigation databases that anyone can use; and, in one particular case, all journalists collaborate in distributing on social networks to reach as many users as possible.

In audience interaction, innovations include a system that enables registered users to participate in a readers' blog; sending Twitter messages citing rival media and providing constant feedback to users; using tools

to monitor audience behaviour in real time; encouraging public debate on social media about important current issues which often go on to become trending topics; and launching a tool through which users can send alerts about corrupt practices or scandals.

With regards to commercialization, innovations include consolidating a system of members that, through a pre-paid fee, assures the outlet's viability; launching a crowdfunding campaign that allowed a digital native outlet to raise 3.6 million euros in two months; creating new advertising formats natively integrated into the news product; a branded content strategy to integrate brands within content; and securing sponsorship from advertisers or brands for news sections.

Innovation in newsroom workflow and structure

Most of these media outlets opt to strengthen teamwork without losing sight of their aim to synchronise their various work areas. They aim to generate positive synergies and quick decision-making. Managers prefer their staff to specialise in each area, allowing them autonomy in the decision-making process with the support of colleagues from other divisions. They tend not to abuse traditional contents meetings, as they believe this reduces productivity. Contents are designed with the distribution channel and audience in mind, something which conditions work dynamics and team collaboration.

A horizontal structure has been implemented in the day-to-day functioning of most online newsrooms. In a particular way, this horizontal approach has two objectives: to plan and to coordinate the day-to-day operations, thus giving stability and continuity to the work flow; and to identify, assess and select the existing talent among all professionals, regardless of their education, age or professional background.

With regards to coordination, one editor at El Confidencial highlighted the importance of working closely with developers and the technical department: "It's not a question of everybody being an expert in technology, but you do need to know the basics to understand the limitations and which things work and which don't". An interesting feature that illustrates the synergy between journalism, design and technology is that one of the news editors at a digital native is a computer programmer, because multidisciplinary work "makes it easier to see things from another perspective".

Section teams are normally small to medium sized, working intensely with external collaborators. Among the various profiles there is a fair degree of specialisation. However, a technologically cross-cutting profile predominates. In fact, experts in data processing and visualisation

are most valued. This use of technology is also integrated into the organisation. For example, the assistant editor of digital native Eldiario.es explained: “We use Telegram to make day-to-day decisions and use Slack for teamwork, so as not to have to have physical meetings and crash email in-trays”. Some outlets are beginning to work with WhatsApp to disseminate their contents. According to the head of the Audience Department in a digital native, “managing communication with 15.000 people through this messaging app involves a great deal of work and requires a level of organisation with constant synchronisation and updating”.

The decision-making process adopted by many newsrooms is basically horizontal. The best example of flexibility is found in a print magazine, *Revista Mongolia*, in which the configuration of the news agenda is made up collectively by a team of journalists. In this regard, many organisations opt to search for different news stories and for recycling through alternative approaches, which make use of work between innovative individuals and external collaborators, allowing them to obtain wider and richer points of view.

El Confidencial’s newsroom works at two different speeds: day-to-day to address current issues, while opting for investigative journalism to exploit these same themes at the weekends. In the same vein, the head of their audience department explained that her work dynamic was linked to data on users’ behaviour and their profiles, which involves monitoring data to better adapt to the audience’s needs and to create a strategy for the consumption of news stories.

The rise of media innovation labs

Innovation labs are a relatively new phenomenon in journalism. According to industry data, over 30 media labs operate worldwide, mostly in the United States and Europe. Although certain legacy media enterprises appear reluctant to innovate, others are developing strategies to face up to the industry’s disruptive changes, as indicated by the *New York Times’ 2020 Report (2017)* and the *BBC’s Future of News Report (2015)*. Large media outlets, such as The Guardian, the BBC and Financial Times, and also medium sized ones, such as Switzerland’s *Neue Zürcher Zeitung* and Denmark’s *Politiken*, have all created their own innovation labs. The implementation of an in-house innovation unit is a complex process, for inter-organisational initiatives can be bogged down in bureaucracy during the decision-making processes and halted by the industry’s general reluctance to invest in R&D.

Even though media labs do not necessarily imply innovation per se, these units seem to be a useful way to experiment in-house and implement innovative ideas in business, content, technology or other key areas. Media labs might take a variety of initiatives, such as a separate unit or department within the news organisation, a team of selected professionals devoted to these tasks or a collaboration agreement with a university or research centre, or even a combination of all these.

Several Spanish media outlets have launched their own innovation labs. Public broadcaster RTVE set up its Lab in 2011, as an “innovation vanguard” which produces new online formats and interactive narratives, such as webdocs and news games. Digital native El Confidencial launched its Lab in 2012, as a bridge between the newsroom and the technical department. It develops web redesigns, data journalism projects and social media interactions. Both labs are made up of multidisciplinary teams of journalists, storytellers, engineers and technology wizards. Other labs have also recently been launched in Spain by regional newspaper Diario de Navarra and by a large multimedia group, Vocento. In these innovation units, journalists and developers collaborate in the implementation of projects, increasing synergies and the implementation of new ideas through team interaction. Those journalists who work in a setting that encourages innovation (through design thinking, interdisciplinary challenges, experimentation, etc.) are more willing to take risks. As the head of the RTVE Lab puts it, “I work in a laboratory in which I get paid for making mistakes, rather than for being successful the first time”.

If an innovation unit is not arranged in a forward-looking way by senior management, an innovation lab could run the risk of losing grip on the company’s ground and might soon be classified by the news staff as an ivory tower or a silo. To avoid such tensions, it takes “executives who recognize the landscape and the need for innovation; otherwise they’ll be focused on still delivering their sort of operational yearly short-term budget, rather than thinking longer-term with a certain amount of budget”, says the head of El Confidencial Lab.

RTVE lab’s team has developed their own process of identifying new trends, developing prototypes, testing new ideas and launching horizontal projects with professionals from different backgrounds (news, technology, developers...). Due to the fact that technical conditions are constantly changing, the skills which are needed within the lab are permanently changing, too. Because they have such a small team – seven people –, everyone needs to be able to learn quickly and collaborate.

Some interviewed journalists agree on the importance of developing an

innovative culture. The head of El Confidencial Lab underlines that the main change in terms of the company's strategic position is that editors are focusing more on collaboration earlier in the process, which gives them the flexibility to bring people in very early in the process. Preference is given to teams of young journalists and multi-skilled profiles, since the initiatives no longer limit themselves to journalistic territory – many have widened their horizons to include other types of services with distinct business models, which in turn involves cross-cutting profiles with a great learning capacity.

Product innovation

The user should be at the centre of most innovations that focus on the product. The key nearly always lies in displaying news such that it is easier for the user to consume it. El Mundo's social media editor explained that they always try to “play about with all interactive possibilities provided by mobile devices”. Technology is often essential. In the Lab of public broadcaster RTVE, all projects aim to include 30 % of innovative technology that they have never used before, such as new programming languages. In addition to using free tools, they develop others that are useful in the newsroom.

Some media outlets are also focusing on other industries such as videogames, which are one step ahead in terms of garnering user loyalty. This involves applying mechanisms typical of *gamification* to journalism and adapting them to mobile devices. For example, Apester is a tool that allows surveys and personality tests to be created with different but effective contents. The design of apps for mobile devices is also coming to the forefront.

Video is increasingly gaining leverage and newsrooms are experimenting with new formats. Digital native Eldiario.es introduced 360° video in a series of political debates during the 2016 general election. The use of interactive video is also slowly growing. In this field, the latest innovation is using virtual reality in projects such as those from RTVE's Lab about the experiences of sportsmen and women prior to the 2016 Rio Olympics, its first in-house production with this technology.

Many journalists stress the need to use innovative tools to create content. The majority use software such as CartoDB, Tableau or Datawrapper to produce maps and graphics, some even with modified codes to adapt them to the needs of newsrooms. Others use software to obtain information from external websites automatically – so-called scraping. Mention should also be made of the automation of publication processes through the use of bots. For example, El Confidencial releases a

Tweet on its account when a company listed on the stock market experiences notable changes. This idea has also been exported to the Sports section, with automatic alerts about football teams' scores. Also, digital native El Español innovated with its editorial newsletter; it differs from bulletins published by other media because it not only shows its most important news items but also curates the most relevant stories in the national and international arena (largely an adaptation of Quartz's newsletter).

The common denominator closely matches the following formula: technological profiles and teamwork to achieve an innovative product that puts the audience first. Because, as one manager at Fundación Civio argues, "when ideas receive different influences from the outset, they grow".

Experimenting with business models

Innovation in commercialization is crucial in the context of the weakness of the traditional models and strong competition from large technology companies (Google, Facebook...). News start-ups, such as DeCorrespondent in The Netherlands and Krautreporter in Germany launched successful crowdfunding campaigns which shows that the reader revenue model, based on people willing to pay for quality journalism, is maturing in Europe. In Spain, the experience of digital player El Español, that raised 3.6 million euro through crowdfunding, also provides some hope.

Most of the interviewees agree that the greatest difficulty in innovating in the Spanish media industry is the lack of financing and the legacy of the traditional model. "An entrepreneur straight out of business school does not understand journalism. And a journalist straight out of journalism school does not understand business", points out a manager from the sports digital native El Desmarque.

Many interviewees believe that establishing strong relationships with users and advertisers is key to coming up with innovative ideas. For this, several of them value the subscriber's strategy and the offer of special advertising formats. It is difficult to compete against the big platforms in terms of the number of visits and unique users. They therefore offer personalised solutions, such as branded content, event sponsorship and interactive advertising. In general, interviewees were critical of banner advertising because of its intrusive nature. To tackle ad-blocking, they prefer innovative formats that are more qualitative and less antagonising.

The membership system is one of the most important commercial innovations in several digital natives. Eldiario.es's membership system works well because, according to its assistant news editor, "people pay not to read the news or to break the pay-wall, but to be part of the media, to do journalism with social values". Its main revenue source is advertising, but thanks to this system they gain a greater degree of editorial independence. As this editor argues, "involving readers, converting them into users, not just a mere passive audience is a very attractive model. Users' monthly subscriptions transform them into owners of the company in which they can enjoy a range of perks".

The close relationship with clients is one of the keys to certain commercial innovations, as it bypasses the resistance to change shown by intermediaries. El Español raised 3.6 million euros through crowdfunding in just 50 days during its launch campaign in 2015, breaking the world record. Its success was based on the popularity of its chief editor, Pedro J. Ramírez (El Mundo's former editor), an aggressive social media campaign and the promise of quality journalism and deep stories you could hardly find in other online media. El Español's staff was chosen for both their journalistic abilities and knowledge, covering areas from society and economics to the arts and football.

Several outlets have experimented with other business strategies. Revista Mongolia avoids advertising as an editorial principle and uses other means, such as book sales, merchandising and theatre shows. Its manager points out that "it is necessary to be clear about the positioning of the business, the idea or the niche where work is carried out and the audience you want to attract". Other journalists warn of the risk of "copying what others do" and suggest seeking out hyperlocal segments or niches to add value.

Some advertising formats feature innovative resources, including gamification. The editor of a magazine for iPads says that they maintain a close relationship with advertisers in order to develop innovative formats. This system has allowed them to sell advertising on tablets with average rates close to print editions. As part of its business model, the company offers services to private companies who want to launch their products on tablets for their workers and content marketing actions.

Ten lessons for making innovation work

We have processed a great deal of information from these journalists who are driving innovation in selected Spanish media. The perceptions of these professionals underline the importance of the individual initiative of "agents of change", together with effective leadership. Our

study allows the identification of several “lessons learned”, as a collection of ideas which everyone can use to examine the way journalism innovation is led:

1. The main factors driving innovation are the ability to increase investments and to provide solid leadership. Other factors that favour these processes include staff motivation, the implementation of a “trial and error” attitude in the development of projects and fostering creativity among professionals.

2. The key barrier is the few resources companies allocate to innovation. The absence of leadership, the lack of motivation among staff, management stagnation and the “fear of doing things differently” are also significant obstacles. Moreover, a degree of stagnation among senior and middle management in legacy media is also pervasive.

3. When newsroom talent is promoted and management takes the initiative, innovations increase. In digital native outlets there is greater willingness to experiment, with innovations being quickly incorporated. If innovations emerge solely through the reaction to the threats from the news business, technological and commercial environment without a defined strategy, the change is slow and erratic.

4. If a company focuses too much on quickly bringing in revenues, innovation usually slows down. The company’s innovation energy may end up spread over a wide variety of small projects that seek immediate profits. This excessive proliferation of projects often confuses the audience, weakens the brand and increases organisational complexity to the detriment of medium-term effectiveness.

5. To identify innovation opportunities, managers should focus on product leadership, organisational competence and on relationships with users. The bottom line, however, is the same: if a news company realises that its work consists of satisfying users’ needs and that they consume contents, use tools and subscribe to services they find useful, then media outlets can find opportunities to innovate in any area.

6. The adage “fail early, fail often” is a principle that some media outlets have adopted with some success. Experimenting with a variety of different ideas is vital in innovation projects. If media professionals experiment frequently, many new concepts will obviously end in failure. However, in the early stages these failures are welcome, as they allow teams to quickly eliminate those options that do not work and to focus on the most viable alternatives.

7. It is not a matter of introducing change for the sake of change, but of preserving the core values and competencies that companies

regard as most essential and valuable. Innovators should choose the knowledge and wisdom of their organisation's history and simultaneously look back to the essentials from the past and look forward to the challenges of the future.

8. Success requires **making innovation a personal concern for every journalist**. News professionals appreciate the opportunity to contribute to project solution findings as they become part of the strategic process of company innovation.

9. **Communicate and listen**. Being innovative does not work without having clear goals which are communicated effectively to all members of the news organisation, both vertically and horizontally. It is a two-way process, open to feedback from journalists.

10. Above all, innovation in journalism **consists of hard work rather than strokes of genius**. It requires knowledge, determination and passion, because innovations start gradually, without ostentation, and take time.

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Selected media outlets

- El Confidencial: <http://www.elconfidencial.com/>
- El Desmarque: <http://www.eldesmarque.com/>
- El Español: <http://www.elespanol.com/>
- El Extrarradio: <http://www.elextrarradio.com/>
- El Mundo: <http://www.elmundo.es/>
- Eldiario.es: <http://www.eldiario.es/>
- Fundación Civio: <http://www.civio.es/>
- Prisa Radio: <http://www.prisa.com/es/info/radio>
- Revista Mongolia: <http://www.revistamongolia.com/>
- Revista Vis-à-Vis: <https://www.facebook.com/revistavisavis/>
- RTVE Lab: <http://www.rtve.es/lab/>
- The Spain Report: <https://www.thespainreport.com/>
- Vice Spain: <https://www.vice.com/es>
- 93 metros: <http://93metros.com/>

A practitioner's view.

Alejandro Laso, *chief innovation officer, El Confidencial, Spain*

From Newspaper to Technological Company: Creating an Innovation Environment

Technology and journalism are not words that usually match. When you study for the degree to become a journalist, you think that your job will involve writing a lot of news and or news-related material. Working with code or thinking about products are things that belong to another universe, which we as journalists don't usually get involved with. That is until today. We're living in a world where technology changes every day and forces us to adapt to the new environment, because the audiences are already doing this. Jack Welch said that "if the rate of change on the outside exceeds the rate of change on the inside, the end is near", in other words we have to manage technology to understand the future. Becoming a technological company is not an option, it's a must. In El Confidencial we are going through this transformation with a lot of encouragement and I want to share our experience with you. First of all, however, let me tell you something about us.

Founded in 2001, El Confidencial is the leader of digital only media in Spain. We achieved 10 million unique visitors in comScore and, including printed newspapers, we're the third most important newspaper in Spain in two ranks: 'visits' and 'page views'. We are second only to El País and El Mundo, which are the top-minders. Fifty percent of our audience are users that type 'el confidencial' into their navigators or google us directly every day. They are our loyal audience and they are very important for us because we want readers, not only users. It is important to understand that our innovation process is reader oriented.

In 2013, the C-level of this company wanted to be more powerful, to invest thought and energy into becoming a leader in technology and innovation. By this time we were already leaders in the digital only media, but we were waiting for the traditional print newspapers to make the first move into the digital sphere. When we saw that they weren't moving as fast as we expected them to, and as they should have done, we decided to change tactics. We saw it was our role to lead in this field – to take the initiative. We may be a small company but we are very brave. So we launched the Lab.

El Confidencial.Lab is the innovation, product, storytelling and strategy area. There are 35 people working in the Lab. We work in five multidisciplinary and cross functional teams, which means that there are designers, UX, developers and data analysts working together in the same team. We work with agility and an engineering culture very similar to Spotify. We have five autonomous and self-organizing teams with end to end responsibility.

Today, four years after its inception, we are moving away from the original idea of the Lab as a separate entity, to extend our work ethic to the whole company with the objective to create an open innovation environment. It's much more powerful to have 150 people thinking about innovation than only one Lab.

We've changed our process, putting up a new 'ideas panel' where ideas from everyone are considered. The ideas from the CEO, the receptionist or the latest intern are treated with equal weight. Everyone can participate, writing their idea on a Post-it. From this moment, we call them the 'sponsor' of this idea. This is the beginning of a process with many filters to establish whether or not the idea makes sense, or if it should be discarded or put into use.

The first filter is a triage session, which is a 5 minute session in which the sponsor explains what they aim to achieve with their idea. There are four people in this session: one product manager, one data analyst, one developer and the sponsor. At the end of these five minutes, everyone present has to understand the sponsor's idea and then analyse the KPIs, giving a score. This score is decided by looking at the equivalents' chart and then dividing by the size of technical development to give a final mark, called the ROI. We use this score to prioritize the idea. This same system is used to prioritize ideas from all departments; the newsroom, the finance area, marketing, human resources, the technical department, and from all the employees in the company. Every idea initially has the same weight or priority, regardless of where it came from or who asks for it.

The technical developer, at the end of the triage session, gives a size to the idea, from XXXS to XXXL. 3XS would be a quick 15 minute job, whereas 3XL would be a two month project. We work on the ideas with the biggest ROI, because they are more valuable for the company.

If an idea has a low ROI it is discarded. This is very relevant, as we try to build an MVP on all our products. People who don't have a grasp of the concept of an MVP find this point difficult to understand. For example, when the sponsor comes up with a big idea, the ROI can be initially

very low because of the technical size of their idea. The idea may be discarded, but the sponsor is encouraged to rethink it with the help of the product developer, reducing the number of functionalities needed to produce the product, in order to increase the ROI.

The most powerful thing is that it is the sponsor who works on streamlining the idea, in conjunction with the developers, hopefully coming to an agreement or a compromise. This communication is vital to guarantee that people continue to come up with ideas and feel that they are being listened to in the workplace.

If the idea passes the filters successfully, we start on product definition. In this process we start to explore the idea more deeply, and to design prototypes. We start to employ various tools to gather information about how the idea will be received. These tools are focus groups, user testing, AB testing and benchmarking. If we see that there are too many risky aspects to the idea, we build spikes to test with more users, to reassure ourselves that it will work, and if it still doesn't seem to work, then the idea is discarded at this stage of the process. Ideas that are considered successful are divided into separate parts and renamed 'User Stories' with functionalities. When a developer starts to run the code we feel sure that we're doing things with a lot of value or we're testing ideas.

We distinguish strategic ideas from tactical ideas. 'Tactical' ideas are ones that allow for fast business growth and are normally ideas or new products that connect with the same type of audience that already reads us. 'Strategic' ideas are those that will be important in the future, so if we don't start to test and understand now, we'll have problems in our business model in the near future.

We have a lot of test units for doing the experiments. For example, in the mobile environment we have a lot of apps published in the stores where we test some functionalities which are important for us. We have a 'Crosswords app' in iOS which allows us to test gamification, in-app purchases, or improve retention and registering metrics. In another app, 'Mi Confi' we learnt a lot about personalization and content and push segmentation. We get a lot of feedback from the apps and all the things that we learn we apply to El Confidencial's main app.

This year, we've started working on an aspect that we consider strategic for 2017, to offer our readers a unique information consumption experience and one which fits their real necessities. It isn't enough to categorize news by sections or themes; we should offer news in a meaningful manner, evolving with our readers' devices, interests and habits. This challenge, which is already a trend in the media sector, requires a per-

fect synchronization of technology, business and editorial excellence.

We plan to accomplish this challenge by processing navigation data, applying machine learning techniques, and clustering our audience. We plan to turn our users into readers, and by getting to know our readers better we can implement less intrusive and better focused advertising campaigns. To get to know our audience better isn't just motivated from an editorial point of view, it's also an important part of our profit strategy.

In the meantime, we've started working with development frameworks based on progressive web apps, to guarantee better loading times and a more engaging user experience. We're also developing products based on Artificial Intelligence and Natural Language Processing. For example, we can now create automated stocks and sports news, giving our editors more time to focus on expanding the scope of our editorial offerings.

In short, we're on the cutting edge of innovation, and we have to figure out what's going on, carry out a lot of experiments, and try to analyse whatever we do to learn and understand the next steps that we need to take. Obviously, in our day to day endeavours we sometimes fail, because it's impossible to innovate if you don't. It's important to realise that we're allowed to fail, but we should try to fail fast and cheaply. Here at El Confidencial we say that 'if you want to learn how to swim, you have to swallow water'. And that is precisely what we are trying to do.

The New Worlds of Journalism

How Austrian, German and Swiss journalists perceive innovation and change

Josef Seethaler, *deputy director of the CMC Institute, Austrian Academy of Sciences*

The criticism was clear and quick in coming: the commercialization of the media that had been driven forward by technological progress and increasingly capital-intensive production processes meant that media production was now limited to “the commodity of advertising space” – a commodity “sold by means of an editorial section.” The response to this criticism, first voiced by the economist Karl Bücher (1917, 257) as early as 1897, clearly left something to be desired, since it has been repeated ever since. In Bücher’s time it was the telegraph, the telephone, typesetting machines, and rotary presses, along with the founding of joint-stock companies, that threatened to turn journalists with a sense of mission (“*Publizisten*”) into mere “reporters” chasing the latest news with “greedy abandon” (Löbl 1903, 182). More than a century later, it is digitalization and the global reach of media corporations that seem to be pushing us toward the brink of a new crisis in journalism.

Journalism and the media are of course subject to continual transformation, not least due to innovations in information and communications technologies, but also to socio-economic changes. Neveu (2002), for example, describes four “generations” of journalism, which in the struggle for autonomy reflect different social functions of journalism and different ways of realizing these functions in practice. The radical shifts from generation to generation are marked, respectively, by the political newspaper, television, and the internet. Neveu nonetheless acknowledges that the last shift may be so dramatic as to redefine the role and format of journalism and the skills it demands.

On the one hand, technological and a subsequent editorial convergence is expected to give rise to a multimedia journalism that will radically change the design and format of journalistic media. On the other hand, the progressive cross-media concentration, likewise driven by this convergence, is likely to lead to increased pressure on editorial work and to the social restructuring of the profession, with an ever smaller number of permanent editorial staff and an ever greater number of journalists employed on a temporary or casual basis. In a further scenario, the rise of citizen journalism may result in the blurring of its once clear

distinction from professional journalism in the eyes of the public, and finally, the role of journalism will be called into question not only by a technologically induced transformation of public communication from a “two-step-flow” to a “one-step-flow” (Bennett and Manheim 2006), but also – and far more seriously– by the automatization of journalistic activities via algorithm-based robots. In any case professional journalism will be faced with a consequent loss of autonomy and an unprecedented problem of legitimacy.

Methodology

However far-reaching their consequences may or may not be, these future scenarios are reason enough in themselves to ask journalists how they perceive and reflect on the nature and extent of the changes to their profession. This was one of the aims of the second round of the “Worlds of Journalism” study¹⁴ (for a summary of the results of the first round, cf. Hanitzsch et al. 2012), which involved a comparative investigation of journalism in Germany, Austria, and Switzerland.¹⁵ In international terms, these three countries all exhibit relatively high levels of journalistic professionalization, media market inclusivity, state media funding, and political parallelism (Hallin and Mancini 2004; Brüggemann et al. 2014). They nonetheless differ with regard to their respective competitive contexts, whether in terms of market size, level of concentration, the relation between tabloid and quality media, levels of foreign investment, or state funding structures (Udris and Lucht 2009; Magin and Stark 2015; Schulz, Schroeder and Dankert 2015; Seethaler 2015). In order to assess journalists’ perceptions of the changes in their profession, the “Worlds of Journalism” study devised two sets of questions, one of which inquired into changes to the influences on journalistic work, and one of which inquired into changes to day-to-day journalistic work and its societal relevance. Cutting across this distinction, the study assumes five dimensions of change: technological, economic, organizational, and social change, and change in terms of content. By combining both of these frameworks, it aimed to acquire as nuanced a picture of journalistic change as possible, as it presented itself to those most directly affected by it.

14 www.worldsofjournalism.org

15 The study was supported in Germany by the German Research Foundation (DFG), in Switzerland by the Swiss National Science Foundation (SNSF), and in Austria by the Austrian Science Fund (FWF Project I 1341-G16: “Mapping Change in Journalism: How Journalists in Germany, Austria, and Switzerland Perceive the Transformation of News Making”).

Table 1. Changes to the Influences on Journalism

	Austria		Germany		Switzerland		Total	
	M	SD	M	SD	M	SD	M	SD
<i>The importance of some influences on journalism may have changed over time. Please tell me to what extent these influences have become stronger or weaker during the past five years in [country].</i> <i>5=strengthened a lot, 4=somewhat strengthened, 3=did not change, 2=somewhat weakened, 1=weakened a lot</i>								
Journalism education	3.65	1.05	3.04	1.04	3.58	.97	3.44	1.05
Ethical standards	2.90	.98	2.59	.91	2.79	.90	2.76	.94
Competition	4.43	.68	4.35	.72	4.24	.77	4.34	.73
Advertising considerations	3.97	.79	3.82	.89	3.91	.74	3.90	.81
Profit making pressures	4.16	.78	3.98	.89	4.05	.75	4.06	.81
Public Relations	3.78	.78	3.68	.84	3.93	.79	3.80	.81
Audience research	3.74	.80	3.70	.90	3.73	.76	3.72	.82
User-generated contents, such as blogs	4.27	.73	4.22	.80	4.15	.73	4.21	.76
Social Media, such as Facebook and Twitter	4.67	.54	4.63	.61	4.56	.58	4.62	.58
Audience involvement in news production	3.80	.81	3.61	.88	3.85	.76	3.76	.82
Audience feedback	3.86	.80	3.80	.87	3.71	.78	3.79	.82
Pressure toward sensational news	3.70	.81	3.67	.87	3.87	.77	3.75	.82

Note. M = mean; SD = standard deviation; N = 785 (Austria), 760 (Germany), 909 (Switzerland), 2,454 (total)

12 of the study questions concerned changes to the influences on journalism (Table 1) and 11 questions concerned changes to the importance of various aspects of journalistic work (Table 2). All of the questions were to be answered using a five-point scale, which asked the respondents to rate their perception of changes to the influences on journalism from "strengthened a lot" to "weakened a lot," and their perception of changes to various aspects of journalistic activity from "increased a lot" to "decreased a lot." Only those individuals who had worked for at least 5 years in journalism were given these two sets of questions. In Germany this amounted to 91.6% of the respondents, in Austria 93%, and in Switzerland 83.5%. In total, it represented 89% of the 2,454 respondents from all three countries who stated the length of their professional experience.

The samples from each country were derived using a two-stage random selection process. On the basis of numerous sources, the first stage identified all those news media with their own editorial teams comprised of at least three journalists, along with the total number of journalists working for these news media. These included both journal-

ists with permanent and semi-permanent positions and freelance journalists, as long as they earned more than 50 % of their income through their journalistic activities. A stratified random sample was first drawn from the above news media, which proportionately corresponded to the distribution of media types in the relevant country. Depending on the size of the editorial team, this was then followed by a simple random selection of three to five of the journalists engaged by these news media. The field study itself was undertaken between November 2014 and August 2015. The survey primarily consisted of online interviews, with a small number of interviews being conducted by telephone (CATI). In total, 2,506 interviews were conducted with journalists in Germany (N=775; response rate: 35 %), Austria (N=818; response rate: 29 %), and Switzerland (N=909; response rate: 12 % CH-DE, 38 % CH-FR, 43 % CH-IT). The sample size was calculated in accordance with a confidence level of 95 % and a sampling precision level (“sampling error”) of between 3 % (in Austria and Switzerland) and 3.5 % (in Germany).

Table 2. Changes to the Importance of Certain Aspects of Journalistic Work

	Austria		Germany		Switzerland		Total	
	M	SD	M	SD	M	SD	M	SD
<i>Journalism is in a state of change. Please tell me whether you think there has been an increase or a decrease in the importance of following aspects of work in [country]. 5=increased a lot, 4=somewhat increased, 3=no change, 2=somewhat decreased, 1=decreased a lot</i>								
Journalists' freedom to make editorial decisions	2.73	.79	2.71	.81	2.69	.77	2.71	.79
Average working hours of journalists	3.98	.91	3.99	.77	3.90	.79	3.96	.82
Time available for researching stories	1.81	.83	2.03	.89	1.97	.88	1.93	.87
Interactions of journalists with their audiences	3.81	.89	3.72	.93	3.70	.92	3.74	.92
The importance of technical skills	4.35	.70	4.45	.64	4.23	.71	4.43	.69
The use of search engines	4.64	.61	4.60	.65	4.52	.65	4.59	.64
The importance of having a university degree	3.20	.90	3.35	.98	3.37	.88	3.31	.92
The importance of having a degree in journalism or a related field	3.19	.87	2.99	.89	3.43	.79	3.22	.87
The credibility of journalism	2.30	.79	2.37	.88	2.24	.88	2.30	.82
The relevance of journalism for society	2.77	.91	2.96	.99	2.74	.88	2.82	.93
Work load of journalists	4.42	.68	4.38	.67	4.23	.73	4.34	.70

Note. M = mean; SD = standard deviation; N = 785 (Austria), 760 (Germany), 909 (Switzerland), 2,454 (total)

The majority of the interviewees were male (60.3%), though the proportion of male interviewees in Switzerland (61.5%) was significantly higher than in the other two countries (59.2% and 59.9%, respectively). The interviewees had an average age of 43.3 (SD=10.6), and 17.2 years' work experience (SD=10.2). The majority were university graduates (69.4% had a Bachelor's degree or higher). The journalists were youngest in Switzerland (with an average age of 41.6) and oldest in Germany (45.6), with Austria lying between the two (43.0). Similar variations were observed for the average length of the journalists' work experience. Significant variation was observed in the area of education: while in Germany over 75% of the journalists held a university degree, this was only the case for 63.3% of the Austrian journalists. In Switzerland the percentage was 69.9%, yet here the percentage of those with Bachelor's degrees was, at 24%, three times as high as in the other two countries.

The Dimensions of Change: Results

The Technological Dimension

Assessments of the contemporary status of professional journalism vary greatly, ranging from the view that journalism is in the midst of a far-reaching yet potentially promising transitional phase (Kuhn and Nielsen 2014) to the notion that it is currently disintegrating as a "clearly defined and identifiable sphere of meaning and action" (Weischenberg 2001, 77). There is nevertheless broad agreement that digitalization and the expansion of technological networks are to be regarded as the primary engines of change. This is because they not only directly affect journalistic activity, but also indirectly affect it by changing the communicative behavior of the audience and other societal actors (Kuhn and Nielsen 2014). Both of these dimensions were assessed in the above-mentioned survey modules. Firstly, the new communications technologies, themselves in permanent flux, are expected to *directly* affect both journalistic research methods – now inconceivable without internet search engines – and journalistic production and working methods as a whole. The movement toward technological convergence also indicates that technical skills will take on a previously unprecedented importance, as one element of a broader shift in the organizational structure of media operations (to be discussed in detail below).

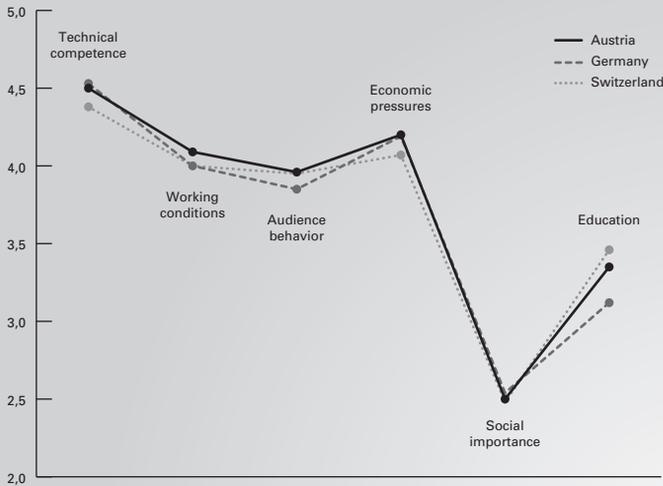
Secondly, such technological innovations also exert an *indirect* influence that should not be underestimated. They not only make journal-

istic activity increasingly technical, but also serve to blur the distinction between producers and consumers. On the one hand, this allows participative forms and formats of communication to develop outside the sphere of professional journalism, ranging from citizen journalism to active audience participation in the whole production process. On the other, it allows communicative relations to be established between citizens and diverse social actors without the intermediation of traditional mass media. What professional journalism thereby loses is not only its almost monopolistic status as a neutral observer of society, but also its significance as an intermediary institution. The fact that material from a diverse range of sources can be transmitted and accessed via the internet serves to marginalize the gatekeeping function of classical journalism. Journalistically prepared content instead becomes one of several parts of an internet-based public sphere, in which users can communicate with professional observers, with one another, and even directly with the relevant sources themselves. Thus they can both make their own voices heard and amplify the effect of the content they disseminate (Phillips 2015). These complex processes were addressed in the study via questions on the changing influence of audience reactions and audience involvement in news production in general, and of user-generated content and online social networks in particular.

A factor analysis of respondents' answers in all three countries shows that these two theoretically distinguishable effects of technological innovation are also perceived separately in practice. On combining the relevant items into indices (Figure 1), it becomes clear that the journalists feel that the importance of technical competence has significantly increased in day-to-day journalistic work (index value: 4.46 on a scale of 1 to 5¹⁶). They also feel that there has been a notable, yet not equally significant increase in the influence of the audience's role as a result of technological innovation (index value: 4.03). The increased importance of technical competence is felt most strongly in Germany (4.53) and least strongly in Switzerland (at 4.38). Austria, by contrast, leads the field with respect to audience influence on journalistic change (4.09) – while here it was previously rather passive. Among the individual items,¹⁷ the most conspicuous engines of journalistic change appeared to be the use of search engines (4.64) and social media such as Facebook and Twitter (4.67).

16 All index values are displayed in Table 3 and Figure 1.

17 All item values are displayed in Table 1 (changes in influences on journalism) and Table 2 (changes in importance of certain aspects of journalistic work).

Figure 1. Factors of Change in Journalism in Austria, Germany and Switzerland

Note. >3 = increased importance; <3 = decreased importance

The Economic Dimension

At the economic level, financing high quality journalism appears to be increasingly difficult. As a result of the increasing dominance of economic calculation, the co-orientation between journalism and media organizations, which was never one between equal partners, is now developing into a one-sided relation of dependence. There is currently much discussion of the “commercialization” of the media, even though – to return to Karl Bücher (1917, 258) – the basic problem that a newspaper not only sells “news to its readers” but also sells its “readership to any private interests prepared to pay for it” was already acknowledged a century ago. Nevertheless, cross-media concentration processes, together with the diversification of (often freely accessible) media content, are expected to increase competitive pressure. The growing importance of profit maximization is a further source of pressure, while the migration of parts of the advertising market to online platforms indicates that advertising now “sets the tone” more than ever (Karmasin 1998, 227). This may come to problematize the strict division between editorial matter and advertising, ultimately harboring the danger of news organizations producing reporting that is favorable

to certain political and commercial patrons (Seethaler, Beaufort, and Dopona [forthcoming]). All of these potentially growing economic influences – the pressures of competition, profit, and advertising – were inquired into by the study.

The results are clear: in all three countries, competitive pressure was perceived as the influence on journalistic activity whose importance had increased most significantly as a result of the changing economic conditions (4.34). In Austria (4.43) and Switzerland (4.24) it comes in just behind social media and the internet as the third most powerful engine of change. In Germany it is ranked fifth (4.35) out of the 23 total items, though it was awarded a higher value than in Switzerland. Increases in the influence of profit making pressures (4.06) and a dependence on advertising contracts and clients (3.90) are considered to be less significant. The most surprising result was yielded by the factor analysis (Table 3): journalists do not regard these increasingly important economic influences as being independent of the effects of commercialization on media content: as will be seen below, the items assessed on both dimensions form a *single* common factor. Organizational changes, by contrast, are largely considered in isolation from economic pressures, if they are considered significant at all.

The Organizational Dimension

This stands in contrast to the views of academic commentators, who have often remarked on the direct impact of media commercialization on day-to-day editorial work, indicating its potential to massively alter journalistic activity. At the organizational level, it has been widely acknowledged that editorial departments have had to cut back on the resources allocated to news production due to economic considerations. This naturally serves to increase the work load of journalists, and to reduce the time available for researching stories (Weaver et al. 2007). As a result, a reduction in journalists' freedom to make editorial decisions may occur (which is also likely to occur as a collateral effect of the above-discussed technicization of journalistic work and the associated shifting of emphasis away from its content to its form). Such an exacerbation of journalists' working conditions, addressed in detail in the study questionnaire, would be sure to have a detrimental effect on journalistic autonomy.

Table 3. Factors of Change in Journalism

	Technical competence	Working conditions	Audience behavior	Economic pressures	Education	Social importance
The importance of technical skills	.664	.164	.239	.033	.076	.105
The use of search engines	.673	.151	.136	.143	.107	-.001
Average working hours of journalists	.083	.784	.084	.084	-.026	-.023
Work load of journalists	.153	.811	.076	.102	.085	-.067
User-generated contents, such as blogs	.191	-.020	.619	.243	.069	-.066
Social Media, such as Facebook and Twitter	.181	.027	.627	.169	.03	-.093
Audience involvement in news production	-.034	.020	.733	.138	.058	-.019
Audience feedback	.028	.109	.739	.072	.013	.019
Interactions of journalists with their audiences	.025	.061	.634	-.082	-.055	.143
Competition	.056	.239	.100	.517	.028	.023
Advertising considerations	-.039	.067	.047	.821	-.041	-.065
Profit making pressures	.017	.115	.116	.784	-.020	-.093
Public Relations	.105	-.069	.088	.647	.085	-.077
Audience research	.148	-.032	.337	.343	.153	-.065
Pressure toward sensational news	.148	.060	.211	.451	.022	-.343
Journalism education	-.296	.081	.134	.048	.680	.127
The importance of having a university degree	.307	.024	-.027	.037	.757	-.045
The importance of having a degree in journalism or a related field	.142	-.019	.014	.048	.857	-.039
Ethical standards	-.402	.105	.082	-.107	.371	.412
Journalists' freedom to make editorial decisions	-.022	-.219	.102	-.184	.000	.501
Time available for researching stories	-.053	-.450	.006	-.125	-.061	.476
The credibility of journalism	.007	-.070	-.090	-.088	.028	.762
The relevance of journalism for society	.109	.125	.005	.043	.012	.681
<i>Index values</i>	<i>4.46*</i>	<i>4.15*</i>	<i>4.03*</i>	<i>3.93*</i>	<i>3.33*</i>	<i>2.50</i>

Note. Results of a factor analysis (principal component analysis, varimax rotation) with an Eigenvalue >1.0. Please note that the factor loading for the item "Audience research" is very low (>0.40).

N=2,454

* Differences between the three countries (see Figure 1) significant at $p < .001$

According to the results of the present survey, journalists in all countries consider their increased workloads to be among the most crucial of all occupational changes. On average, it is considered roughly as important as the increase in competitive pressure (4.34) and in Germany is held to be even more important (4.38). It goes hand in hand with an (albeit less dramatically) perceived increase in journalists' working hours (3.96) and a reduction in the time available for researching stories (1.93). Surprisingly, however, journalists only regard their workloads and their working hours as one intertwined factor, and even then only in isolation from economic influences – obviously as part of a broader, inescapable social phenomenon. With a relatively high index value of 4.15 (Table 3), these combined two working conditions are perceived as the second most important dimension of change after technological skills (which could also be understood as an occupational requirement). The diminishing possibility of adequately researching a story (1.93), by contrast, is primarily situated in the context of the social status of journalism, even if the slightly lower factor loading in the context of working conditions exposes this reduction in the time available for research as the counterpoint to the journalists' increased workload. To a much lesser extent, this also holds for the journalists' freedom to make editorial decisions, which was felt to lie somewhere between static and increasingly at risk (2.71).

The Dimension of Content

Though the journalists do not directly experience the effects of the commercialization of media production in their day-to-day working lives, they *do* perceive its influence on media content. This influence is manifested in three elements of journalistic change inquired into by the study. First, cost-intensive investigative journalism has increasingly given way to sensational and celebrity-focused reporting. Second, an increasing market orientation, underpinned by intensive audience research, has resulted in the flourishing of service and lifestyle journalism (Hanusch 2012). Third, the influence of PR on media communication has continued to increase. The border between PR and journalism has of course always been porous, since each is not only dependent on the other (Strömbäck and Kiousis 2011) but intimately intertwined with it, yet the balance of power currently seems to be shifting in favor of PR. Economic pressures have on the one hand increased media organizations' dependence on pre-prepared content and the patronage of PR providers, while the casualization of working conditions has forced freelance journalists to supplement their income through PR activities.

All three of these aspects – the pressure toward sensational news, an increased market orientation, and a dependency on PR – are considered in all three countries to be not insignificant but also not overly important characteristics of journalistic change (3.75, 3.72, 3.80). The increasing importance of PR (3.93) and sensationalist reporting (3.87) is registered particularly strongly in Switzerland. The more surprising result yielded by the factor analysis was that these changes were situated by the respondents in the context of the economic pressures on journalism, i.e. in the context of increased competitive and profit making pressures and the growing struggle to acquire advertising contracts (Table 3). With an average index value of 3.93 (with slight upward deviations for Austria and Switzerland and a slight downward deviation for Germany), however, these economic changes were regarded as less significant than changes to the importance of technical skills and to journalists' working conditions, and those induced by the transformation of audience behavior.

The Social Dimension

The diverse changes that have taken place at the technological, economic, and organizational levels and at the level of content all have implications for the societal role of journalism and its social standing. The expansion of the number of voices considered relevant to public debate may lead to a decline in the importance of the professional journalist as the authoritative observer of society (Charles and Stewart 2011). Yet it may also give rise to a new definition of the function of journalism (Deuze and Witschge 2017). Whether such a new definition is not only theoretically possible, but could also acquire broad public acceptance, depends on how much trust continues to be placed in journalism. While not comparable to the alarming loss of trust in journalism in the United States (Gronke and Cook 2007), mistrust of traditional journalism – particularly among young people and intensive social network users – has nonetheless also increased in Europe (Peters and Broersma 2011), albeit not nearly to the same extent as mistrust of politicians. One set of study questions therefore addressed the perceived public perception of journalism and its credibility, along with the influence of ethical principles and journalists' educational levels on the quality and thus social standing of journalistic work.

The results of the study are sobering. In the eyes of journalists, the credibility of journalism has suffered a massive decline (2.30) and its relevance to society currently hangs in the balance (2.82). The factor analysis combined both items with the declining significance of ethi-

cal standards (2.76), the dramatic loss of time available for researching stories (1.93), and the vulnerable freedom to make editorial decisions (2.71) into a single factor. The last two changes, situated at the organizational level, can thus be considered partly responsible for the loss of journalism's social standing. In all three countries, the index value for the change in levels of trust derived from these two items is similar, at around 2.50 (Figure 1, Table 3). The declining significance of ethical standards here placed an equally strong yet negative loading on the "technical competence" factor, thus worryingly revealing a negative relationship between technology and ethics. Equally discouraging is the fact that education is regarded in isolation and not linked to any of the other dimensions of change. Whether the index value of 3.33 should be taken to express a satisfactory level or to indicate stagnation is an open question.

Conclusion

Our time is clearly marked by a dramatic transformation of journalism as a social institution. That this is also the view of those in the industry was shown by a representative study of journalists in Austria, Germany, and Switzerland conducted in 2014–15. In order to gain a more precise understanding of this transformation, the study sought to discover, from the perspective of those concerned, which influences on journalistic work had become stronger and which had become weaker, and which aspects of journalistic work had increased in importance and which had decreased. The theoretical framework that was originally overlaid on both of these lines of inquiry, and which distinguished between changes at the technological, economic, organizational and social levels, as well as at the level of content, was modified in an informative manner through the sometimes unexpected combination of the 23 items of the questionnaire by the interviewed journalists.

The increasing importance of technical competence was found to be the most strongly perceived indicator of the transformation of journalism. Nothing has changed journalism as much as social media. Being able to use such media and integrate them into one's journalistic work is seen to be key to keeping up with this transformation. The same holds for internet search engines, which seem to have supplanted those classical research methods for which there is no longer sufficient time. The technology driven transformation of the audience into an active communication partner is another important element of journalistic change and one that has exerted an influence on journalistic practice.

The journalists also accorded particular importance to the enormous

increase in their workloads and working hours, both of which were experienced as particularly burdensome in light of their negative relationship to the amount of time available for journalistic research, though they were largely regarded as part of a wider social phenomenon and not so much as a consequence of the growing economic pressures. By contrast, economic pressures that have increased as a result of greater competition, a greater profit focus, and greater competition to secure advertising contracts were regarded as closely intertwined with the increased pressure to produce sensational news, to adopt a market orientation, and to blur the line between journalism and PR. In light of the clear recognition of this connection, it is all the more surprising that around half of the journalists in the three countries did not perceive any changes to their freedom to make editorial decisions – though it must also be noted that, on average, 37 % of the interviewees did speak of increased restrictions. The sensitivity of these questions concerning editorial freedom and the importance of research is highlighted by the fact that they were – unexpectedly – linked to the (declining) social standing of journalism. Obviously both items can be interpreted as constitutive elements of the profession, whose continual undermining would have unforeseen consequences.

An important question here is whether a rise in internet and social networking skills may lead to a viable redefinition of the societal role of journalism, such that it shifts from “information dissemination and gatekeeping to orientation and gatewatching” (Bruns 2005). In this respect, the negative relationship observed between technical competence and the importance of ethical standards gives pause for thought. This is all the more the case insofar as the journalists interviewed tended to regard education not only in isolation from all other dimensions of change, but also as less subject to change. It might be thought, however, that a (university or vocational) education that seeks to remain up to date with the ongoing changes in journalism would have to be perceived as *dynamic*. In the absence of such dynamism, it would be impossible to transmit the knowledge necessary to help journalists negotiate the transformation of their profession within a similarly changing democratic society.

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A practitioner's view.

Nic Newman, *lead author of the Reuters Institute Digital News Report and a former head of product at the BBC, UK*

Predicting the Future of Digital News

Predicting the future is a fool's errand. Year after year I stick my neck out, get things wrong and expose myself to ridicule. But every year I come back for more, because it forces me to think deeply about the changes that really matter. It helps me cut through the hype.

I've been writing a predictions report for over a decade, first during my time at the BBC, then as an independent consultant and most recently as part of my work for the Reuters Institute for the Study of Journalism. Much of what I say seems obvious or over-generalised – at least to me – but each year the report seems to gather more attention; more people come to my talks; more people seem to be looking for certainty in an ever-changing and increasingly complex world.

So what have I learned in the process about innovation and change? Perhaps the most important insight is that it is better to focus on the underlying trends than any short-term development. Unless you have inside knowledge, there are simply too many variables to know whether one company's initiative is likely to fail or succeed or what tie-ups might change the landscape. Just because Google and Twitter would be a good match for consumers doesn't mean to say there will be a takeover in 2017. Yahoo's star is clearly on the wane – I've been predicting its break-up for a long time – but somehow, illogically, it limps on, making me look foolish once again.

Another thing I have learned is that it is possible to look impossibly clever by talking about initiatives you 'know' are going to happen. In private briefings and company blogs Facebook have talked in detail about their plans for how and where they are going to integrate fact checking into their service. By reading more widely and thinking through the underlying motivations, it is possible to appear smarter than you really are and help prepare the industry for what might take place.

But this is not why I write a predictions report. Much greater value, I think, comes from setting these individual changes in a wider context, showing how the dots fit together and challenging industry to change more rapidly than it thought necessary. Prediction is about looking back in time as well as forward, it is about recognising, as Bill Gates once

pointed out, that we tend to overestimate change in the short term and underestimate it in the long term. Humans are irrationally attracted to the next shiny new thing but history tells us that media change rarely happens that way. It's a long slog that demands vision, patience and hard work. Online doesn't replace television, mobile won't replace computers and social media is no substitute for high quality journalism. But over the long term these developments do shift behaviour, and they have added layers of complexity to our media ecosystem. There are no silver bullets that are going to solve the problems of the news industry, but there are some underlying drivers that must be addressed and understood.

So what are those drivers? Well, over the last decade the key change agents have been a) the rise of social media/tech platforms, b) the mobile revolution and c) the gradual emergence of a video enabled internet. These forces, taken together, have changed the shape and formats of journalism, further disrupted and undermined business models, as well as making it harder to get attention for quality content. This second digital revolution is still playing out, faster in some countries than others, as documented in our Reuters Institute Digital News Report every year. But even as media companies come to terms with these three powerful forces, the next wave of disruption is on the way.

Google and Facebook and other big tech players are increasingly focussed on artificial intelligence and the power of big data. These are the forces that will shape our world over the next decade, leading to step change improvements in productivity, convenience, and creativity. They will also destroy jobs, industries and lead to another bout of intense uncertainty. If we have learnt anything from the last decade, it is that we can't afford to wait. We need to start thinking now – deeply – about the implications for journalism. How can we use data to get closer to audiences? How can we use AI to create relevance and communicate better? How will content change when we can talk to computers? Do we have the right skills and culture in our organisation to take advantage of these changes?

And as all around us changes once again, we will need to keep our nerve. The key ingredients for success remain a clear vision, strong values and an agile culture.

We can't know precisely what will happen this week, this month or this year, but we can be pretty certain of the general direction of travel. We then need to act on those changes, pro-actively and decisively.

PART II: AREAS

Audience Engagement

An unprecedented variety for newsrooms and the training of journalists

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The future of journalism lies in both digital and physical participation: readers/listeners/viewers/users take part in discussions, contribute their expertise, are part of local, regional, digital or dedicated topic communities or they become members of reader clubs or shareholders in crowdfunding projects. By their usage behaviour and their interests they influence (future) contents via algorithms. The unprecedented variety of participation possibilities offers both opportunities and risks. On the one hand, consideration and engagement of the audience – extending beyond simple communication through social media – bring multifaceted opportunities for media operations and journalism newsrooms such as the involvement of the audience in all journalistic processes, a possible transparency and openness towards topics and aspects of interest to the audience. It can improve journalism, increase loyalty to journalistic brands – and make the democratic, deliberative discourse in society more varied. On the other hand, there is a fear of a purely economically motivated “clickbait” journalism that promotes mass tastes, providing entertainment over providing politically relevant information. Moreover, having everyone participate in the digital public space can lead to an increased creation and distribution of fake news, consequently the circumvention of journalistic verification.

However, the terms and therefore the social phenomena such as participation, engagement, “citizen journalists”, conversational journalism, click counts and reaches, editorial analytics and metrics, personalisa-

tion, etc. are poorly defined and used in many different ways (Lawrence, Radcliffe and Schmidt 2016; Cherubini and Nielsen 2016). In addition, journalists traditionally have little experience in dealing with an active audience (Loosen 2016; Hohlfeld 2016). The topic belongs neither to classical nor advanced journalism training, nor can much knowledge based on practical experience be passed on to young colleagues in the newsrooms. In many cases the solution is sought by “jumping in at the deep end.” Despite this, growing numbers of newsrooms are creating positions for “social editors”, “engagement editors” or “community management”. “Scroll through job advertisements, and it’s clear that audience engagement has become a priority in newsroom hiring”, is how Elia Powers (2015) describes the situation in the USA. The same is true for German-speaking countries (e.g. at standard.at, Zeit online, Focus online or Sueddeutsche.de) and for all types of cross-media operations (Meier 2016a), not just for online newsrooms. Digital participation can also be linked with newsrooms and teams for legacy media and there is a possible linkage to other than pure media products – e.g. in the form of reader- or listener-clubs (for Austria, see Weinmaier and Kraus 2015). In a more holistic understanding of the term, audience engagement is not an additional tool or add-on skill to classical journalism: On the contrary, it radically changes journalism’s contribution to social discourse, the job description of journalism, strategic objectives of newsrooms as well as the individual professional self-image of journalists.

Dimensions of audience engagement

The term “audience engagement” is relatively new both in journalistic practice as well as in relevant scientific literature. As aforementioned, it is as yet poorly defined and used in many diverse ways. In the following, all possible dimensions and forms of the phenomenon are considered – including in each case an evaluation in relation to opportunities and risks:

Communication: In the first instance, interaction with a communicative, active audience means add-on communication, therefore the possibility for users to react to journalistic products, and especially to post comments as well as discuss with other users and journalists (Marchionni 2015; Kramer 2016). This is something that has basically been practised from the very beginning of online journalism (Meier 1998, 94–101; Meier 2016c). Taken further, a “concept of mutual exchange between journalists and audiences” can develop (Lewis, Holton and Coddington 2014, 229), e.g. on social media platforms or in general in

community management, up to newsrooms that, in essence, live from participation, such as citizen radio or citizen television. Process Journalism basically does not comprehend topics or articles as finished products, but as pieces to be further developed jointly with the audience: Users can contribute information, expertise and opinion at all stages of the journalistic process – finding and deciding topics, research, verification, publication, commenting, evaluating and sharing (see Jarvis 2006, 2009; Deuze, Bruns and Neuberger 2007, 322–323; Meier 2016b: 80–81). *Opportunity*: All in all, these types of participation can increase journalistic transparency as well as help to raise the level of trust in journalism (Meier and Reimer 2011). In addition, the newsrooms get a feeling for their audiences and meet them more on equal terms. *Risk*: Individual communication with small numbers of participants is (too) time-intensive for newsrooms. Moreover, audience contributions do not always raise the level of quality, but can instead be uncivil, insulting or even of relevance for criminal prosecution.

Storytelling: Selective storytelling formats contain multiple technical-content options from which users can choose either randomly or according to their interests, or in which algorithms react to the user's inputs (e.g. web documentations and Newsgames). The objective is not to motivate users to become involved in communication, but rather to actively participate in the uptake of a story. In this case it is deliberately offered in a non-linear and multi-optional form (Wolf and Godulla 2016; Meier 2017). *Opportunity*: Selective formats can retain users for longer and get them to immerse themselves more intensively in topics. *Risk*: The production is time-consuming for the newsroom. Background stories outside the actual news items are treated as niche offerings and are often given attention by only small numbers of interested users.

Editorial Analytics: The comprehensive analysis of data left behind by users when they click on and browse through digital offerings as well as when they share and “like” has been used increasingly often and in an increasingly sophisticated manner to record user behaviour and user wishes for the purpose of supporting both short-term editorial decisions as well as long-term strategic objectives in the “battle for attention”. The overall goal is to attract and retain users, therefore increase reach quantitatively and/or qualitatively, something that has both editorial-journalistic as well as business-economic aspects (Meier and Tüshaus 2006; Anderson 2011; Tandoc and Ryan 2014; Cherubini and Nielsen 2016; Hanusch 2016; Hohlfeld 2016). *Opportunity*: Metrics can support the targets and strategies of a newsroom and, for example, help ensure that high-quality content becomes more visible so that it is

used more often and/or longer. *Risk*: If the metric tools are used in the short term only to increase the numbers of clicks (“clickbait”), there is the danger that the product profile changes – in part unintentionally and unplanned – and the level of quality drops.

Personalised News: The technical possibility to “personalise” permits users to participate directly in the news selection process – at least in the selection that they get to see: Either they input their preferred topics themselves and thus determine the spectrum of their future topics, or algorithms configure the topic range based on usage behaviour to date. A poll conducted among users in 26 countries revealed that, in the case of personalised journalistic offerings, more people were satisfied with a selection through algorithms (based on their usage behaviour) than by journalists; however, a majority feared that personalised news might mean that they would not receive important topics and challenging views (Newman et al. 2016, 12, 111–113). *Opportunity*: User loyalty can be generated and the users then experience the digital offering as “my product”. *Risk*: The audience could abandon the product if the personalisation does not (anymore) correspond to their own wishes and does not include the important topics of the moment as well as of the peer group. In addition, such offerings increase the fragmentation of society and minimise the common range of topics.

Membership: The membership of users in journalistic organisations – similar to membership in sport or cultural associations – goes beyond the aforementioned forms of participation in media products. It is described, for example, by terms such as reader or listener clubs or crowdsourcing (see e.g. the journalistic start-up perspective-daily.de in Germany that speaks explicitly of “members”). Whoever regards users not as “subscribers” but rather as “members” understands that they can give more than just money (e.g. ideas, tips, contents, contributions to distribution and name recognition) and that membership should bring with it “an exchange of value”: “Membership is not just a tollbooth. It is a two-way street.” (Jarvis 2014, 5) *Opportunity*: Having a membership understanding puts journalists and the audience on an equal footing. The long-term loyalty of users is ensured. These then also contribute in many ways to the journalistic quality. *Risk*: The membership concept requires a change of attitude. If this is not realised and the model gets stuck half way as a pure marketing tool, members feel that they are not being taken seriously.

Agency: A broad understanding of engagement focuses on the influence of journalism: The role of journalism changes from that of a reporter on events to that of an actor who himself initiates topics and

discussions. The audience is encouraged to participate in (social) engagement, the medium provides the possibility and defines the framework for this. Journalism not only picks up on topics, but actually creates them (e.g. participation processes, see article by Jost Lübber in this volume). And it does not serve a community, but initiates the founding of the community. Reporting models, such as “public journalism” or “civic journalism” that were developed already 25 years ago, go in a similar direction (Merritt 1998; Rosen 1999): “Public journalism is concerned with developing productive relationships with the communities that journalists serve. Journalists are not mere observers but rather are participants and facilitators in such relationships.” (Eksterowicz 2000, 3) *Opportunity*: In a model of this type, the media organisation itself becomes the initiator and enabler of discourse. This creates a much closer connection between audience and media organisation. *Risk*: This agency form demands the assignment of major resources, as it requires a high degree of clarity with regard to positions or views and necessitates very precise process planning. The media organisation must be aware of where the line is drawn between activism and journalistic “enabler”. The newsroom could to a degree distance itself from the ideal of objective news journalism and move at least in the direction of an NGO and understand its role as being that of an activist. There is still too little practical experience and scientific proof as to whether new ideals, such as transparency, authenticity and engagement, can compensate for this and lead to greater trust.

Our study: Evaluation of a “Learning Lab Audience Engagement”

It is against this background and considering the aforementioned dimensions that Forum Journalismus und Medien (FJUM) in Vienna established a “Learning Lab Audience Engagement” for which 20 journalists and engagement professionals and three coaches met repeatedly during the period between June 2016 and January 2017. The idea behind this project was to experiment with methods and formats of engagement and participation in order to reflect engagement methods whilst learning about journalistic audience engagement. Thus, “Engagement” concerns this lab in two respects: It was not only the topic (learning contents), but also the manner in which the topic was approached (learning format).¹ The participants – journalists and engagement experts from major Austrian newsrooms and from NGOs – contributed intensively to the development of the curriculum and offered their personal ex-

1 The project was funded within the program „aws xs“ by the Austrian federal promotional bank AWS.

periences, for example in the form of case studies. The fact that the participants came from different media cultures, with different duties and functions in their organisations, proved beneficial. Few models for courses on this topic and this type of interactive advanced training for those working in the media sector exist in Central Europe (for first steps in this direction in the USA, see: DeJarnette 2016).

The “Learning Lab Audience Engagement” was evaluated in an accompanying research project. Within the framework of the final course block in January 2017, all course participants as well as the course leaders were questioned in in-depth interviews. The guided interviews lasted between 20 and 30 minutes in each case and the results were subsequently transcribed.²

Based on the aforementioned challenges, the focus was on the following research questions:

- 1) What is audience engagement from a practitioner’s perspective and why do they think it is necessary to engage audiences?
- 2) How is it possible to train skills connected to audience engagement?

Results

Audience Engagement: Definition, ideal and reality

Asked about a general definition, many participants pointed out that newsroom cultures are undergoing a transformation process: from an original “lecturing” journalism to a journalism “of equals”. Thus, a conversation with the audience is not only an option, but a necessity. To engage the audience, a mindset of cooperation, conversation and interaction has to be established. “*That means organising communication in all directions and creating the framework, the necessary conditions, to make this possible*”, one editor points out. However, there is concern that newsrooms are not yet ready for this new style of journalism and still have a long way to go before attaining this goal, as the self-image of most staffers in newsrooms is still very strongly influenced by a top-down expert attitude.

The experience with audience engagement varies greatly: On the whole, a general lack of participation culture in newsrooms is seen as an obstacle. In most of the participants’ organisations, only specialised

² We take this opportunity to thank Ines Garherr, Matthias Humpelstetter, Barbara Metzler, Uta Michaeler, Jonas Paintner for conducting and transcribing the interviews. Special thanks to Bernadette Uth for her support in evaluating the results.

colleagues or teams are involved. As one editor from a mayor Austrian newspaper points out, audience communication is

“being regarded as a silo, we assign a couple of people who look after social media or moderate the forums. And we pay less heed to these people than we do to journalists.”

As regards the question why there is a need for audience engagement, there are two viewpoints, although the distinction cannot be absolute: One the one hand, there is a dominance of an economic and on the other of an editorial perspective. From the economic viewpoint, the direct effect of audience engagement on reach and advertising revenues is cited, e.g. the engagement time as an indicator for advertising prices. In a somewhat more abstract light there is a presumed connection between audience engagement and the reputation and image of the media brand. Participation seems a necessity for the (re-)positioning of the media organisation in a changing environment as well as for the adaptation of business models. One newspaper editor is convinced that audience engagement is crucial to the economic success of the newsroom:

“One-way communication, as used to be the case, is no longer in keeping with the times and no longer pays. This has to do with changed environments, changed technical conditions, changed platforms, and gives rise to a need to react.”

From the newsroom perspective, frequent reference is made to the claim to be a moderator/facilitator of social discourse, also with the objective to improve journalistic quality, e.g. by using contents supplied by the general public to break out of the journalist’s “filter bubble”. Those who are close to the audience as moderators of online communities point out:

“The communication with the audience is enriching because the newsroom receives content from the users, and it enriches the users because they feel that it is tangible and that they can become involved.”

All the dimensions of audience engagement referred to in this paper are mentioned by the practitioners, or at least hinted at, in the interviews. However, no one cites every aspect. The main focus is on what is described above as the dimension of “Communication” – community management with emphasis on moderation of user comments or newsroom participation in social media – followed by “Editorial Analytics”, whereas the other dimensions receive less emphasis.

Only occasionally do the interviewees point out that audience engagement must take place on different levels – digitally as well as in ana-

logue spaces. The “Membership” concept is mentioned. A marketing expert describes the paper’s membership program as an element of an audience engagement strategy.

“We have a Subscriptions Club where subscribers can benefit from special offers and the like. These range from travel deals to events and products that can be obtained at special prices.”

However, often these subscription or membership models are not connected to editorial concepts of audience engagement, but only seen from a business perspective.

The “Agency”-dimension is hardly mentioned explicitly. But there are statements drawing attention to the problem of objectivity within the context of this dimension. A journalist who works for a platform targeting young audiences points out that the line between activism and journalism is blurry:

“We want to be transparent about where our agenda lies. In certain topics, we are neither objective nor neutral. Instead, we say: Ok, this is our opinion, we are now launching a campaign [...]. This is classical agenda setting. But: We do it in a transparent way.[...] Although one should not overestimate one’s influence, it does go in the direction of social change.”

Some participants are not happy with the term “audience engagement” and suggest alternatives: audience interaction, audience participation, reader loyalty or reader communication. Strategic planning is at very different stages of development in the participant’s organizations. Although potentials are frequently recognised, the spectrum ranges from minor topics to merely digital activities up to larger and wider-reaching projects. Risks are seen on the one hand in escalations in comments (“shitstorm”) as well as in unverified statements of facts (“fake news”), on the other hand in a fixation on numbers and data analytics:

“A basic understanding of democracy is important, as I sometimes have the feeling that many people when they hear this buzzword think only in terms of numbers of clicks and profit. But in my opinion it really concerns an in-depth social understanding. I hope that this engagement helps bring about a situation in which people from all walks of life may and can participate in the public discourse.”

Training for Audience Engagement

Asked about the skills needed in this area, journalistic (e.g. research, storytelling) and technical (e.g. working with tools and data) skills are cited, though first and foremost social and communicative skills are

indicated: a respectful manner, openness and receptiveness, tolerance of frustration and stress resistance. *“Audience Engagement is a culture that one must have in one’s blood.”*

The “Learning Lab Audience Engagement” delivered training for social skills and methods. It adapted the learning form to suit the content in an experimental setting. The reflections of the participants on what they learned from the six-month process of the “Learning Lab Audience Engagement” also provided valuable insights for the application of audience engagement in practice: Although in the beginning the main need expressed was for “knowledge” and “skills”, our study shows that, after the process was completed, different results of the experiment were most highly valued: Firstly, being engaged! The setting led to broadening the participants’ horizons by considering their own working practices and methods of engaging people. Secondly, the communication with colleagues, especially from a spectrum of different organisations, was considered a necessity and a contribution towards shaping a still young job description. “Audience engagers” are quite isolated in most of the participating newsrooms and, as one journalist pointed out, “must continually invent everything anew.” Joint advanced training strengthens the level of professionalism and the degree of legitimisation of this new profession within the organisations.

The results of the study also show a huge demand for reflection, activated in the Learning Lab with “participation” instead of “teaching” in a classical way:

“I found it extremely interesting that it was designed in such a participative way, and also logical, because for us in the learning process then many things naturally became clear. As a participant, I saw how difficult it is to let people become involved in processes.”

By being the subject of “engagement” themselves, the participants learned which methods of engagement can work and which factors can contribute to success or failure.

“I must simply always expect that people cannot or do not want to participate because their time budget dictates that they have better things to do. It’s that simple. In fact, that was an ‘AHA’ effect at a certain point.”

The study shows that for successful audience engagement it is crucial to create awareness for the risks of open communication processes. The process of the Learning Lab helped to make the preconditions for the functioning of participative processes tangible, e.g. good moderation and leadership. But it also showed that there can be “too much” participation, which was an interesting insight for the journalists within

the group: At certain points, it makes sense to have an up-front lecture by experts, and not participation. During the interviews, one newsroom manager emphasizes the analogy between the setting of the learning process with newsroom participation:

"I think that it is still simply a matter of finding out where engagement makes sense and where it does not make sense. (...): If I spend two weeks carrying out investigative research and I'm immersed in topics, I am not about to resort to user participation."

Teaching audience engagement in an engaging way creates a fundamental trust in open processes, in their opportunities and limitations, and helps to learn and reflect the methods and processes that are needed to design participative processes in newsrooms. The training process can, thereby, open a space for experiment and experience that encourages the design of successful engagement strategies within newsrooms.

Conclusion: Factors for successful audience participation

Several conclusions for successful participation can be drawn from the theory- and practice-based definition of audience engagement and evaluation of the "Learning Lab Audience Engagement" in order to be able to manage the opportunities and risks described above:

Participation processes call for good planning and much preparation. A clear strategy as well as commitment on the part of top management are essential preconditions for successful audience engagement. Starting with the planning stage, an intensive analysis of the organisation's objectives and culture is necessary in order to stimulate the participation process, but this is just the beginning.

The fundamental attitude towards all parties concerned must be based on mutual respect. Courage, a positive attitude, openness and the willingness to break out of one's own filter bubble are prerequisites for confronting the uncertainties that result from participation processes, both within and outside of the organisation.

In order to prepare an audience engagement process, it is vital to define the strategic and operative goals as well as the areas in which it is intended to involve the audience. It is equally important to establish which internal and external target audiences should be addressed, which roles are necessary, who takes them on and to whom responsibilities are assigned. Especially important within a media operation are clear communication, transparency, and good planning that should permit queries and participation as well as offer orientation.

In the implementation process, care should be taken to ensure that the persons involved in the process have sufficient resources at their disposal – ranging from physical space to the usability of the applied tools and services, an atmosphere that encourages participation, up to the granting of a sufficient timeframe to establish and carry out processes. Data and analysis tools can support the planning, implementation and monitoring of the audience engagement process, e.g. by highlighting challenges, risks or specific aspects. Any temptation to use data without a frame of reference or precisely defined questions should be resisted as far as possible.

Audience engagement has an effect on job descriptions and duties in the media. Audience engagement means neither an editorial extension nor the pure and simple moderation of forums or the mechanical support of various social media channels. It is an activity that is attached to different areas and that integrates various duties and positions – newsroom, management, marketing, technical services. Special audience engagement units established explicitly for this purpose at media operations are ideally understood as units in which exchanging information, mutual learning and internal consulting are possible.

For this reason, audience engagement demands from those who use and implement it not just content, organisational and technical, but also social skills directed towards communicating with and motivating audiences. It calls on organisations to establish a culture that promotes skills and encourages the active development of communicative processes.

Especially the duties and roles of journalists become broader as a result of audience engagement. While they continue to perform the classical duties, such as selecting and processing contents, they increasingly initiate and permit discussions that they moderate or from which they gain new insights.

One inherent aspect of audience engagement is that contents, discussions or actions develop organically and these developments can be predicted or planned only to a limited degree. **Therefore it is essential to formulate understandable rules for processes or interactions and communicate these rules clearly and transparently.** This applies equally for formal criteria (e.g. language, real names), as well as for editorial decisions, consistent leadership and moderation, and is both necessary and essential to (re)act flexibly and as the situation demands within the established rules. In the online area, for example, these are community guidelines in accordance with which forum moderators observe and guide the process.

Audience engagement therefore means interplay between the opening of topics and spaces in which the audience can become involved, and the decision on what should be picked up on and further developed. There are remarkable parallels between media practice and advanced training. For both areas, audience engagement means a paradigm change away from a “lecturing” towards a “dialogue” approach. The experiences from practice of both the participants and trainers match in many aspects.

Audience engagement can promote the development of media, media operations and journalism as well as their communication. In addition – and on this point the participants in the “Learning Lab Audience Engagement” unanimously agreed – it can help maintain trust and credibility in media and journalism. A broad understanding of organisations as “engaging organisations” can also lead to the development of a more holistic viewpoint between content and marketing levels in media operations. However: Audience engagement only works if it is comprehensively thought through and applied, otherwise audience participation can be counterproductive.

In order to ensure that the development of internal and external processes works, spaces for exchanging information and trying out in practice, such as the “Learning Lab Audience Engagement”, are necessary in which a set of well-considered methods is offered and the interaction with various players and situations can be tested and reflected upon. If these preconditions are satisfied, audience engagement can eventually contribute to a changed self-image of journalists, of media and their function in society. Journalism that takes its duties for democracy seriously cannot avoid dialogue with its audience.

Although the term “Audience Engagement” is not yet in widespread use and is poorly defined, it contributes to the interlinking and thorough analysis of all relations between the newsroom and audience, making them fruitful in practice. Its fullness and holism ensure that this mind-set is destined to play an increasingly important role in the future.

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A practitioner's view.

Jost Lübben, *chief editor, Westfalenpost, Germany*

Between People and Politics – Mediating for the Region

This is not an easy time for regional newspapers – most certainly not. Everything appears to be in a state of flux. But there is no reason to complain. After all, nearly all industries are undergoing the same experience. But in a situation in which so many people in both their private and professional lives are seeking answers to questions concerning their future, especially regional media can, and should, play a central role in this process. Moreover, this is part of the justification for our very existence and what makes us indispensable. Westfalenpost has set itself the task of identifying these questions and offering a platform for debate. To do so, it addresses its readers not only on all channels, but goes even beyond this.

The objective is to leave one's own "filter bubble" and engage new target audiences in the discussion. This represents a change in the classical function of the regional media. They abandon the role of pure and simple reporting and become active players. They go out among the people, get close to where the action is, and in doing so become open to attack.

Westfalenpost is published in a daily print run of about 110,000 copies in South Westphalia (North Rhine-Westphalia). In this rurally structured area, ranked as Germany's third strongest industrialised region at the heart of which is the Sauerland, medium-sized, dynamic businesses, of which many are run by the owners themselves, are the dominant factor. More than 150 companies achieve an annual turnover in excess of one billion euros, many "hidden champions" are internationally established businesses. But the missing urbanity is proving to be a problem. Despite low unemployment, there is an increasing shortage of skilled employees. The demographic change is a challenge for the South Westphalia region. Major cities, such as Düsseldorf, Cologne, Dortmund or Essen are attracting especially young people.

What must happen in South Westphalia for the under-30s generation to see a future for themselves in this region, both professionally and in their private lives? What has to change in the companies, though also in the smaller cities and communities, as well as in the culture and tradi-

tions here? What can the North Rhine-Westphalia regional government in Düsseldorf do, how can politics offer concrete assistance?

In response to all these questions, the #mehralsnurWP project was developed in the newsroom at the beginning of 2016. The name stands for a strong digital approach, but also the aspiration to interpret anew our own brand with a certain lightness. Motivated by the editorial management, trainees, young professionals and interns, working together in a “Creative Lab”, developed and implemented the first modules. Later on, the newsroom continued the project. Exclusively via the social networks the #mehralsnurWP team sought representatives of the target group to participate in the discussions. This approach was a success. More than 50 representatives of the target audience gathered to take part in a one-day workshop in Warstein, located in the heart of the Sauerland region. Organised in a World-Café format, discussions were conducted on five different topics which had been selected in advance in polls carried out via the social networks.

The topics:

- Profession & Career
- Culture & Leisure Time
- Welcoming Culture
- Infrastructure
- Associations and Volunteer Work

A follow-up discussion of the results with politicians was somewhat sobering. The #mehralsnurWP team had invited a total of more than 160 members of the European Parliament, the Federal German Government, Regional Government, as well as district administrators and mayors. Only 35 came, and most did not stay long. The problem seems to be that many political decision-makers believe they know the concrete wishes and interests of the young target group. This is a mistake, no matter which source this belief feeds from. There is no substitute for direct contact, discussions conducted on an equal footing. It is worth noting here that no one is interested in formulating unrealistic demands, but everyone wants to be taken seriously. Reliability counts for a lot.

Within the entire newsroom team, the new focus means not just a change in relation to content. The cultural change is much greater. As a consequence of the omnipresent real-time news, journalists have long lost their information edge over their readers. The paradigm change of having to systematically involve customers, because journalists no lon-

ger have a monopoly on information to give them the aforementioned edge over their audience, is the real challenge. Audience engagement is without alternative for regional media if they want to continue to be of significance in the long term. However, there is plenty reason for self-criticism in this connection. The natural communication with the users as equals would appear to be a phenomenon of the digital age. In fact, that is not the case. Under the motto “generating reader loyalty” modern local journalists were already preaching this in the early 1990s – when print still ruled – therefore exactly what the Internet is now pushing with fundamental force and unavoidability: taking the reader seriously.

For this reason, when continuing the project, Westfalenpost attached major importance to concrete results and commitment: The team arranged discussions on the individual topics with the state ministers from North Rhine-Westphalia – e.g. the minister for labour and the minister for the environment. The preconditions: The interview would only take place if the political decision-maker undertakes to accompany and follow-up at least one of the young people’s topics. The minister for labour, in cooperation with the minister for economic affairs, committed to supporting the foundation of co-working-spaces for start-ups in South Westphalia. The minister for the environment agreed to work towards the introduction of a regular bus service from the edge of the Ruhr region to the Sauerland. This project is directed especially at young commuters and it is planned to offer WLAN as well as other on-board services in order to facilitate the better use of the journey time and make the use of a car unnecessary for commuters. Implementation of both innovations is scheduled for 2017/2018.

The #mehralsnurWP team concentrated initially on Facebook, Twitter and Instagram to communicate the topics. It was only after the workshop that the focus was increasingly directed towards print. It stands to reason that if the demographic change results in young people leaving the region and moving to urban centres of population, this will bring about a major change in the lives of the remaining 60+ generation.

To mark the 70th birthday of the Westfalenpost, the newsroom designed a special product differing from regular anniversary magazines. In “70 Jahre Zukunft” (70 years’ future), the newsroom looks above all towards the future. This was intended to emphasise the self-image of the Westfalenpost.

In addition to the ongoing dialogue with politicians, #mehralsnurWP planted another seed. Photographer Peter Bialobrzeski (twice winner of the World Press Award) visited South Westphalia with his Master

students from the Hochschule für Künste (University of the Arts) in Bremen to record a free and artistic view of the aspects of tradition and modern, city and country, young and old, leave or stay. Westfalenpost accompanied this experiment journalistically. What resulted were photos very far removed from any postcard idyll but that inspire, provoke, sometimes disturb and give rise to contradiction. Friction is inevitable.

#mehralsnurWP is just one of several future-oriented projects. With the project “Was braucht Hagen?” the newsroom, together with the citizens, developed an agenda for the most important questions concerning the future of the city with its population of 200,000 inhabitants. This proved to be a tremendous success. It was as if many people had only been waiting to be asked at last. Westfalenpost uses the agenda as a constant reminder for municipal policy.

This permanent dialogue is strenuous. Twenty-five years ago, the drive was frequently absent in the newsroom to translate realisation into actual activity. To put it brutally: We were too comfortable in our ways. Bearing in mind this long period of time, it has become all the more difficult to describe the process of change at newspapers by the term “disruption”. Audience engagement could have shaped the new journalistic self-image and therefore the content change already at an earlier stage. However, the demands concerning what professional regional journalism is expected to deliver today are more complex than 25 years ago. This relates to editorial skill, transparency of sources and the overall processing of the contents. But first and foremost it concerns our inner attitude. Clarity and assertiveness are called for whenever independent journalism is queried and criticised, regardless of where the criticism comes from. Social discussion has long lost its cosiness – also at local and regional level. Especially because audience engagement is so important we must make it clear to our audience that we closely accompany politics and the economy, but are not part of them. The challenge is: orientation without ingratiation on the one hand, and clear demarcation on the other hand. For journalists, this means that we must feel much more than before that our place is between all stools. There is no better place.

Links

All digital contents on #mehralsnurWP can be accessed at:

Videos: www.wp.de/wpvideos

Internet: www.wp.de/mehralsnurwp

Facebook: www.mehralsnurwp.de

Instagram: www.instagram.com/mehralsnurwp

Twitter: twitter.com/MehralsnurWP

Digital contents on “Was braucht Hagen” at:

www.westfalenpost.de/wasbrauchthagen

Newsroom Integration

A nationwide study. Austria as a microcosm of editorial models of daily newspapers

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“Something really dramatic is happening to our media landscape, the public sphere, and our journalism industry, almost without us noticing and certainly without the level of public examination and debate it deserves. Our news ecosystem has changed more dramatically in the past five years than perhaps at any time in the past five hundred”, Emily Bell, Director of the Tow Center for Digital Journalism at the Columbia Journalism School, observes (Bell 2016).

This change had a particularly swift and severe impact on the print media market, which was forced to react to the World Wide Web, digitalisation, and altered audience behaviour in manifold ways in terms of news production. This is also confirmed by the first national study on the newsroom strategies of Austrian daily newspapers.³ What we find is a variety of cross-media processes and integration options which can be understood as a microcosm of ongoing developments all over the world, be they at the Times of India, El Mundo (Spain) or the Washington Post (USA). When investigating Austria’s media-landscape we hereby had in mind and ready to hand what started as an international selection of newsroom observations in many countries and then formed the structure of a matrix of models (García-Avilés 2009).

For the purpose of our research, the results of which are presented here in the Journalism Report for the first time, data were collected from the 14 daily newspapers, which are currently published in Austria. The opportunity to conduct a complete country analysis comes about precisely due to the uniquely Austrian feature of a small, concentrated market. The manageable scale permits a comprehensive understanding of newsroom strategies *vis-à-vis* the developments of the audience market. To facilitate this study, we have carried out dozens of interviews since 2015, with experts from every daily newspaper, we have evaluated the respective internal corporate figures, we have observed newsroom processes on site and, subsequently, we have additionally conducted a representative questionnaire-based survey among journal-

³ Research on the “Austrian Newsroom Index” project received funding from the Austrian Press Subsidies in accordance with §11 para. 3 of the Austrian Press Subsidies Act of 2004.

ists from every Austrian daily newspaper. The respective newsroom status recorded in February 2017 serves as the end-point for the model comparison across the industry. Nevertheless, further advances are occurring very swiftly.

The new initial conditions are evident and, likewise, highly mutable: Internet, social media and mobile terminal devices have radically transformed the reality of the lives of the media users. Today, 92 per cent of mobile phone users in Austria own a smartphone, which gives them access to the WWW whenever and wherever they desire (Mobile Marketing Association 2016). On the whole, media companies have a multi-media set-up: as a print product with online presence, as a radio or TV broadcaster with web-based digital platforms. Various social media channels are loaded with content as well. The buzzword is convergence, a term that alludes to the coalescence of previously distinct sectors in the industrial context, and also serves to describe changes in journalistic practice (Chan-Olmsted and Chang 2003). In order to synchronize the news flows of the individual platforms, to facilitate a rapid response to current new situations, and to harmonize investigation and distribution efforts, media companies have started to merge formerly separate editorial departments in order to coordinate the ploy of editorial contents across various media channels. New – as previously mentioned, convergent – structures and working processes are becoming established. The physical manifestation of this new way of working usually takes the form of a newsroom, where journalists representing all internal corporate channels sit together and collaborate – particularly in the case of media companies that work to provide up-to-the-minute information. This type of editorial workplace originated in the USA. There, the large, shared newsroom was a typical part of the architecture of daily newspapers, quite unlike Germany and Austria, which featured journalists spread across individual or departmental offices.

The first newsrooms to appear in Europe emerged in the wake of the digitalisation and convergence of news channels in Scandinavia and England: this was as early as 2003, for instance, in the case of Nordjyske Stiftsidene in Denmark, or 2006 at the Bergens Tidende in Norway. In the same year, the British Daily Telegraph was the first European media company to integrate not only its print and online editorial departments, but also a web TV studio. Developed jointly by IFRA, the trade association of newspaper publishers, and the Telegraph, and subsequently promoted across the globe as best practice example (IFRA 2008) by these organisations, it served as a model for the integration processes of many further newsrooms, which were established in Great Britain,

Southern Europe, and the German-speaking world in the years that followed. In many cases, however, it initially remained unclear what the core objective of such newsroom strategies should be: Was it simply about greater physical proximity, which is conducive to the collaboration of editorial teams? Was it an early business model, clearing the way for additional or subsidiary added value from digital channels once print penetrations begin to diminish? Or was it ultimately merely a matter of greater efficiency in news design accompanied by staff cutbacks, as fewer reporters should be able to operate several news channels simultaneously?

In the early years, the new architectures were especially concerned with raising awareness and with new forms of communication within the companies themselves: The Guardian constructed an escalator leading to the entrance hall to ensure that editorial staff belonging to formally separated units would at least meet more often when entering the building. Nordjyske encouraged all its editors to walk past cameras whenever they entered the newsroom, in an effort to firmly anchor the integration of local TV in their consciousness.

Speaking at an industry conference, the current editor-in-chief of the Danish broadcaster DR and a pioneer of newsroom development, Ulrik Haagerup (2002), described the uncertainty of these early days of planning with a dash of humour: "Media Convergence is like teenage-sex. Everybody thinks everybody else is doing it. The few who are actually doing it aren't very good at it" (Kaltenbrunner et al. 2008, 112).

Publishers in Central Europe tended to hesitate, for the most part, and particularly so in Austria. After all, in a national and international comparison, even the strongest market leaders in terms of revenue and penetration had been rather late to introduce online services in the first place: the Krone Zeitung and the public service broadcaster ORF did so in 1997.

When it came to establishing larger newsrooms with integrated online editorial teams, the early adopters in Austria were the Austria Presse Agentur in 2005 (Meier 2007) and the daily newspaper Österreich in 2006. Newly founded at the time, the daily newspaper Österreich with its Internet platform oe24.at housed print and online editorial staff in a shared newsroom from then on, though the working processes were largely distinct, despite the physical proximity.

Today, most Austrian daily newspaper and their associated online channels are produced in newsrooms. The most recent project, currently being realised by the Oberösterreichischen Nachrichten (OÖN), involves a newsroom that brings the print, online and local TV editorial

teams closely together, interweaving them systematically. The relocation is scheduled to take place around the time of the printing of this book, before the summer of 2017.

A particular market situation, which designates Austria as a country of newspaper readers, allowed the media companies to adopt a less hurried approach to planning digital strategies – as well as, ideally, providing the opportunity for international observation, the chance to learn from the experiences of others. In Austria, more than two-thirds of the inhabitants over the age of 14 continue to reach for the daily paper on a very regular basis. And yet, only as far back as the turn of the millennium, it was three quarters of the population. The relevance of print brands as a source of news is greater than in most other European states. Internationally it can, at best, be compared with the newspaper effectiveness in Japan (see Reuters Institute 2016). However, the younger audience is systematically dropping away in Austria as well – or simply cannot be reached by print titles in the first place.

The number of newspaper titles in Austria can nevertheless be regarded as low, with just 14⁴ for 8.7 million inhabitants. The less populous Scandinavian countries feature significantly higher numbers: Norway has 74 daily newspapers, Finland has 46⁵. In Switzerland – depending on the interpretation of co-owned canton newspapers – there are approximately 100 titles.⁶

This relatively modest number of newspaper titles in Austria simplifies the realisation of a comprehensive national survey of newsroom strategies and, consequently, the comparative examination of correlations and the digital evolution of a market.

One of the hallmarks of the Austrian print media landscape is the high degree of media concentration (c.f., for instance, Steinmaurer 2002 or Kaltenbrunner et al. 2007, 25–65). The biggest player is the *Kronen Zeitung* with a daily readership of almost one third of all Austrians – both among the print and the online audience. In the newspaper market, the *Kronen Zeitung* has prevailed as the uncontested market leader right across Austria, despite suffering steady losses over the past decade. In the Viennese newspaper market, the paper has been overtaken by

4 When work on the present study commenced, there were still 15 daily papers. However, the *Wirtschaftsblatt*, the only Austrian newspapers to focus on economic topics, was discontinued by its owner, the Styria Media Group, in September 2016 due to unprofitability.

5 <http://www.bdzv.de/maerkte-und-daten/wirtschaftliche-lage/zeitungen-in-zahlen-und-daten/>

6 http://www.schweizermedien.ch/SCHM/media/SCHMMediaLibrary/Statistiken/Statistiken%202016_1/16_Anzahl-Zeitungstitel-nach-Erscheinungsweise-2010-2016.pdf

the free daily paper Heute. Among the online services provided by daily newspapers, on the other hand, those of Der Standard are slightly in the lead. In 1995, DerStandard.at was the first German-language daily newspaper with an Internet presence, and it has successfully defended this first mover advantage with early investments in online development ever since.

Table 1. Austria's daily newspapers: Comparison of penetration and readership figures

Title	Penetration (in %)	Penetration (absolute)
Der Standard	5.4	395,000
derstandard.at	32.0	1,977,000
Die Presse	4.3	315,000
diepresse.com	19.0	1,176,000
Heute	13.1	961,000
heute.at	19.6	1,209,000
Kleine Zeitung	11.6	853,000
kleinezeitung.at	16.3	1,007,000
Kronen Zeitung	31.0	2,278,000
krone.at	31.6	1,954,000
Kurier	8.0	589,000
kurier.at	21.0	1,296,000
Neues Volksblatt	approx. 0.2–0.5	circulation approx. 20,000*
volksblatt.at	n.s.	approx. 10,000–20,000**
Neue Vorarlberger Tageszeitung	0.5	40,000
neue.at	n.s.	n.s.
OÖ Nachrichten	5.1	372,000
nachrichten.at	11.5	713,000
Österreich	8.5	623,000
oe24.at	22.0	1,362,000
Salzburger Nachrichten	3.2	238,000
salzburg.com	7.8	483,000
Tiroler Tageszeitung	3.8	281,000
tt.com	8.3	510,000
Vorarlberger Nachrichten	2.1	157,000
vol.at	6.6	407,000
Wiener Zeitung	approx. 0.8–1.5	approx. 50,000–100,000***
wienerzeitung.at	3.6	220,000

Source: Media-Analyse 2015/16, ÖWA 2016-III

* The Neues Volksblatt does not participate in the Media-Analysis or the Austrian Circulation Survey, the two most important measuring instruments for Austrians print media. The circulation figure stated here (circulation, not penetration!) derives from the Volksblatt's own Media-Info 2017, information provided to advertising customers. It states: "Circulation: 19,000–22,000 (depending on the day of the week)". http://www.volksblatt.at/fileadmin/Inhaltsdateien/Volksblatt/Dokumente/MediaInfo_2017.pdf?s=1627853162 The penetration listed as a percentage is an estimate by the authors, which is guided by the circulation data.

** Volksblatt.at does not participate in the Österreichische Webanalyse (ÖWA – Austrian Web Analysis). The external, international measurement tool Alexa.com assigns volksblatt.at to rank 18,945 among Austrian websites. That is roughly on a level with the specialist website solidbau.at, for which the ÖWA reports around 14,000 Unique Users (as of April 2016).

*** For more than a decade, the Wiener Zeitung has also refused to allow the recording of its key figures, either by the Media-Analysis, or by the Austrian Circulation Survey. According to the most recent comparatively ascertainable data from the so-called “Reader Analysis of Decision-Makers” dated 2005, in this specific target group the Wiener Zeitung reached round one third of the readership of Die Presse and Der Standard, or approximately half of that of the Wirtschaftsblatt. An order of magnitude of 50,000 to 100,000 current readers appears realistic. The penetration indicated as a percentage is also an estimate.

Among the 14 daily newspapers there are strong regional newspapers, which can point to penetrations of 20 to 55 per cent in their respective federal states (cf. Media-Analyse 2015/16). Twelve of these titles are newsstand newspapers, one (Heute) is a free newspaper, and Österreich is a hybrid: The newspaper is both sold and distributed free of charge as reduced version (Kaltenbrunner and Kraus 2008).

The convergence between the media channels and the integration of the different platforms, spanning print, online, social media, radio and/or TV, is configured with significant variations across Austria’s editorial offices. Using a combined quantitative and qualitative methodological approach, our new study is the first to determine the convergence status of every Austrian daily newspaper.

The Study – Starting Point and Methodology

The systematisation, which forms the foundation for our investigations, is based on the Newsroom Matrix devised by García-Avilés et al. (2009). This matrix features descriptors for newsroom analysis, which have since found frequent international application, and it has also been published in German (Kaltenbrunner et al. 2009) and Spanish (Carvajal et al. 2009). It has subsequently been updated to acknowledge further digital developments, such as the expansion of the newspapers’ social media activities (García-Avilés 2014). In essence, a distinction is made between three different models of newsroom integration. Of course, the transitions between the individual models can be fluid.

Table 2. Three Newsroom Models

Coordination of independent platforms	No direct collaboration , but rather the coordination of autonomous organisational units
Cross-Media	Multiple utilisation of digitalised content and control of platforms, e.g. at the news desk, but separate newsrooms
Full integration	Multi-media working processes of topic-oriented teams or individual journalists in an integrated newsroom

Source: Own diagram based on a classification by Carvajal et al. 2009.

The differences between these three models are evident at different levels:

Table 3. The four levels of analysis pertaining to convergence in media companies

Corporate strategy	Significance for and specifications by corporate management
Newsroom management	Organisation of editorial processes, work flow, news flow
Daily journalistic routine	Degree of multi-media in research, production, distribution
Work organisation/ Staff development	Effects on the scope of duties of journalists and on their qualifications

Source: Own diagram based on a classification by Carvajal et al. 2009.

Often, the integration processes in a media company are not equally advanced on all levels of analysis, or they may not be desired to the same extent for strategic reasons. There is no such thing as the perfect convergence strategy. A “killer application” of newsroom development, which everyone can use to the same effect simply does not exist. Early analyses relating to the digital transition of news media, based on the descriptions of a “convergence continuum” (Dailey et al. 2005) suggested that the full integration of all channels into one newsroom was inevitably the only logical future model for tradition newspaper brands. This notion frequently filled journalists with horror: it conjured the idea of “car-boat” journalists, who would have to move confidently on any

terrain at any given moment. They would be online on all channels, would continue to work for print products, would simultaneously and masterfully command both camera and editing programmes, as well as managing text and title language. However, in our field studies, references to the existence of such omnipotent mythical creatures proved to be few and far between.

Indeed, journalists have developed more practical knowledge about digital media in a systematic manner. They are more often engaged in multi-media – though ultimately this tends to take structured and organised forms that do not demand all-in-one journalism. Subsequently, varying speeds of development can be observed on the different action levels of media companies.

For instance, management's declared objective might be the far-reaching integration of all editorial platforms and channels – but in technical and organisational terms, the actual implementation in the newsrooms requires time, i.e. a new newsroom management, and in the daily life of journalists, practical collaboration takes time and numerous attempts before it yields success. This is precisely why a conscious decision may also be to forgo any closer collaboration between print and online editorial teams: the separation of different journalistic cultures and speeds. It is also possible to conceive of cross-media models for spatial, technical or economic reasons, which limit collaboration to individual branches of media production and distribution as well as to specific specialised departments.

It is not the intention of this study to rate a newsroom model as "better" or "worse" *per se*. However, the matrix does allow a classification of the respective strategies, a determination of characteristics and developments, and an assessment of the plausibility of correlations throughout the overall media company.

Based on the Newsroom Matrix, data collections, preliminary talks with management teams and journalists, and finally qualitative guided interviews with 20 senior employees at every Austrian daily newspaper took place from the autumn of 2015 onwards. Overall, we drew upon approximately 50 descriptors for the newsroom analysis. The following serve as examples of some of the questions asked:

- Who decides: Is the implementation of convergence and cross-media production effected bottom-up or top-down? (Corporate Strategy level of analysis)
- Who organises: Is the news flow controlled centrally by one hub? What are the technical possibilities to support this? (Newsroom Management)

- How is content created: Should all journalists be able to create contents for all channels? How many are engaged in multi-media? (Daily Journalistic Routine)
- Which rules are observed: Is there an (established) shared basic understanding of journalistic work and quality, or is each platform endowed with its own culture? How is this conveyed? (Organisation of Work)

This qualitative research conducted with media and editorial managements was subsequently supplemented and deepened with a representative online survey conducted among daily newspaper journalists of every Austrian newspaper by Gallup Österreich.⁷

The results revealed a picture, rich in detail, of the status of newsroom integration in all Austrian daily newspaper editorial offices and their associated online channels. In order to consolidate the data, a “newsroom index” was developed within the scope of the research project, which expresses the degree of convergence on the different levels of analysis in a precise and comprehensive manner, using numbers from “1” to “3”. This was achieved by rating each of the approximately 50 descriptors for each newspaper, with “1” describing perceptions that are typical for entirely separate platforms, and “3” referring to characteristics that are essential for the full integration of print and digital operations.⁸

Austrian Newsroom Index – The Results

Even at a first glance we can already see that all defined newsroom categories and established strategies can be found in the small Austrian market for daily newspapers.

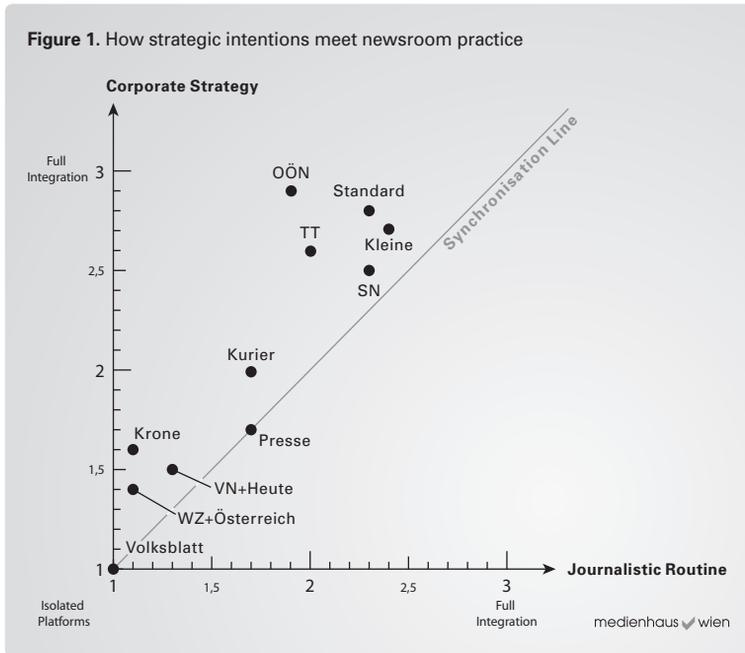
Six editorial offices predominantly feature the characteristics of *separate platforms*, which means little or close to no interlocking work takes place in the print and the online sphere in the daily editorial practice.

In the case of *two daily newspapers*, the data allow us to determine the characteristics of *cross-media* editorial systems with synchronised sequences in print and online production and numerous points of intersection, but retaining a high degree of specialisation.

7 Online survey of 170 journalists at Austrian daily newspapers selected as representative, Medienhaus Wien together with Gallup Österreich, survey period January/February 2017. Elaboration of questions and detailed data in German at www.mhw.at.

8 We rated the 50 descriptors for the newsroom status in half-steps from 1 to 3 on the four levels of analysis depending on the integration status. The descriptors were weighted in accordance with their relevance for the integration process, and for each newspaper an index was calculated for each of the four levels of analysis. In addition, we enquired about and rated the current approach to social media and audience engagement within the scope of journalistic activities, as described by García-Avilés et al 2014. A detailed description of the methodology can be found at www.mhw.at.

Five daily newspapers are identified with the objective of *extensive or even full integration* of print and digital production in the newsroom. A graphic combination of the index values calculated for “corporate strategy” and “daily journalistic routine” provides a preliminary overview.⁹ The “synchronisation line” shows how company’s and management’s demands are met by daily journalistic work in the newsroom.



For almost all media titles, the index values of the corporate strategy are higher than the index values resulting from daily journalistic routine. This implies that in every case (except the special case of the Neue Volksblatt), the management objectives regarding the convergence processes are higher than is the case for the implementation in journalistic practice. Compared to the early years of the Internet around the turn of the millennium, when bi- and cross-media modes of working

⁹ The Neue Vorarlberger Tageszeitung was included in the qualitative and quantitative survey. However, due to the editorial team size of just a scant dozen journalists and the fact that the Neue Vorarlberger Tageszeitung cooperates with the Kleine Zeitung and Vorarlberger Nachrichten in terms of content and organisation, and also outsources digital content creation to these entities, the calculation of a newsroom index cannot be considered to be a sound undertaking.

were frequently only pursued by individual journalists or departments, who managed to introduce it into their daily routines, the demands for cross-media production and greater integration in the newsroom in 2017 are largely part of management strategy. More offensive convergence strategies are now designed – more or less – with the involvement of the journalists. As the interviews show, the associated internal communication also varies significantly. Clear, detailed mission statements by owners and managements about the respective digital strategies are not always available. The business and the editorial leadership teams, in particular, often differ in their commitment to integration strategies and the most important goals of digital work, as earlier studies have also shown (see Kaltenbrunner et al. 2013, 53–75).

The index data for newsroom management reveal that in most newsrooms the technical-organisational requirements for convergent working practices are available to such an extent that editorial staff can, for the most part, fulfil the (respective different) requirements placed upon them by management.

Table 4. The indices of the Austrian daily newspapers on the individual levels of analysis

	Corporate strategy	Newsroom management	Daily journalistic routine	Organisation of work, staff development	Social media, audience engagement
Der Standard	2.8	2.5	2.3	2.3	2.8
Kleine Zeitung	2.7	2.5	2.4	2.6	2.1
Tiroler Tageszeitung	2.6	2.5	2.0	2.5	2.1
Salzburger Nachrichten	2.5	2.5	2.3	2.3	2.3
OÖ Nachrichten	2.9	2.2	1.9	2.1	1.5
Die Presse	1.7	1.9	1.7	1.9	2.0
Kurier	2.0	1.8	1.7	1.9	1.6
Wiener Zeitung	1.4	1.4	1.1	1.2	1.1
Neues Volksblatt	1.0	1.8	1.0	1.1	not rated
Vorarlberger Nachrichten	1.5	1.9	1.3	1.5	2.1
Kronen Zeitung	1.6	1.5	1.1	1.5	2.0
Heute	1.5	1.4	1.3	2.0	2.1
Österreich	1.4	1.7	1.1	1.7	2.0

Source: Author's own calculation

Note. "1" quantifies phenomena, which are typical for entirely separate platforms, "2" characteristics of cross-media, "3" properties that are essential for the full integration of print and digital operations.

The Austrian newspaper brands with their online subsidiaries can be divided into three groups.

In the first instance, there are those media who bank on *separate platforms*: Wiener Zeitung, Kronen Zeitung, Vorarlberger Nachrichten (VN), Heute and Österreich. Within this group, however, the strategies diverge.

The VN, for example, is regarded as one of the digital pioneers in the Austrian market, clear-cut responsibility is assigned within top management and investments are made both for the digital line of business, vol.at, and for the chief editorial office of the print newspaper. *Ad personam* the proprietor of the publishing house is known as one of the early advocates of digital strategies. The editorial teams themselves are nevertheless separate and are not particularly encouraged to work together very closely. The VN's strategy allows for a configuration of the digital sphere that is as versatile and as supportive of innovation as possible, unburdened by the ponderousness of print processes.

On the other hand, the free daily newspaper Heute, which enjoys particular success in Vienna and eastern Austria, is set to pursue a significantly higher level of interleaving between print and online operations in the future. For free newspapers, digital contents, received on mobile devices, represent the most important competition. On subway trains, there is more surfing on smartphones than flipping through (free) papers. When the Swiss media group Tamedia with its high online affinity joined Heute in July 2016, the foundations were laid to strengthen the hitherto somewhat neglected digital business in terms of technology, editorial capacity and audience engagement.

The media group Österreich/oe24.at also took some steps towards increased integration when it launched its TV broadcaster oe24.tv in the autumn of 2016. It is too soon to reflect upon these steps in the current study. In terms of infrastructure, the conditions for a common newsroom are favourable to achieve more than merely the central coordination of editors specialised in either print or online. Online editorial offices, in particular, feature logical points of intersection with web/cable/satellite TV.

Among the tabloid newspapers Heute, Österreich/oe24.at and Kronen Zeitung, social media and the redirection of users from Facebook to the newspaper's own website has exceptionally high importance. Here, the Kronen Zeitung in particular has invested significant effort recently. The plan is to increase this even further in the future, which is effected by the online editor-in-chief urging all journalists (online and print) to promote their own articles through social media – namely as

an integral part of the work assignment. When it commenced online operations two decades ago, the print market leader had deliberately provided for a strict separation in terms of space and content, with the aim of preventing any disruption to the very important and profitable print business. Particular rigour was applied to banning the transfer of newspaper texts to the *krone.at* website. What was desired there was an entirely independent online culture.

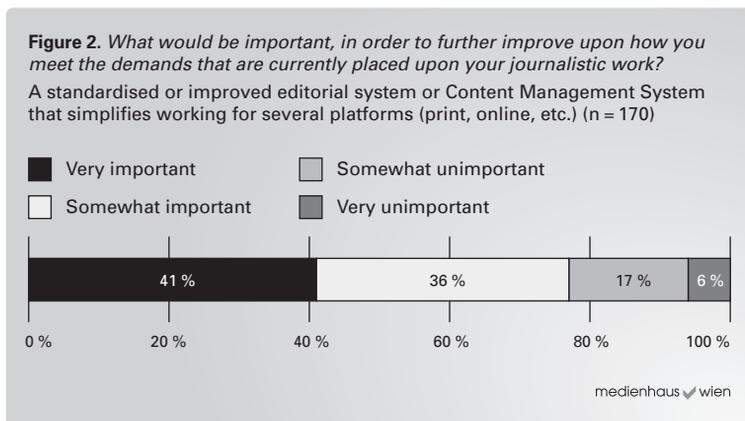
The *Wiener Zeitung*, owned by the Austrian Republic, represents a special case. For contents of an “official nature”, such as company data, it supplied its own, simple databases and, in parallel, it established a small online editorial office, separate from the print business, but staffed with experienced journalists. At the time of moving into the editorial premises in 2011, however, editorial management had declared that a common newsroom was not desirable.

The *Neues Volksblatt* comes right up against the logical boundaries of cross-media work. At this regional party newspaper run by the Austrian People’s Party with only around 20 editors, in order to achieve a minimum standard, the chief editorial staff themselves prepare newspaper contents for the website and add these to the website, augmented with agency news in an automated process. There are no resources for any additional digital efforts.

A second group of newspaper companies is currently relying on *cross-media*, i.e. the centrally coordinated control of several platforms – with optional expansion. In Austria, this group includes *Die Presse* and the *Kurier*. Both companies have newsrooms, which provide desks for journalists from the print and online spheres working on up-to-date daily production – who also tend to have other workstations elsewhere. At the *Kurier* there are numerous small offices, the management team for digital development and the chief editorial team for print are housed on different floors. Consequently, a temporary assignment in the cross-media newsroom is rather unpopular among many print journalists. The relocation of the *Kurier* house from a central location to a peripheral district was justified, amongst other arguments, with the creation of just such a newsroom. In Austria, large architectural editorial units of this kind are seen as a break with culture – and thus, do not contribute to occupational satisfaction: Our online survey of 170 daily newspaper journalists reveals that those who are satisfied with their spatial working situation to a very large extent, are those who (still) occupy an individual office. By contrast, almost half of those surveyed, who work in a larger newsroom, are unsatisfied with their workstation. In both cases, at the *Presse* and at the *Kurier*, the individual special-

ised departments work in a cross-media manner, to varying intensities. However, one of the greatest obstacles to convergent working, which applies to both media companies – and not only to these – is the use of separate Content Management Systems (CMS) for print and online activities.

The journalists of all daily newspapers who participated in our survey consider the importance of a CMS that is as user friendly as possible and can easily be utilised by all channels as a decisive central issue for the editorial quality of the work, regardless of their individual scope of multi-media activities and the integration strategy pursued in the newsroom.



As a third group, we can identify those newspaper publishing houses, which – while moving at quite different speeds of development – bank on *full integration* as stated editorial objective. Among these are the Salzburger Nachrichten, Kleine Zeitung, Der Standard, the OÖ Nachrichten, and the Tiroler Tageszeitung.

At the OÖ Nachrichten, integration as a declared corporate objective is given a high value. The owners are seeking to achieve the full integration of the platforms and for this purpose they have had a new building constructed, complete with integrated newsroom. During the planning process, they consulted as many employees as possible from all levels of the hierarchy. The move to the newsroom should be realised before the summer of 2017 (though after the completion of this book). New working processes, for instance at a shared news desk, were already introduced at the old editorial premises in preparation for the relocation.

Consequently, it appears reasonable to expect a clear shift to the right in our axial graphic by the OÖN in just a few months. In other words, it will move towards considerably more editorial integration in the daily working routines.

The Kleine Zeitung moved into its newsroom, which is very generously appointed in terms of working space and is housed within the newly constructed premises of the proprietor Styria in Graz, in the autumn of 2014. The spatial planning provided ideal conditions to ensure a high degree of integrated editorial activity. To a large extent, the concept took its inspiration from the early models and experiences of newsroom development gathered by the global association of publishers and journalists, WAN-IFRA. Indeed, experts who used to work for the association were consulted by the newspaper during the newsroom strategy development. Meanwhile, the Kleine Zeitung has to deal with the additional challenge of integrating a second editorial team, also of significant size, for the Carinthian edition. As in the case of the daily newspaper Die Presse, numerous tasks pertaining to digital development, marketing and commercial content development are outsourced to a subsidiary of the joint proprietor group Styria.

When Der Standard first moved into a brand new, extensive newsroom in the city centre of Vienna in late 2013/early 2014, corporate management had initially envisaged a cross-media strategy and a gradual convergence of print and online editorial activities. This changed half-way through 2014, when instructions were issued for a rapid, full integration. This was to be supported, amongst other things, by applying an alternating technique: Each department was assigned a manager drawn from the print editorial staff, and a deputy manager from the online sphere – and *vice versa*. This resulted in the accelerated blending of journalistic cultures, which had received little time to prepare for this, and thus to challenges and tests of endurance. This integration also featured a unique characteristic, namely the meeting of the print and the online editorial teams as equals. At the time when the editorial teams were fused, derStandard.at had already long held the pole position in terms of penetration among the online newspapers of the print media brands, posting positive earnings for several years in a row. The provision of improved technical conditions – such as an integrated editorial system tailored to the operator – remains a work in progress.

The Salzburger Nachrichten are equipped with a more favourable technical framework, including a Content Management System that is equally well suited for the print and the online sphere, which means that they can more reasonably expect their journalists to carry out the

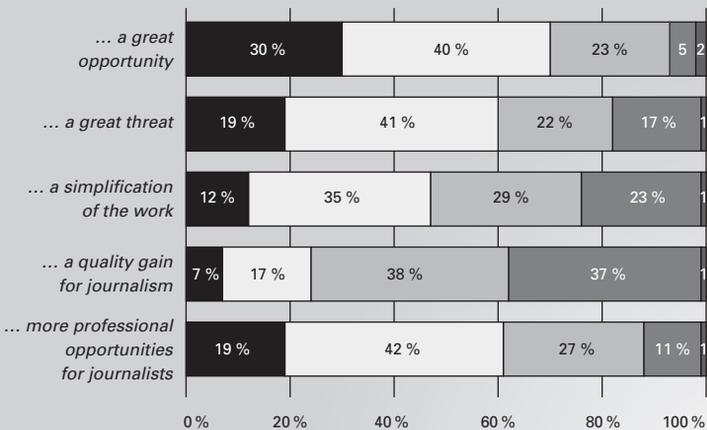
editorial management of both platforms. They are pursuing a careful but very consistent course of digitalising the entire company, with a newsroom operation that oscillates between cross-media practices and demands for integration with systematic advancement.

Similarly, the Tiroler Tageszeitung has also been produced in a new newsroom since 2014. In preparation for the increased integration of print and online, which – in daily editorial practice – turns out to be rather more cross-media with respective specialisations, a very detailed information and training programme for all members of staff was initiated a whole year before the relocation to the newsroom.

Both in large media companies and in the case of small regional papers, measures of this kind, including transparent, assignable change management and the early involvement and training of editorial teams in digital strategy processes, are crucial success factors in order to develop perspectives and to assess how digital future scenarios can be aligned with individual development prospects. Thus, Austria's daily newspa-

Figure 3. Now, we would like to ask you to provide us with your general assessment of the transformation of your work as a consequence of digitalisation, the World Wide Web, social media and new technologies. For journalism in daily newspapers, the manifold digital developments signify ...

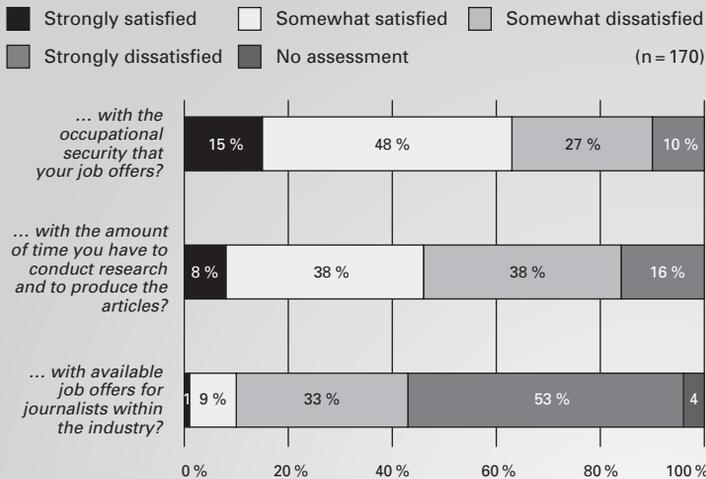
Strongly agree
 Somewhat agree
 Somewhat disagree
 Strongly disagree
 No assessment
 (n = 170)



per journalists are not principally opposed to digitalisation. 70 per cent of those surveyed regard it as an opportunity for daily newspaper journalism. However: 60 per cent also fearfully perceive digitalisation as a threat. The participants in the survey obviously make a clear distinction between potential and practice. Only approx. one quarter of those questioned currently claim to perceive a quality gain in their concrete work in daily newspapers. In other words: From the journalists' view, there are many digital possibilities – in the daily routines of the legacy media brands, they are simply not made use of enough.

The very specific individual working situation in particular gives rise to concern. More than every third person is strongly or somewhat dissatisfied with the level of occupational security that a job in journalism can offer. More than half of the respondents are strongly dissatisfied with the current job situation in the industry, while a further third expressed mild dissatisfaction. The working pressure is also elevated: 54 per cent are dissatisfied with the amount of time they have to conduct research and to create their articles. Older interviewees criticize this deficit most fiercely: Doubtless, they were well acquainted with an age when there was more time for journalistic research and production. Again we see the Austrians internationally in line. The new “Worlds of Journalism”

Figure 4. How satisfied are you with your working situation ...



study (see the chapter by Josef Seethaler in this book) finds very similar results from all German speaking countries and all types of media newsrooms: Time pressure is considered one key obstacle in the way of quality journalism.

These experiences coincide, particularly in the integrated newsroom. Overall, as the more detailed analysis of the survey data grouped by age and by experience revealed, to all intents and purposes, different generations of journalists tend to share the same view of the prospects. This may appear surprising: Even legacy print journalists see a future for journalism. What is more, the appraisal that states that digitalisation is accompanied by new opportunities is jointly held by a further 62 per cent of those who work exclusively or predominantly for the printed newspaper.

The status quo in the editorial departments of the Austrian daily newspapers

Compared with several other countries, the Austrian media market was spared extreme slumps in the advertising market, with print media remaining relatively popular. Even though, as a consequence, this means that the pressure to innovate is lower, the data presented show that digitalisation strategies are a key issue for the future. This also influences the work routines in the newsroom. As a result, the national survey conducted among the 14 Austrian newspapers describes a shared pool of questions relating to the ideal design of newspaper newsrooms – and provides very different answers.

Corporate strategy:

Nowadays, it is generally the management level that pushes for convergence in the newsroom and forces the pace. The directives, strategic ambitions and objectives of the management extend beyond the status quo of practical work in the editorial departments. Consequently, integration processes have been professionalised everywhere. This trend was first revealed by the results of the media manager survey conducted for the 4th Journalism Report (Kaltenbrunner et al. 2013, 59). At the time, 85 per cent of the respondents from the echelons of top management stated that they believed in the importance of convergence processes in production for the economic success of their company. Among those questioned, individuals representing general management indicated considerably higher values than the participating editorial managers, who are tasked with the practical implementation in the newsroom itself.

Newsroom management:

Only two of the newspaper brands investigated (Der Standard and Vorarlberger Nachrichten/vol.at) rely on a relatively strict “online first” or “digital first” policy. In Europe this was first promoted in daily newspapers as the German Die Welt – and then downgraded in importance following more pragmatic guidelines – as today in Austria. In most cases, the editorial teams decide what is played out across which channel and when on a case-by-case basis – and not infrequently it is still held back for the daily print product. The possibility of preparing for various platforms and different time slots is also given consideration, at least by leading journalists. In many quarters, new positions have been created or editors have been appointed to points of intersection such as central news desks, to deal with the news flow and how to control it.

Working across platforms is vastly simplified and significantly supported by a shared Content Management System (CMS) for print and online publication activities. However, only a few of the editorial teams are currently satisfied with their systems. 77 per cent of the newsroom journalists interviewed for the study believe that a better, more strongly integrated CMS is an important prerequisite for the occupation. As a rule, the high costs tend to obstruct the introduction of a shared CMS, particularly in the case of media companies that invested in separate systems – with more or less serviceable interfaces – not so long ago.

Daily journalistic routine:

According to the 1st Journalism Report (Kaltenbrunner et al. 2007, 21), only four per cent of all Austrian journalists were active in the online realm in 2007. The past ten years have witnessed huge shifts in this country, too. In our study, 13 per cent of the daily newspaper journalists operated almost exclusively online. The study identified a further 30 per cent as engaged in “bi-media” activities, which means they regularly contribute to both the print and the online edition produced by their company. The other way around: Today, only 57 per cent of newspaper journalists regard themselves entirely or primarily as producers of print products. There is no nationwide data available for other countries but one might presume – due to earlier integration and digitalisation processes – that in countries like Denmark, Norway and the UK a much smaller number of newspaper journalists today is “print only”. Austria follows that track: With very few exceptions, the editorial departments investigated welcomed multi-skilling and expected the capability, especially of their younger, more recent colleagues, to provide all print and digital channels with journalistic contents. To be clear: Management

teams and leading editorial staff do not require the journalists in the newsroom to deliver at the highest level across all platforms, effectively acting as producers of full-video or of data graphics, or as social media reporters. Even given a high degree of integration between print and online activities, tasks of a more complicated nature are performed by specialists. What does emerge clearly, is a generation gap: In the case of older print journalists belonging to the generation of 50+, it is usually not assumed that they will acquire multi-media qualifications. It can therefore be stated that a massive shift towards digital production with drastic implications for thousands of journalists has also taken place among the Austrian newspapers over the course of one decade.

Organisation of work/staff development:

The confluence of the journalistic cultures of *online* and *print* is a process that has yet to be completed in every one of the investigated newspaper companies seeking convergence. Even though general framework conditions have been transformed in recent years – for instance by a new collective bargaining agreement from the year 2013, which put online journalists on an equal financial footing with their print colleagues – and though the number of online journalists has generally increased: Those who specialise in digital channels are still not recognised as equals in many places. According to our journalism survey, the majority believes that the quality of daily newspaper journalism has decreased overall. It stands to reason that many regard this levelling as being caused by the ever-increasing strength of online journalism and the equally diagnosed new shortage of time for research and production.

In the area of further training, the individual editorial offices and management teams demonstrate varying degrees of willingness to invest time and effort in preparation for a digital future in the newsroom. Four out of five daily newspaper journalists believe that, as a general principle, further education on their own behalf is extremely important. And yet, current studies tell us that particularly older journalist (especially men), who have another ten, 15 professional years ahead of them, barely participate (e.g., Kaltenbrunner and Luef 2015). It is also possible to pinpoint differences between generations in terms of subject matter: In our current survey, almost all of the younger individuals, professional newcomers under 30, refer to the great importance of training offers related to digital skills and how to deal with graphics, social media, data journalism, and video production.

Social media/audience engagement:

In the context of social media, even those companies that essentially rely on separate platforms feature relatively high convergence values. This seems logical: Every journalist is required to critically examine her/his audience. Within editorial departments, issues concerning audience engagement serve as points of linkage for print traditionalists and online veterans of the first hour, even in the case of those newspapers, which rely on separate newsrooms for their channels. For both, the social media phenomenon in all its sheer massiveness was brand new a decade ago. Meanwhile, almost all of the larger daily newspapers have persons endowed with specific responsibility or small teams that focus on the promotion of the contents of the social media channels, the support and moderation of forums – and who have to coordinate this with the journalists.

A national conclusion with an international view

Newsroom integration in daily newspapers is by no means a simple, one-dimensional process, but rather one that plays out across several levels. In some ways, Austria is a latecomer to the digitalisation processes of the legacy media houses. This opened the way for learning from international experiences, where interest for the subject existed. At the same time, it provides ideal laboratory conditions for media and journalism research: In a readily comprehensible national market with merely 14 daily newspapers we identified every typical newsroom model leading up to the start of 2017: those, which continue to maintain largely separate editorial efforts in terms of print product and online journalism; others, which plan cross-media production and cooperation in defined areas; and those, which are placing their bets on the far-reaching integration of journalistic production and content distribution across all existing and perpetually new channels.

The differentiated analysis reveals that there is no single model that fits all, but that core questions can be defined, which require a conclusive response, in order to deliver the promise of successful newsroom concepts. For this, too, has been established by the case studies, the interviews with media management teams, and the surveys of journalists: Clear mission statements, concise targets and timetables, and relevant discourse conducted with all those in the media value chain who are affected, will increase the likelihood of success for each newly developed newsroom model.

This is what the Austrian daily newspaper were and still are able to learn from international benchmarks. In a much cited poem written by

the Austrian poet Friedrich Hebbel in 1862, he opined: "This Austria is a small world, in which the larger world rehearses."¹⁰ On the other hand, the following aphorism by Gustav Mahler has also survived: "If the world should ever end, I will move to Vienna, because everything happens fifty years later there."¹¹

Curiously, many years later this may, in essence, apply to the developments on the newspaper market. With a delay of several years compared, for instance, to most Northern European and American media landscapes, the digital revolution has palpably arrived at Austria's newspapers, with all its many challenges. Analysing this with the instruments derived from research in international markets we see the parallels: Also in this moderately scaled, concentrated market, those come under pressure who have insufficient means to invest in innovation. Newspaper companies, especially at the regional level, are positioning themselves in an increasingly diverse manner as information service provides in multiple digital channels. Unsurprising: Those do better who invest time and energy in learning from international examples before (re-)designing the newsroom.

Meanwhile, in Austria, journalists and managers can follow the famous prediction made just one decade ago by the publisher of the New York Times, Arthur Sulzberger Jr., which caused a major stir among his own staff as well as at industry conferences: "At some point in the future, we will stop printing the newspaper" (see, e.g., Spiegel online, 2010). It is simply a matter of time, as the publisher frequently emphasised. The digital subscription model ("paywall") of the Times was being prepared at the time, and the publishing company had recently moved into the new wholly-owned skyscraper – complete with integrated newsroom, new TV team, and a digital innovation lab: These are indeed investments in newsrooms, sustained by the hope for professional journalism in forever new channels, while following a decidedly venerable notion of quality.

10 „Dies Österreich ist eine kleine Welt, in der die große ihre Probe hält.“ (Hebbel, 1862)

11 „Wenn die Welt einmal untergehen sollte, ziehe ich nach Wien, denn dort passiert alles fünfzig Jahre später.“ (Gustav Mahler)

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A practitioner's view.

Lars R. Jespersen, *editor in chief, Nordjyske Medier, Denmark*

The Never-ending Story of Change

On September 1st 2003, 24Nordjyske was launched as a 24-hour local TV-news operation, the first news-only TV-channel in Denmark and one of the very evident results of a process of media-integration initialized two years earlier. Based on a newspaper publishing tradition (250th anniversary celebrated on January 2nd), we merged regional newspapers, radio, TV, internet and weekly papers into one company, working in a fully integrated manner in sales and newsroom. All editorial departments were working cross media, making stories for print, TV, net and radio. At the central “superdesk”, editors for the different media channels coordinated what to publish when, where and how.

The publishing strategy was to meet user needs on any media channel they wanted, whenever they wanted it, and to meet all advertisers' needs for targeting any audience with different frequencies and user situations. The organizational philosophy was “ready to change”. Newspaper circulation and readership were declining, and new channels were growing, which meant we had to be organized to adapt to these changes repeatedly without having to throw the organization into constant chaos.

It worked out great and continues to do so today. All media combined created a total weekly reach of more than 96% of the population, more than the paper ever achieved in its golden days, and it has kept a strong position through the years of users moving to digital media, even though the paper is down to half the reach of 2003. We coped with incidents like a hugely damaging free paper war in Denmark and with the financial crisis of 2008-9, and went through years of cutting costs due to the catch that users move to new media much faster than business models and earnings can transform. The built-in flexibility in the organization of the newsroom and sales made it possible – and, importantly, the quality of journalism wasn't harmed by the transformation of the newsroom. In fact, in the years following integration, one of our newspaper's photographers won a prize for best TV photography, and one of our journalists won the highest Danish award for quality journalism.

The inside of peoples' heads

An organization is created of humans, as are audiences, which is important to remember in times of rapid and extensive tech development. Some observations from looking back on the human side of experiences with a fully integrated newsroom:

- You truly can create a multimedia culture, where people naturally work with stories on different platforms with various ways of storytelling. Don't expect everybody to be equally good at it, and you don't need that in any case.
- The newspaper mindset is hard to unlearn. Quality journalism skills should be enforced, but not the production mindset, which takes time to unlearn, and some will never forget it.
- If you want people to work together - put them in the same room, and give them the same objective and boss.
- Cost-cutting can create a setback, where people tend to forget new ways of working and seek the "safety of the past", which – of course – is an illusion.
- Avoid becoming a versioning factory, doing all stories equally on all channels. You need to choose where to do the storytelling, where to use a simple version and where not to do the story at all.
- Complexity is an issue. You can teach people skills for several media channels and storytelling formats, but there is a limit. Break it and the cost might be stress and out-of-focus employees. The target is not everybody being able to do everything, but teams that are able to do so together, and using the different skills in the team.
- Education is highly important. Often the greatest obstacle is performance anxiety, and not knowing how to do the new stuff.
- Tools, especially software, needs to be easy to use. Easiness has improved, but the constant wish for new functionally works against it.
- Attitude is much more important than age.

Interestingly, the web tech people, who thought newspaper journalists were dinosaurs, were themselves caught by surprise by the steep rise of mobile, and to some degree lost their way when mobile accelerated. To get tech people and journalists to co-create is too often still a coming together of different worlds, even though it has improved. There are such great possibilities in use of data and handling the different platforms fluidly that you need get people to think and work together.

The publisher view

Newspaper credibility can be transferred to new media, which is not to be confused with the authority that newspapers used to have. That has been eroded by the abundance of media channels and services.

There is a huge catch: new devices and services enthrall users, who move quickly, but earnings and business models are lagging behind. To some degree, organizational flexibility can fill in this gap, making it possible to follow the user. But there are two main obstacles. When earnings catch up, they are on a lower level, and speed of change in user behavior has increased. This enforces further innovation in organization (meeting users on new platforms, using data and new tools, innovate ways of working to reduce cost). So, change is needed once more.

The race for new products on new devices is not won by trying to do everything new. You need to keep focused on how your company truly can create value for customers, and focus on constant steps of innovation. Do not strive for big leaps forward. Large concepts and tech development projects tend to be delayed, more expensive and outdated when they finally launch, and being ahead of the next wave is nice and tempting, but not effective. Focus must be on speed in innovation and product development, trial and error, and user involvement. Some of our examples include a focus on sales and development of the e-paper when tablets arrived, and growing advertising from small customers with a combination of cross media packages and direct contact and events.

To achieve focus we learned to create new tools like a definition of audience groups based on cluster analysis of user behavior, not just the classic age definition. We use it for strategy (which audience to reach by which media channels), and in the newsroom (what to do for different audience groups).

Recent changes

One pitfall is “why fix it, if it ain’t broken”. Which is right, but then, what happens if you wait until something is obviously wrong? It’s the art of urging the need to constantly make changes to adapt before you painfully need to.

Recent years have been all about mobile and social. Even though we’ve had social media managers since 2006, it has escalated and is moving from communities run by us to interacting through the social media networks. Prime focus has been on creating traffic and increasingly on the communication with users regarding our content, services etc.

We created a “digital group” creating content for paid digital content; still working cross media, but with a “digital best” focus. It might be described as “integration with a prime focus”, which was needed to accelerate focus on content and storytelling to the platform and targeting the right audience.

Regarding tools, it has been things like growing the use of mobile video from journalists and photographers; using drones for photography and implementing better systems for personalization on web. We need to improve digital storytelling, which is not just using all those great digital effects, but how to narrate in a world where people live with digital communication, picking up bits and pieces of personal messages, news, fake news, infotainment, and much more.

In publishing, we have gone hyperlocal, once more, but now it’s looking good. We have digitized 250 years and 3.6 million newspaper pages of history with an online and e-paper archive. We created a media channel for young people that is co-created, involving school classes in hackathons and working with users as producers. Moreover, we have created an app and a website for quality digital journalism, with subscriber payment, and we have focused on light-footed innovation, like producing a new app in a week, and creating a Chatbot service in a few days.

Now what?

Today we talk a lot about “innovation in publicism”. We still reach 85% on a weekly basis, but it has declined and daily user frequency is eroding, and business models are dwindling even faster. We, as probably most media companies, have for some years focused on new devices, new channels and tech possibilities – and most of all, new business. We haven’t given enough attention to the single most important question: how does our media really create value for customers?

We need more customer insight and to create daily interaction, perhaps integrate, customer insight analysis, data feeds and journalists. To give an example, we sent out anthropologists to examine how media is important to users. We need more user involvement in product and content development, and to rethink our role in their life: as the watchdog in society, as creating belonging and relations, engaging people and making sense of a world with a huge overload of information, fake news, and things you need to relate to and cope with. Reach is important, but user time spent reading and watching is much more relevant for value-creating than clicks.

Coming up is a new definition of value-creating elements; a change in the beats and journalist specialists in the newsroom, an integration of use of data and user behavior knowledge in the core of the newsroom, tools and education for digital storytelling, and, ultimately, a renewal of our role as publicist.

Investigative Journalism

How non-profit centers in the Balkans try to innovate when media freedom is under pressure

Nevena Ršumović, *media developer and researcher, Serbia*

The world-wide trend of investigative journalism migrating to the non-profit sector has also caught on in the Western Balkans in the past decade. These organizations are functional producers of investigative journalism according to the highest internationally recognized standards. They fill in the void created by the absence of investigative journalism in media landscapes characterized by politically controlled media and the proliferation of entertainment and tabloidization. However, they are donor dependent in countries where donor support for the non-profit sector is dwindling, with no viable alternative models for sustainability (that would preserve their independence) due to small and impoverished media markets and poor economies. Therefore, the issue of financial sustainability looms over their development and very existence, triggering the question if the model of such an organization, originating in the U.S. and the West, is actually applicable in an entirely different context.

The paper first outlines contextual challenges for media in the Western Balkans aimed at understanding the circumstances in which investigative journalism exists in the region. It then presents three case studies of non-profit investigative journalism centers in the Western Balkans: in Bosnia and Herzegovina, Serbia and Macedonia. Following this, there is a discussion on the obstacles to these organizations creating models of sustainability. Final remarks pertain to new debates about public funding of such media in the region.

Global trend of investigative journalism migrating into the non-profit sector

The trend of establishing non-profit investigative journalism began in the U.S. in the 1970s and 1980s. It spread particularly strongly after the collapse of Communism in Eastern Europe (Kaplan 2013, 25). A 2012 survey identified more than 70 reporting centers devoted to investigative journalism in nearly 50 countries (ibid., 6, 28). Most of these organizations had been founded in the five years leading to the survey (Kaplan 2014), which shows a trend of rapid expansion of such operations. About half were based in the U.S., while almost a quarter were

located in the Eastern European and former Soviet states. The Global Investigative Journalism Network has grown to 145 member organizations in 62 countries in 2017 and most of them seem to be reporting centers (GIJN 2017).

The need for non-profit investigative journalism producers in the Western Balkans appeared primarily as a response to pressures related to media ownership and as a wish to deflect attempts at editorial policies' control by political and commercial interests, but also due to the lack of legacy and expertise in investigative journalism in traditional media, including investigative editors, and a serious shortage of resources needed to spend months working on an investigative story.

Experts agree about the purposefulness of non-profit investigative journalism production centers. Kaplan (2013, 7) notes that they have proven to be "viable organizations that can provide unique training and reporting, serve as models of excellence that help to professionalize the local journalism community, and produce stories with social and political impact". "Sometimes these are the only independent news organizations in a country, and many have become important locally as a unique source of investigative news," Sullivan argues (2013, 24). Moreover, a study based on economic theory shows that although it may be expensive, investigative reporting generates social returns on 'investment' that far exceed the initial costs (Green-Barber 2016).

Notwithstanding the importance of investigative journalism non-profit centers, particularly in countries with stifled media, the question is if many of these organizations are going to last. Some have closed down for various reasons, among them lack of funding. Estimated overall donor support to such centers is very small. Investigative reporting, including training programs and other forms of support, receives only about two percent of global media development funding by major donors (Kaplan 2013, 15). While Sullivan (2013, 20) argues that donors need to understand that supporting investigative journalism is a long process that cannot be completed in a one-year grant, he also notes that non-profits must have realistic, long-term plans. However, "[e]ven in the United States, organizations that have many donors available to them are struggling with this issue. It is a problem that the journalism industry as a whole must confront" (ibid.).

Few non-profit investigative journalism organizations, particularly reporting centers, have adequate sustainability plans. Regardless of the model, funding remains critical to the non-profits' success, Kaplan (2014) notes, arguing that these organizations are heavily dependent on donors – 84 % percent of the respondents cited grants and donations

as their major source of income¹². “Even the best-run, most entrepreneurial centers have to fundraise for more than half of their budget, much like other NGOs”, notes Kaplan.

Contextual obstacles to investigative journalism in the Western Balkans

A large part of the reasons for the absence of investigative journalism in mainstream media and its migration into the non-profit sector lies in the specifics of the media landscapes of the three countries where the centers we examine are located, each burdened with a host of problems¹³.

The role of the state persists

The state still exercises significant influence over media in these countries. Unclear ownership structures and financing from state resources, especially at local level, continue to be a feature of the media environment. In Serbia, it is done via paid advertising and marketing of the public sector, with no transparent criteria. For four years state and public entities¹⁴ spent more than 60.9 million euros on paid advertising and marketing (IJAS 2016, 30), while the total advertising market in Serbia in 2014 was estimated to be 156 million euros¹⁵ (Nikolić and Gabrić, 2016, 11).

In BiH, transparency of public funding on media is a big problem, as well as the lack of clear rules for the allocation of the budget to media outlets by national authorities, which leads to unequal and non-transparent financing (IJAS 2016, 13; EC 2016a, 24). At the entity level, Republika Srpska has a legal possibility to fund both public and private media. In Macedonia, government advertising was recently suspended, but the data and criteria for granting such contracts previously have still not been made publicly available (EC 2016c, 21). The government was one of the biggest advertisers in media, disturbing the media market and threatening the independence of media.

Political parallelism dominates media landscapes

Political and economic pressures influencing editorial policies in these countries abound. Overall, the ability of media in the region to engage

12 Followed by story fees and membership and conference fees at 11 percent each, and teaching and training at 9 percent.

13 Serbia and Macedonia are among the countries that suffered the largest decline in the 2016 Freedom House Press Freedom Index (Freedom House 2016). Macedonia is labelled “not free”, while Serbia and BiH are “partly free”.

14 A representative sample of 124 state and public entities.

15 Estimate by the Nielsen Audience Measurement.

in quality, investigative reporting and to perform their watchdog role is undermined by the political affiliations (Hodžić 2015, 6). Informal pressure on editorial policy is exerted through the distribution of advertising funds where advertising agencies are linked to political parties (EC 2016b, 21, EC 2016a, 24). In Serbia, this system is inherited by every new government, preserving clientelistic relationships between parties and the media (Petrušić 2016). “All media in Bosnia and Herzegovina, regardless of whether they are private or public, are under the influence of some political party”, notes a comprehensive report on media freedom in the region (IJAS 2016, 13). In Macedonia, most of the TV stations with a national concession and newspapers with a wide circulation belong to individuals known to have close links with the government’s ruling coalition (EC 2016c, 21).

In Serbia, the recent privatization of state media outlets has not led to greater transparency of ownership or funding sources, including state funding (EC 2016b, 19). It led to minimizing of the public interest as the media were colonized by political parties (Petrušić 2016). Therefore, it is no wonder that one of the biggest problems that journalists face is self-censorship.

In addition, in BiH, media pluralism is hampered by the division of the society according to national lines. Also, the EC (2016a, 22, 24) notes that there was no attempt to address the issue of the lack of transparency of media ownership and the country still lacks a law on media ownership transparency.

Journalists’ safety – a persistent problem

The state of journalists’ safety, without appropriate judicial follow-up (very slow judicial procedures) is worrying in the three countries, as noted in the EC 2016 Progress Reports. The number of different types of attacks in the past three years is increasing in Serbia, while a large number of those have not been resolved, including three unsolved murders of journalists committed in the last 20 years (IJAS 2016, 32–33). In Macedonia, large-scale illegal wiretapping of journalists was revealed last year, and there is an increase in threats and attacks on media - 35 attacks on journalists, none of them processed or perpetrators sanctioned (IJAS 2016, 18). Two journalists were imprisoned in the last three years in Macedonia.

Working conditions contribute to self-censorship

Working conditions for journalists are worrying. Low salaries and a lack of job security continue to make media professionals vulnerable to

pressure, influence and self-censorship (EC 2016b, 21). In Serbia, the largest number of journalists earn a net salary of between 300 and 400 euros (IJAS 2016, 32). In Macedonia, only about a half of journalists have full time employment with social benefits, while the income of others is lower than the average monthly income in the country and they have no job security or benefits (ibid., 18).

Center for Investigative Reporting (CIN), Bosnia and Herzegovina | www.cin.ba¹⁶

CIN is the largest nonprofit investigative journalism operation in the region with 22 employees and an annual budget of close to half a million EUR. There are eleven journalists, two editors, a two-member multimedia team (manager and graphic designer with excellent media marketing skills), photographer, cameraman, web programmer and management.

The center produced 26 investigative stories in 2016, and a number of short stories and news related to the investigative stories. The trend is to reinforce multimedia content due to the very positive audience reaction to it, and so, in 2016, the team produced two large online databases, 50 infographics, a number of video animations (an example is the guide for citizens to free access to information) and short video reports.

The establishment of CIN

CIN was established in 2004 as an initiative by the New York University (NYU) and its subcontractor Journalism Development Group (JDG), a limited liability company based in the U.S. The founders realized that the large international development programs' insistence on the approach that the media in Bosnia and Herzegovina (BiH) just needs to be trained better had little effect with the media co-opted by political and financial interest, and that a whole new organization should be set up to raise the bar of journalism standards in the country.

CIN was launched with a hefty kick-off grant to NYU by USAID – \$1.7 million for three years, crucial for the center's initial success. The center was officially registered as a non-profit local organization in 2005 and operates independently of JDG with local staff having taken full ownership of it.

The initial CIN expertise was also international. U.S. experts provided intensive on-the-job training for journalists for three years, based on the NYU training curricula. International editors guided the production of each story closely.

¹⁶ The section is based on the interview with CIN director Leila Bičakčić, conducted in March 2017 for the purpose of this publication.

Donor assistance to the Center

Although CIN has never won a grant geared specifically towards media and investigative journalism due to the lack of such options, it has a well-developed broad donor base whose priorities lie in various aspects of democratization, fit for the themes of the CIN story production.

Swedish International Development Cooperation Agency (SIDA) has provided institutional grants to CIN of half a million EUR for four years for the third time, the current one to last until 2020. The grant covers core costs and ensures the center's stability.

Reach of CIN stories

CIN is now well-integrated and recognized on the media scene. The number of republications has been growing for years – currently an average of 15 media outlets republishes every CIN story. However, daily newspapers have a low circulation (10.000–15.000) and that is why republications by popular online-only news media with large traffic are important.

A contract with Radio Free Europe/Radio Liberty secures high visibility to CIN as its material reaches a broad network of local TV and radio stations in BiH through the RFE/RL network, although CIN does not sell content to the network.

Presence on social networks has been key in boosting audience numbers, particularly on Facebook, as the leading social network in BiH. CIN pays Facebook advertising for each of its stories to put them on top of news feeds. Photo-stories on social networks, primarily on Instagram, are planned to be tested this year.

Impact of CIN stories and reactions of state institutions

CIN has won numerous international awards including the Global Shining Light Award, Thomson Reuters award, CEI/SEEMO Award for Investigative Journalism and EU Award for Investigative Journalism.

It seems that the authorities have recognized CIN's findings as firmly corroborated, so that they cannot ignore them and thus follow up with appropriate procedures. Despite a long list of institutional effects of stories, CIN director Leila Bičakčić says that stories have effects only sometimes, depending on the personal integrity of individuals responsible for initiating changes, such as prosecutors. Also, based on the noise that CIN stories create, parties or authorities realize that a member of their ranks has become a burden in terms of public image and such persons are dismissed or prosecuted. Among the effects is a change in the system of choosing pro bono lawyers at one level – the national court.

Center for Investigative Journalism of Serbia (CINS) | www.cins.rs¹⁷

Six young journalists crammed into a small room, all the office space they have, with a meager annual budget and unstable income, won the 2017 European Press Prize in the investigative journalism category, a feat they thought impossible considering high-profile competition. The team also boasts six national awards for investigative journalism. Along with journalists, there are only a director and a project manager, who is also the author of this contribution.

In 2016 CINS produced 25 investigative stories, as well as analytical and other stories – a great output for such a small team, according to the CINS director Branko Čečen, considering that investigative work on a story can take five to six months. Journalists put an immense effort into creating two judiciary-related online databases in 2016 and they make sure that all the stories are furnished with attractive multimedia items that are catchy on social networks.

The establishment of CINS

The organization was a product of conversations between several entities: the Independent Journalists' Association of Serbia (IJAS/NUNS), the first home of CINS before it registered as a separate entity in 2012; representatives of the funding body National Endowment for Democracy (NED) and the Organized Crime and Corruption Reporting Project (OCCRP), a large network of non-profit and commercial media performing investigative journalism.

Donor assistance to the center

The funding is project-based, short-term, and generally small, with a few exceptions, one being funding by the EU Delegation in Serbia, the only call targeting media and investigative journalism in particular and providing subsistent funding, but difficult to win due to a fierce competition. CINS won such a project in early 2016 that gave a significant boost to its annual budget. A small, but very important institutional grant helped to cover part of the management's costs in 2015 and 2017-2018. The nature of donor funding is such that CINS used to have spells when its journalists worked without pay in between projects. The center competes for funding with the entire civil society as it applies for grants aimed at various aspects of democratization, not media in particular, as the latter opportunities are close to none.

¹⁷ The section is based on the interview with CINS director Branko Čečen, conducted in March 2017 for the purpose of this publication. Disclosure: The author is currently also active as a project manager for CINS.

Reach of CINS stories

CINS secures a high reach of its stories primarily on social networks. Several still independent media that understand CINS' standards republish its stories quite regularly, but the reach of these outlets, with some exceptions, is far from great. As there is no funding to kick off intensive daily online production, CINS cannot count on the website statistics that would result in online advertising, but the traffic to the CINS website has increased almost ten times in the past three years.

Impact of CINS stories and reactions of state institutions

A recent impact of a series of CINS stories came in the form an arrest of a fraud-committing public official. The charges read like a digest of CINS stories. Based on a CINS investigation about the illegal financing of an electoral campaign in a local town, local prosecution launched an investigation. The Serbian Anti-Corruption Agency opened procedures against several public officials after CINS stories and the Agency has been fixing its databases based on CINS proven facts. CINS believes that its stubborn investigation of a drug lord significantly contributed to his surrender and all the facts published by CINS were introduced into the charges.

Other consequences of CINS stories happen slowly and covertly, hidden from citizens – Čečen thinks that the state is trying to hide misdeeds primarily from the public, but also from the international community or because these concern the business of important entities. Also, the prosecutors' offices are under political control, he thinks, and there is an appalling media cacophony in Serbia – overwhelming citizens with scandals and fear – where important blunders of the authorities go unnoticed.

CINS has been a target of vicious smear campaigns, along with other investigative journalism producing non-profits. The campaigns come from government controlled media, mainly tabloids and the most popular TV broadcaster in the country, both with incredible reach and influence on society. These attacks diminish the importance of revelations by investigative journalists and tarnish the reputation of investigative journalism in Serbia.

In late 2016, CINS journalists working on a very sensitive story noticed they were being followed and photographed in public places by unknown persons. CINS made the case public and an official investigation is ongoing.

***Center for investigative journalism SCOOP-Macedonia |
www.scoop.mk¹⁸***

SCOOP is a small operation with five employees: four journalists and a financial assistant. Journalists are in charge of management and fundraising. The center hires external associates to strengthen its workforce as projects require. SCOOP publishes online in three languages: Macedonian, Albanian (for the large Albanian minority in the country) and English. Annual production in general is ten to 20 investigative stories depending on the available funds. SCOOP's other focus is producing short TV investigative pieces/documentaries (ten to 15 minutes), broadcasted once a month on two independent TV stations, but not paid for – the project is supported by donor funding.

The establishment of SCOOP

Although established by a group of Macedonian journalists in 2011 as an NGO, the initiative for the center came from the Danish-led network SCOOP that used to support investigative projects of individual journalists in the East and South East Europe and wished to see its mission continue. The Danish initiative left the region, but its coordinators for Macedonia were the pioneers of investigative journalism in the country – they left their mainstream media and turned to creating the SCOOP brand.

Donor assistance to the center

Unlike in Serbia or BiH, in Macedonia there is donor support for media and investigative journalism, more now than in previous years. Hence a number of other organizations have appeared on the media scene doing investigative journalism. Along with some short-term grants, SCOOP has been consistently supported by NED for four years now and it has a two-year institutional grant. Donor support allows it to operate quite comfortably at present. However, SCOOP wants to go further and distinguish itself from other similar outfits by innovation.

Reach of SCOOP stories

SCOOP TV pieces reach some 10.000–20.000 viewers, while its stories promoted on social networks get to at least 60.000–70.000 users. Audience critical of the socio-political situation in the country turned to social networks due to the predominant political control of the media in the past ten years. Between five and ten media on average, mainly

¹⁸ The section is based on the interview with SCOOP co-founder and journalist Žaklina Hadži-Zafirova, conducted in March 2017 for the purpose of this publication.

online, republish SCOOP stories regularly. The number is often bigger for some hard-hitting stories, reaching more than 30 republications. Republications multiply after each story is published in Albanian and English. SCOOP stories in English reach outside of Macedonia as many international media have republished the stories, quoted them or done analyses based on them. SCOOP stories would have more republications were it not for government and commercial influences on the media. However, recent legal changes prevent the authorities from advertising in the media, which shrank the budgets of pro-government media significantly. This might allow more independent media into the market.

Impact of SCOOP stories and reactions of state institutions

There are some ten non-profits and commercial media carrying out investigative journalism in Macedonia nowadays, mainly online media. Part of the credit for such spreading of investigative journalism belongs to SCOOP, as veterans of the trade in the country, SCOOP co-founder Žaklina Hadži-Zafirova thinks, because journalists and the public realized the great impact of the center's stories.

SCOOP kicked off debates in the public sphere about many social and political issues. Generally, the authorities react to the stories by silently and covertly introducing changes. However, there is a long list of stories that resonated quite loudly and had direct positive consequences. A story among those with the greatest impact proved that one of the two major ruling political parties in Macedonia (VMRO-DPMNE) is one of the richest in Europe. There were no denials. This topic initiated broad debate on transparency of party financing, involving strong voices of local authorities and the international community, and it was included in the latest EU Progress Report on Macedonia.

SCOOP has never been sued in court, but there have been pressures: its website has been hacked and journalists have had suspicious phone calls regarding the stories they were working on. The center has had administrative checks by tax authorities. Other NGOs critical of the current government have recently been subject to similar checks, as part of the general trend to make the work of the NGO sector difficult, including by smear campaigns¹⁹ in what is dubbed de-Sorosization of the country.

19 For more on smear campaigns see BIRN Team 2017, and Jordanovska, Meri 2016.

The crucial issue of sustainability²⁰

With the continued donor presence in the region being a guessing game as they quickly turn to new geographic areas and priorities, a true test for any media innovator would be to find revenue generating models for the non-profit investigative journalism centers in the Western Balkans – for at least partial sustainability. CINS and CIN had experiences with Western consultants whose ideas come – from the West. Trying to find the application mode for these has not been successful so far.

The main obstacles to innovation are the same as those to the sustainability of the organization, and there are several. The key one is the absence of a free and relatively well-off market where the centers could sell their products and services, and diversify sources of income. Here is an explanation of contextual challenges impeding several of the potential centers' sources of revenue.

- *Selling stories to local media:* A large number of media is controlled through the politically captured advertising markets and will not publish the centers' stories. Those few independent media that would, cannot afford to compensate costs.
- *Selling stories to media outside the region:* This is an unexplored possibility. To be able to do that, the organizations first need to prove that their standards are watertight, which means enhancing the reputation internationally. It would probably take a really big blockbuster investigation for a local center to build its brand internationally. Also, as most of the stories the centers do are locally relevant, they would need to think more strategically about investigations with relevance abroad.
- *Subscriptions for online stories:* CIN is weary of charging some form of subscription for its content looking at the failure of prominent media in BiH that tried to do so and because it is afraid of losing audience: "It is still more important to us to create the need for our content than to earn a small amount of money that would disappear in the ocean of expenditures". In Serbia, hardly any media charge for content. The CINS director thinks that this option requires serious market research that CINS cannot finance and an initial risky investment that is at present impossible to find. SCOOP is thinking about charging for content, but with a lot of skepticism due to the local

20 Oostlander, Gauter and Van Dyck (2015) identified as many as 52 potential sources of revenue for today's producers of quality journalism – yet they found that very few organizations use more than four of them. Many of these ways to generate revenue have not been well explored, leaving substantial potential untapped.

mentality, a population unused to paying for media content, and the fear of losing audience.

- *Selling TV formats*: The CINS director thinks that the investigative journalism non-profits centers will have to switch to TV formats as users are reluctant to read long articles online. Television broadcasts with national coverage would be a natural market for such products, but these are politically controlled and steer clear of broadcasting anything critical of the authorities, explains the CINS director.
- *Charging for newsletters with added value*: To be truly attractive for subscribers, such a project would require additional human resources and time for intensive production of quality analytical pieces – a parallel newsroom of sorts that can be built only with a kick-start grant, unavailable to the examined centers, with an uncertain outcome.
- *Training services*: For the training to be attractive in the market, the organizations would have to forge partnerships with reputable educational institutions and ensure formal certification of the training by the state so that it would help the trainees with employment. This is a long-term, laborious process with a highly uncertain outcome. Also, media organizations, operating in unhealthy media markets, are not interested in paying for their staff to be trained.
- *Online advertising* is hardly an option due to insufficient website traffic in the case of all the three organizations – unless they reshape their mode of operation and somehow start a fast daily production of content. There are also ethical concerns – once a center deals with an advertising company, it means a financial relationship with existing or potential protagonists of its investigative stories as advertising agencies are the tool for media control by the government: media reporting critically of the government quickly lose advertisements and revenue.
- *Crowdfunding*: It is currently not possible in BiH and Macedonia because of the dysfunctional online payment system. Once the conditions are in place, the centers are ready to try this option as a way of partial funding although with some skepticism, aware that it requires serious commitment in terms of time and human resources to lead the campaigns, and particular knowledge and skills.
- *Local philanthropy*: There is no legacy of individual donors funding journalism in the Western Balkans; moreover, there is no legacy and mentality of philanthropy at all. To kick-start such donations, the states would have to allow for tax deduction on donations as a motivating factor. Also, the wealthy in the Western Balkans are

often those that could be or are protagonists of investigative stories. Business people would be afraid to donate money as they would be exposed to inspection, commented SCOOP's Hadži-Zafirova.

Generating revenue? – the case of the Balkan Investigative Reporting Network

To show how generating commercial revenue in the Balkans, with a lot of effort put in it, still does not yield proper results due to contextual reasons, it is useful to reflect on the example of the Balkan Investigative Reporting Network (BIRN) with outposts in nine countries.

Despite its name, BIRN's core activity has never been the production of investigative journalism; instead, the network was set up based on diversified media-related activities that include investigative journalism on top. This allows BIRN much more flexibility in attracting revenues.

Some of the network's centers produce more investigative journalism than others, with a very unequal distribution of staff and resources between centers that operate as separate entities within the network.

While the centers in different countries take care of their own survival, the network has regional projects and BIRN Ltd., a company set up as a commercial arm of the BIRN charity that does all income-generating jobs. Some of these are: sales of subscriptions to BIRN's Balkan Insight, a leading analytical web portal in the region; consultancy services; sales of services of BIRN's IT/digital team, development of an online job finder. None of the journalists are involved in these businesses to maintain their independence. Nevertheless, BIRN's funds still predominantly come from donations. BIRN Ltd. manages to cover a small portion of the regional-level expenditures and does not fund individual centers.

Dragana Žarković Obradović, director of BIRN Serbia²¹, predicts inevitable shrinking of donor support in the long term and says that BIRN will then probably be forced to downsize the operations in individual countries. Obradović does not see a way to generate revenues other than diversification and notes that BIRN will always have to rely on the combination of donor funds and modest commercial income.

Concluding discussion – donor funding and alternatives

In the attempt to draw conclusions, one has to return to the initial question of this study: the three examined centers were made in different ways upon a Western model of investigative journalism non-profits, yet can this model function in the long term in the Western Balkans?

²¹ Interview conducted for the purpose of this study in March 2017.

The three centers are well-functioning operations and leaders in investigative journalism in their respective countries that have spread the culture of investigative journalism. They produce high-quality investigations with effects and disseminate them widely via other media and primarily social networks.

They still have access to foreign funding and feel reasonably comfortable. However, they are buying time knowing that donor preferences change fast, without any idea of how long donor organizations will still be present in the region and to what extent. Donor funding for media and investigative journalism is a real rarity in Serbia and BiH, and the centers are competing for funding with the entire community of non-profit organizations. The centers are aware that there will come a time in the foreseeable future when their existence will depend on well-developed sustainability-gearred projects.

There seem to be two types of obstacles to weaning them off the donor money: those internal to the organizations and contextual impediments.

The inertia to dive into testing such models put aside, the centers are legitimately caught in a vicious circle of the absence of funding for testing and maybe failing, as well as the lack of expertise for marketing and sales within the organizations. It is highly unlikely that there are external experts of this kind to be found in the Western Balkans considering that no one has found the formula to sustainability of non-profits investigative journalism in the region yet. Additionally, the organizations lack time, human resources and expertise for testing models of sustainability, and above all money to research the market and produce feasibility studies for new projects.

Moreover, the sustainability odds are against them in a social context and media landscapes are opposed in every way to their organizational models. They operate in impoverished societies, without a developed culture of donating or paying for media content, and in poor and controlled media markets that cannot pay for their media products. Natural streams of money – those coming from the audience and the media market – seem unavailable at present.

So, what is to be done to help these organizations survive and thrive in circumstances opposed to their growth? And should efforts be put into keeping them alive?

These organizations provide proofs for systemic problems in their societies and thus they help enliven these issues in the public discourse and among stakeholders, beyond helping citizens make informed decisions. Therefore, they perform a public service in countries where pub-

lic service media have been experiencing a great crisis of their mission and where commercial media suffer from political and financial capture rendering them pawns in the hands of the powerful. These centers are needed precisely because of the very complex socio-political situation of the transitional countries where they operate, still far behind on the path to the EU. They should work on reaching as many citizens as possible instead of being faced with what seems to be a hardly possible task of finding sustainability models that do not interfere with their independence – and the models are a rarity even in the much better-off West where the non-profit investigative journalism centers originated. Independent media is a public good and needs to be treated as such (Premchaiporn 2017). Although not profitable, “it is an important element of democracy, not a commodity for sale” (ibid.). Therefore, “direct assistance from either individual contributions or funding agencies are important as a bloodstream” to keep the independent media alive (ibid.). Supporting investigative centers, although expensive, is appropriate to some degree in every country and it is a very good approach in countries with little or no independent media (Sullivan 2013, 32). “The decline of the civic media poses a threat to civil society and, ultimately, to the democratic process itself”, note Sievers and Schneider (2017) stressing that it is vital that philanthropy responds to this world-wide threat: “In the face of these disturbing contemporary trends, philanthropy offers one of the few social resources with the potential to protect the civic role of the media and sustain civil society’s vital function in democratic life”.

In the debates about funding non-profit online media, there are new voices in favor of their public financial support. Just as we understood the need to invest taxes in the building of the systems of public education, public health, pensions and so on, it is high time that our generation understands its obligation to create a publically, commonly funded media system, note Nichols and McChesney (2009). Media expert Jovanka Matić (Vučić 2016) thinks that non-profit media must remain that way in order to preserve their mission and that the best source of money for them would be public funds – via taxes introduced to new technology providers – that is, taxes on connections to new technologies. Also, the influx of money to the media from the audience should be stimulated by deducting it from taxes. According to Matić, such initiatives can only be started by media workers and only by joint efforts could they define specific solutions and demands to put pressure on decision makers (ibid.).

Živković (2016, 19) proposes a set of new funding measures for non-profit media in South East Europe, Western Balkans including: 1) establishing a public fund for journalism and media work; in addition to filling the fund from state and local budgets, it should be replenished from taxes on all forms of advertising, consumer electronics, revenues from internet subscriptions, and from radiofrequency usage fees and auctions; 2) tax regulations should allow for the deduction of small individual donations to non-profit media from the tax base; 3) introducing a system of citizen donations for journalism and media work whereby all citizens would allocate their share of public funds for journalism and media work to media outlets of their choice.

These propositions seem like a radical change in thinking about independent media funding, including non-profit media. Therefore, the chances of the Western Balkans governments placing these issues on their agendas are slim as long as the public fails to put “powerful and organized pressure” on all interested actors (Živković 2016, 18). Clearly, this would be a very long struggle.

In the meantime, international donors are well-advised to think about restoring funding in the Western Balkans specifically targeted at independent and non-profit media and investigative journalism and continuing to support the non-profit sector in general, where such media can develop great projects, as their experience shows. Strategic investments into investigative journalism programs can have a significant positive impact in a wide range of countries, notes Kaplan (2013). Long-term commitment of donors is needed to build sustainable media.

Considering the lack of basic skills in business management in the independent media newsrooms in emerging and developing media markets, a WAN/IFRA study (Milošević 2011, 7) recommends that donors should adopt a comprehensive approach to media development: one that promotes both editorial independence and business development, so that financial sustainability is supported along with editorial quality.

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A practitioner's view.

Dragan Stavljaniin, *journalist, Radio Free Europe/Radio Liberty's Balkan service, Czech Republic*

Media Freedom in Post-Communist Countries Under Seizure

A sharp decline of the media freedom worldwide, particularly in post-communist countries, is one of the causes as well as one of the consequences of the overall backlash against democracy, because liberal theory is guided by the assumption that a better informed citizenry buttresses democracy. However, an abundance of information does not necessarily lead to a greater diversity.

There is growing evidence that the media suffer from multiple chronic democratic deficits, which stem not only from their failure to establish a democratic public sphere, but are also rooted in their *complicity* in the maintenance of inequality, minimizing public knowledge, and the exclusion of the public from deliberation and decision making. The role of the media is often reduced to *consent manufacturing*.

The teetering post-communist transition

The transformation of former one-party communist societies into plural, democratic ones, has been prodigious. In spite of an attempt to cut all ties with the old regimes, post-communist countries were confined by value systems from the previous, socialist model which had endured. For that reason, some vestiges of the old regimes, like partisanship, are still discernibly informing the nascent media systems, particularly in countries facing cavernous national and other types of political schism, like in the Balkans.

As a consequence, trends such as *Italianization*, *Mediterraneanization* and *oligarchization* are deeply rooted in post-communist media.

Media oligarchization instead of pluralism

The market economy has historically been deemed one of the pillars of a democratic society, because, without economic freedoms, political ones are inconceivable. However, paradoxically, in the case of market driven media, the logic of profit which is ingrained in their operation in the contemporary world often undermines their role in promoting democratic principles and the search for the common good.

The social *innocence* of the media – their harmlessness – rests on the fact that they coerce no one. Nevertheless, they are getting weaker in promoting the identity of citizens within their audience, while their primary focus is on the identity of consumers. However, the very notion of *citizens* assumes their equality in society, while *consumers*, who are on the *consumption treadmill*, are not equal in the market, due to their different purchasing power.

The discourse of the consumer's sovereignty is at the core of market populism. Proprietors and advertisers have been seen to be much less interested in the *non-market* preferences of the public. Therefore, people are rather treated as docile audiences to be sold to by advertisers, than mature citizens whose active role is an intrinsic feature of democracy.

The expectation that the plurality of ownership – with emphasis on private ownership – would boost democracy and free press, following the communist legacy of state-controlled media, soon proved false. The initial liberalization of the media market – aimed at getting rid of the *Leviathan* of alienated state power – and the proliferation of media has been supplanted by their concentration in the hands of a few large conglomerates such as in the Czech Republic, where the *oligarchization* of media is deeply rooted.

The most striking example is the incumbent Czech Finance Minister and media mogul, Andrej Babis. His conglomerate, Agrofert, employs 33,000 people in 250 separate firms including two of the country's top newspapers, its most popular radio station, an internet news portal, as well as a music-television channel. Fearing the *Babisconi* phenomenon – a reference to former Italian Prime Minister Silvio Berlusconi, who used his vast media empire to influence Italy's politics – the Czech political establishment stood together against Babis, passing a law that would ban cabinet ministers from owning media firms or more than a quarter of any company pursuing state contracts or European Union subsidies. However, many experts are concerned that the very powerful Babis, who is set to be the next plutocrat to head an EU member state, will find ways to circumvent the ban.

Another example of the pressure on the media is the recent closure of Népszabadság, the largest Hungarian independent newspaper. The suspension of the 60-year old left wing newspaper was wrapped in the guise of business, but it was rather a political decision.

Népszabadság ceased to exist and its parent company Mediaworks, owned by an Austrian entrepreneur, was sold to a media giant reportedly close to a friend of Prime Minister Victor Orban in a move to clamp

down on the remaining recalcitrant media and silence them into obedience. Hungary is one of the most salient examples of a “post transitional and post accession backlash” (Rupnik 2007, 20) and a “de-consolidation of media freedom” (Bajomi-Lázár 2013, 70).

“Democratic” and “legal” means to pressurize media

Ruling elites have at their disposal various very effective measures to stifle the media, like taxes, arbitrary financial inspections and checks on bizarre issues like fire protocols without prior warning, withholding of advertising – as well as the imposition of draconian defamation laws. Pushed by strong competition and political pressure to remain financially sustainable on the market, the media are forced to maximize their profit by often pandering to the lowest instincts of the public. For that reason, the media very often are in service of amusement, rather than information, as well as playing the role of a public sentinel. As a consequence, civil society and public opinion are marginalized, as Splichal (2000, 16) warned. “The absence of market economy makes the media politically dependent, but the opposite does not hold true: a market economy cannot guarantee political autonomy media”.

For that reason, instead of being an agent of change, as enshrined in democratic theory, the media often functions to maintain the status quo. As Jakubowicz put it, the environment in which the media operate, their structure itself, “places them on the side of power” (Jakubowicz 2001, 76).

The difficulties of being an independent journalist in times of war

Balkan countries have been touting their move toward democracy in an attempt to join the EU. However, while preserving the outward trappings of democracy, media freedom is increasingly being curtailed, putting a damper on democracy, which is unconsolidated and fragile at best, though not yet reaching the point of no return.

Apart from the common problems which have plagued the media in all post-communist societies, the Balkan media, particularly in Serbia, is still bedeviled by the ever-present legacy of their role during the wars in the 1990s following the breakup of former Yugoslavia, as well. Part of the media served as a pure propaganda tool, which even nowadays denies a reckoning of Balkan societies with their recent past.

As Adam Michnik (1995, 71) pointed out: “The Balkan war first started in the newspapers, radio and television stations. Before *bullets* began to kill, the *words* killed”.

In such circumstances, it was a daunting task to pursue professional journalism. It was a particularly difficult undertaking for several domestic independent media supported by foreign donors as well as for non-commercial international media like Voice of America (VOA), BBC, Deutsche Welle and Radio Free Europe/Radio Liberty (RFE/RL), because they were stigmatized as “foreign agents”.

I still vividly remember when RFE/RL Balkan service, financed by the US Congress, was founded in January 1994 – at the peak of armed clashes in former Yugoslavia. It was the first and the only media organization making a regional program, i.e. common to the whole space of the former country, unlike domestic media focusing mostly on events in their own state, and the majority of them served as mere authorities’ puppets stoking ethnic hatred. A RFE/RL moderator is from one country, a news editor from another, a lead story author from a third one.

RFE/RL has stuck to the principle that only professional journalism can provide to listeners timely, accurate, and non-biased information helping them to fathom the very complex and troublesome circumstances they live in. We believed that this approach would eventually promote tolerance and bridge national divides deepened by domestic, first of all nationalist media. It was a formidable task due to the fact that such an objective approach was met with suspicion, if not enmity.

However, many people used to listen the RFE/RL program because it was a very timely, accurate and balanced source of information. During the NATO campaign against Serbia in 1999, a top Serbian general wrote in a report to the Supreme Command, which was leaked to the media: “The Army’s morale is low: soldiers and even field officers use RFE/RL as a primary source of information.”

Propaganda media have now tried to dispel the sinister image by providing at least a semblance of objectivity. However, they still mostly refrain from tackling sensitive issues like causes and responsibility for the wars. Moreover, they often portray indicted war criminals, who stand trials before the Hague Tribunal, as “national heroes”.

I have realized the perplexity in grasping the truth, particularly in war-torn societies like those of the Balkan region. It’s very often an elusive endeavor and amounts to a will-o’-the-wisp, because reality as an immediate experience in everyday life is contrary to media reality or reality as a cultural construction, especially at a time in which villains present themselves as victims.

This, however, does not mean that we should abandon the search for truth, although many agree that this is an unattainable ideal. There are very firmly established criteria of checking information, as well as validating the credibility of sources, that could enable the audience to comprehend the meaning, context and background of events and processes.

Investigative journalists as “enemies of the state”

The Balkan media face numerous problems: starting from the lack of independence of the media regulatory bodies, to the hidden ownership, because most media outlets were privatized and very often fell prey to tycoons in a murky way, cobbling an unholy alliance with politicians. Respective international organizations have warned of continued political meddling in the media work, an increase in breaches of journalists' rights, biased and lengthy court proceedings as well as a climate of impunity for crimes against journalists. As a consequence, journalists faced insecurity which, in combination with the retraction of advertising contracts, has led to self-censorship.

Many journalists in the Balkans work on temporary or no contracts, often earning less than the minimum wage, leaving them vulnerable to political pressure. As a result, investigative reporting is mostly absent from the mainstream media which aligned their strategies to a “pay to play” model in return for government payments as a reward for positive coverage or lack of critical reporting.

This is very powerful leverage, given the fact that state funds are the principal source of advertising revenues for the media, whose share in the media market in Serbia range from 23 to as much as 40 per cent.

Eighty-four journalists from the Western Balkans, interviewed by Human Rights Watch in 2015, said they have been exposed to various threats and in 18 cases they suffered attacks on their person or property, because of dealing with corruption, war crimes issues as well as radical religious groups. Investigative journalists are exposed to unchecked attacks, intimidation, smear campaigns and even death threats as they go about their work.

In November 2015, the Sarajevo-based Klix, the most visited news site in Bosnia, revealed an audio recording of Željka Cvijanović, Prime Minister of Republika Srpska, the Serb entity in Bosnia and Herzegovina, contemplating “buying” two opposition MPs to support the government. Instead of investigating on possible corruption charges, police searched the offices of Klix, confiscating reporters' cell phones, hard drives, and alike. While various investigative independent journalist networks revealed numerous wrongdoings involving high ranking politicians in the Bal-

kans, unfortunately, there is not yet any sound evidence that it has led to their resignations or has badly affected their standing in elections. For example, investigative journalists unearthed that Belgrade Mayor Sinisa Mali concealed 24 apartments in Bulgaria, but he has remained unscathed.

The mainstream media have been used as the authorities' *iron fist* in cracking down on reports produced by those investigative journalists labeling them as unfounded, if not "hostile attempts", sponsored by "ill-intentioned" foreign powers, aimed at undermining not only the government but also the cohesion of the state and the nation as a whole. Journalists are perceived by the ruling elites as enemies of the state, rather than a critical check on unharnessed authorities.

The EU's complicity

As a consequence of politicians' impunity, they've mostly remained in the saddle, going back to the end of the wars in the 1990s. It is a paradox that Aleksandar Vučić (recently elected Serbian President), who originally oversaw the most draconian measures against independent media in 1998 while he held the office as the Serbian Information Minister, and continued to clamp down on the media domestically from 2014 onwards in his role as the Prime Minister of Serbia, is now adored by the EU, because he has espoused a pro-European agenda.

Vučić's combative attitude toward the media is partly emboldened by the pragmatic or *realpolitik* approach by the EU, whose representatives are prone to turning a blind eye to his crack down on the media. While sending tepid messages about the importance of democratic values, it appears that the EU is poised for the sake of its overarching goals of striking an ethnic and geopolitical balance in the very fragile Balkans, to trump concerns about fundamental freedoms. Moreover, Aleksandar Vučić is being perceived as a stabilizing factor in the region, even though he branded investigative journalists as "scum".

Media sunk by market censorship

It is ironic that the independent media in the Balkans resisted years of dictatorship, but could not survive democracy. They withstood the crackdown and censorship of the war-time regime thanks to huge financial assistance by international donors, but were eventually sunk by market censorship. The issue of the Belgrade-based B92 is the most striking example of the paradox of media transition. Once Milosevic was toppled, international donors mostly withdrew their support and B92 was forced to find its fortune in the unregulated media market.

While the post-Milosevic authorities promulgated media transformation as a part of the overall democratic transition aimed at joining Serbia to the EU, however, in practice they were also prone to maintaining the control over the media. For that reason, even the new, pro-democratic Serbian authorities were not fond of the critical B92 approach and advertisers started to withdraw advertisements. As a result, B92 could not sustain in the market. Thus, it was forced to be privatized and the current owner overhauled the program toward commercialization. That's how B92 lost its "soul" as well as the credibility it enjoyed in the 1990s.

Another example is the Croatian weekly Feral Tribune, the stalwart of independent journalism, which courageously steered through the tumultuous 1990s, resisting political pressures and many lawsuits, only to be ultimately sunk by *market totalitarianism* in 2008 due to a boycott by advertisers, albeit it had a stable readership.

Notwithstanding generous politicians' promises about media freedom, media independence is being mostly hollowed out. For that reason, the warning of OESCE Representative on Freedom of the Media, Dunja Mijatovic (HRW 2015, 56) that "freedom of the media in the Balkans is worse than after the wars in the '90s", sounds pretty gloomy and pessimistic.

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PART III: ORGANISATION

Innovating Networked Journalism **What editors and publishers can learn from** **digital musicpreneurs**

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Since the dawn of the digital age journalism's future appears more open as well as more insecure. This is also true for a country such as Germany with its historically very strong newspaper and magazine culture and with journalism being extensively funded by public broadcasters. In Germany, digital journalism began more than twenty years ago, on 25 October 1994, with the start of *Spiegel Online*. From this day on, publishers and editors have experienced a digital as well as disruptive transformation in terms of financing, producing and distributing journalism. For them, we have developed the following agenda: *Leading and innovating openly co-organized networked journalism: What editors and publishers can learn from digital musicpreneurs*.

In Germany, the social and institutional consequences of this transformation led to the establishment of a special law for press publishers to protect their services and current organization of the production and distribution of journalism (Leistungsschutzrecht für Presseverlage; Buschow 2012; Tworek and Buschow 2016). The federal government granted these ancillary rights especially because publishers could plausibly and strategically argue for journalism's importance for an independent critical public sphere.

Our agenda with the learnings from the music sector aims to support editors and publishers in their work for a more independent and secure future of journalism. It recommends the redefinition of journalism management on the basis of a music management innovation: "the generation and implementation of a management practice, process,

structure or technique that is new to the state of art and is intended to further organizational goals" (cf. Birkinshaw, Hamel and Mol 2008, 829). The management innovation considered here – *institutionalized co-organized openly networked support* – allows a more agile, more flexible, more efficient, often cheaper and generally more sustainable and secure as well as independent value creation in the music industry. Our recommendation is based on research on this management innovation, on the results of several empirical projects on digital transformations and innovations in the media, music and publishing industry, and in particular on our knowledge of the dynamic return of the music industry in a much more subtle, more complex, openly networked form since 2010.

We identified this management innovation, which gave the impetus for the agenda and for our recommendations, in the last project of a cycle of three projects (2010-2016) on the digital transformation of the structures of the music industry. The first project researched the drivers and shapers of the dynamic recovery of the Berlin music industry in transition (2010–2011). One central result of the project was that dynamics of structural transformation and growth were driven by new actors, often "prosumers" as "culturepreneurs" (cf. Winter 2012) or musicians as "artpreneurs" (Paulus and Winter 2014). The second project analyzed expectations of all stakeholders of the Clustermanagement Music Business of Mannheim & Region to help to lead digital industry transformations (2013–2014). Starting with a focus on new networks, network organizers and the organization of support in the first two projects, the third project investigated how institutionally networked actors in the Berlin music industry organize support to develop their activities and competitive advantages and how they are supported by the Berlin Music Commission (BMC), by their networking activities and formats as well as network organizations and other actors in the network (cf. Winter and Paulus 2017).

In this research project, we discovered – in comparison to the first project in Berlin and the second project in Mannheim – that actors belonging to the Berlin music industry are interlinked with one another in a completely new quality and quantity.

As ordinary support activities we would usually differentiate the following:

- *infrastructure* – which consists of activities such as control, public relations, accounting, legal and in particular strategic activities,
- *technological development* – e.g. hardware, software procedures and technical – digital – media knowledge needed in their transformation of inputs into outputs, and
- *human resources management* – activities involved in recruiting, hiring, training, developing, compensating and dismissing or laying off personnel or procurement, the acquisition of new software, digital network media, services or work efforts from an outside external source.

Active members of the Berlin music industry do not necessarily organize such support activities as is recommended in the textbook (cf. Porter 1985). Less frequently than before the investigated actors have resources within their company, ready when needed, or reach out to well-known professional supporters (web designers, graphic designers, attorneys, tax consultants, etc.). Instead, we found that they increasingly interact in an *institutionalized, co-organized* manner with their BMC network actors, who *openly networked* them with supporters, whom they believe could help them best. For the actors in the digital-media network of the Berlin-based music industry, support in networking has become the most important supporting activity (Winter and Paulus 2017): It has become increasingly relevant for the development of value activities and competitive advantages in digital media.

The *institutionalized, co-organized, openly networked support*, made possible by the Berlin Music Commission and by network organizers in the city's music industry, is more agile, flexible, effective, often more favorable and sustainable as well as less risky in organizing support for the development of value activities and competitive advantages (Winter and Paulus 2017).

Currently, there are no comparable structures for *openly networked support* in German journalism. Publishers and editors, as well as founders in journalism have so far failed to achieve profitability or to become profitable in times of transition. A classic case of market failure (see Karmasin and Winter 2000, 29): Although a whole range of actors have tried to sustain journalism in the context of structural transformations, they have so far not succeeded in creating new sustainable models of (digital) journalism. In journalism, there are no comparable new network formats and network organizers: Institutions that might link new

and old industry players and stimulate new digital-media value activities as well as competitive advantages, such as the BMC, the Clustermanagement Music Business Mannheim & Region or the krelHtiv-music unit in Hanover, are not (yet) observable.

Our empirical results suggest that this will change once the number of new creatives in journalism increases, as it was the case in the music industry where the number of new, especially urban music networks rose after the number of potential digital musicpreneurs in a wide range from prosumers to artepreneurs increased. In the music industry, their importance is increasing simultaneously with their quantity (cf. Seufert, Sattelberger and Schlegel 2015) as well as with the new potential of network media such as Napster (1999), MySpace (2003), Facebook (2004), Spotify, YouTube (both in 2006), SoundCloud (2007) and Kickstarter (2009). They are new “post-industrial means of production” (Alexander 2015). Since 2015, “creatives” (whom we would call musicpreneurs) are recognized as a (new) music industry “subsector” (Seufert, Sattelberger and Schlegel 2015), which includes 27,895 people contributing 15 % to the industry’s gross value added – 22,196 of whom are self-employed and owners in the new digital industry (see chapter below The management innovation ...).

To sustain their support in developing their own value activities and value activities of others – in particular, established music industry actors – as well as their competitive advantages, it is necessary to discover the proper musicpreneurs in the increasingly fragmented and more complex networked music industry. Also, their support achievement has to be understood and evaluated and they have to be reached as well. In the best case, they can be directly *embraced* and *invited* by digital media. As revealed in a recent study on digitalization of the Berlin music industry, this is increasingly achieved by all actors in the Berlin music sector. They understand digitalization as a personal and professional challenge (Hermes, Knoflach and Winter 2016) because they are engaged in personal and professional networks. They also use network organizers and regularly visit networking events which are essential for their activities.

Against the backdrop of the assumption that the digital future of the media industry first appears in the music industry, where it started with the introduction of the CD on the occasion of the IFA in Berlin in 1981 (and later with MP3, Napster, Last.fm, Spotify, SoundCloud etc.), we further assume that, similarly, the future of digital media management – a management that is based on digital innovation – will first be found

in a more complex networked digital media music industry. We assume that the *institutionalized co-organized openly networked support* observed in Berlin's music industry is a management innovation par excellence which might serve as an orientation for editors and publishers when developing journalism. The following chapter will introduce this management innovation in the context of the digitalization of structures of the music industry. It shows how this management innovation is based on digital innovations and digital-media transformed practices, principles and processes as well as structures. Based on these findings, the subsequent chapter formulates recommendations on how the future of journalism can be developed especially by refining its management, i.e. what editors and publishers do and could do in the light of the currently prospering new digital-media networked music industry.

The management innovation institutionalized co-organized openly networked support in the context of digital music industry structure transformation

Institutionalized co-organized openly networked support allows the interlinked actors of the Berlin music industry to *structurally* innovate their management. Since the BMC in Berlin has institutionalized itself as an innovative network-actor-constellation regarding new practices, principles, processes and structures (such as new network organizers, network formats and network media), the actors expect themselves to be able to organize support in a *co-organized openly networked* way that is more agile, flexible, effective, often more favorable and sustainable. Furthermore, this is less risky and helps to develop value activities and competitive advantages.

These developments and competitive advantages are made possible by faster, uncomplicated and – as a rule – socially and personally provided new networking opportunities of a better quality and quantity. This innovation, the foundation of the BMC and the development and especially the institutionalization of *co-organized openly networked support*, benefits from being based on the new practice of the digital-media 'peer-to-peer production' in which many Berlin actors and the founders of the BMC were experienced. With the expansion of digital-media peer-to-peer activities, the music industry entered into the second of three waves of digitalization (regarding these waves cf. Hermes, Knoflach and Winter 2016, 6). In each of these waves, new digital-media structures of production, distribution, orientation and organization of the perception and the use of digital forms of music were developed by more and more different actors.

Whereas the CD was still essentially developed, financed and produced in large electronic enterprises (Sony and Philips), this changed with the development of MP3 and music software as digital instruments. While the music industry has celebrated new revenues in sales each year since the introduction of the CD in 1981, new digitally networked scenes were established in the environment of science, music, informatics, sub-, club- and DJ culture around MP3 music files, the programming of music and open source programs. This actually first happened in Berlin in the environment of clubs such as the Delicious Doughnuts, which was (from 1993-1997) owned by today's BMC CEO Olaf "Gemse" Kretschmar, and new digital music software creators such as Native Instruments (1995), today a global enterprise with branches all over the world.

This digital creative scene became impressively visible for the music and media industry when Shawn Fanning, informatics freshman known by the nickname "Napster" within his "hacker crew" (Röttgers 2003, 17), provided a client-server software for free called "Musicshare". This software allowed the *peer-to-peer* (P2P) sharing of MP3 files via the internet and also made it possible to see what kind of music others have on their computers. *Musicshare* was the first *P2P medium* that spread worldwide.

Peer-to-peer activities were innovated on the basis of new opportunities brought about by practices and principles of dealing with established additional digital network media as "post-industrial means of production" (Alexander 2015) – such as those mentioned above: MySpace (2003), Facebook (2004), Spotify, YouTube (both in 2006), SoundCloud (2007) and Kickstarter (2009). These new opportunities were opportunities of sharing, commenting, criticizing, co-creating and networking, even of co-financing – to mention only the most important. In the social peer-to-peer context and in new technical and also somehow personal P2P processes new principles and roles emerged around the new digital-media (production) practices. All parties involved learned that digital forms of music do not become *less* but *more* by sharing them and that, because of the free availability of production means, value activities often do not have to be directed towards markets. Thus, the integration of diverse, particularly non-monetary motivations is becoming more important, because it increases the value of value activities, also because they become "values activities" (cf. Benkler 2016; Winter and Paulus 2017). Anybody associated with digital network media as a post-industrial means of production has become a musicpreneur – a supporter of a new entrepreneurial role which is, in the sense of Schumpeter,

at the same time productive and innovative as well as disruptive (cf. Schumpeter 1950).

Since Napster (1999) and the new digital-media opportunity to share MP3 files peer-to-peer via the internet and to even see that others listen to similar songs, not only structures of distribution of music were at first disruptively *transformed* by prosumers in particular (cf. Winter 2012). Since then, more or less all essential structures that constitute music in society have been digitally transformed (cf. in detail Winter 2013).

Our research suggests that the management innovation *institutionalized co-organized openly networked support* has announced an end to this transformation – at least to the disruptive transformation. Shortly after the institutional support of P2P productions by the Berlin BMC and many other networks, the Berlin music industry started its stable and dynamic growth, long before the end of the unprecedented revenue slump (by significantly more than half) between 1998 and 2013 (cf. in detail Winter and Paulus 2017).

In today's new digitally networked music industry the dynamic of which is pushed by new creative digital musicpreneurs, all – and not only new or only a few – actors in Berlin profit from these new actors, practices, principles and structures in the form of innovative open network-actors constellations with innovative network and networking formats and network organizations and thus new principles and processes based on more personal relationships. The transformation of the music industry's structures has reached a totally new quality. This also becomes apparent in the way the big music industry, i.e., the major label industry, has come to terms with these transformations.

The compendium *Musikwirtschaft in Zahlen 2015* of the Bundesverband der Musikindustrie, the German branch of the International Federation of the Phonographic Industry (IFPI), pronounced significant growth (2015 by 4.6%) and that "streaming subscriptions" had exceeded the prognoses and even increased by 106% in 2015 (Seufert, Sattelberger and Schlegel 2015). Frances Moore (CEO of IFPI) began her Executive Summary to the *Global Music Report 2016: State of the Industry* as follows: "Today we are at a crucial moment in the evolution of recorded music. After two decades of almost uninterrupted decline, 2015 witnessed key milestones for recorded music: measurable revenue growth globally; consumption of music exploding everywhere; and digital revenues overtaking income from physical formats for the first time" (IFPI 2016, p. 5).

Our research on the music industry reveals that the *institutionalized co-organized open networked support* in the sense of the definition of management innovation (cf. in detail Birkinshaw, Hamel and Mol 2008) allows networking participants a more efficient organization of support for their own value activities and their development and thus of new competitive advantages (cf. in detail Winter and Paulus 2017). In the sense of the definition, this efficiency creates a more efficient innovative network-actors constellation compared to the state-of-the-art management. The network-actors constellation, in particular, is more efficient on the basis of innovative digital-media practices, especially networking, but also sharing, commenting, co-creating etc., based on new, more personal relationships. These relationships often work better on the basis of principles other than relationships based on contracts and markets. This particularly applies to the discovery and development of anything new. Everyone able to rapidly establish a better relationship quality, especially with unknown actors, practices, technologies etc., as is facilitated by open and network-like structures, may benefit enormously.

In the new role of the *digital musicpreneur*, people with digital-media peer-to-peer experience are able to become structurally *embraced* and *invited* as well as to *embrace* and *invite* others within digital media – integrity and fairness presumed. This is – firstly – proven by the continuously increasing number of new institutionalized networks with network organizers and formats and often even own network media. Secondly, it is a fact that the support in networking in networks (!) has become the most important kind of support. This includes activities such as help with the organization of new interests or – as has been the case in Berlin for some years – with the internationalization of own value activities. Thirdly, it has to be stressed that the structural significance of new networks for the development of the economy has now also been realized in policy. Therefore, financial support is extended and very attentively observed, e.g., in German cities such as Berlin, Hamburg, Mannheim or Hanover.

Against this background, we assume that the management innovation *institutionalized co-organized openly networked support* established in the music industry today, is, in an adapted form, at least partially able to open opportunities for independent financing, production and distribution as well as for orientation and organization of the perception and use of journalism in a more productive sense and for more creative actors. Thereby, this management innovation might become more sustainable in an intelligent, including and durable sort of way – quite in the sense

of the EU 2020 strategy for smart, inclusive and sustainable growth (European Commission 2010).

Agenda: Leading and innovating journalism for openly co-organized networked public spheres

Unlike the music industry, journalism has not yet been embraced by a third wave of digitalization, in which all actors embrace the personal as well as professional challenge to use digital network media as a post-industrial, more powerful means of production and in which old and new subsectors and – in particular – the new subsector “creatives”, is growing (Seufert, Sattelberger and Schlegel 2015). So far, we cannot observe a new open network-like structure in journalism that allows new creatives to easily enter the industry and participate in the development and the support of new value activities for their own benefit and the benefit of the industry.

However, similar to the music sector, we observe that market entry barriers in journalism are lowered especially by new post-industrial means of production (Buschow 2017), that new creative actors and founders of new ventures are growing in numbers and professionalism as well as that institutional expectations are formulated towards an “intelligent, inclusive and sustainable” development of the industry (EU 2020). These observations suggest that the modes of production and distribution as well as the orientation and organization of the perception and use of journalism will continue to change in the process of digitization. Against this background, in their work on the future of journalism, publishers and editors can profit from the experiences of actors from the established Berlin music industry, the BMC and from musicpreneurs.

This can be achieved if they engage more in the development of novel actor constellations and the development of their capacities. This is likely to be the case if they consistently build on digital innovations that allow them to share and develop new experiences with new digital and media-based practices as well as new principles of sharing, producing etc. (see below).

The development of not only technical and economic but, above all, social and cultural competencies in the implementation of new digital media practices requires, as our research shows, not only a lot of practical experiences but also a more complex social, cultural and entrepreneurial curiosity on different levels, such as personal, technical, commercial, political, legal, etc. (see below).

Looking back at all projects from the research cycle on the music industry, it has been shown that this experience and competence coupled

with the corresponding curiosity creates the prerequisite for the development of value creation, which is obviously necessary in order to find the *right partners* on a professional, objective and personal level. And not only to find, but also to be able to successfully embrace and invite digital-media, which contribute to development best and most. This is particularly successful if often unknown potential supporters are *co-organized*, as individuals can be personally addressed and also engaged. In the light of our research, digital-medial practical experiences with new media as new means of production based on new principles – coupled with a more complex curiosity and openness and in relation to a peer-to-peer media developed personality which allows to embrace and invite other digital creative actors – are only a prerequisite. In order to lead a management innovation and to perform the digital transformation of a structure more is required: This needs founders and their experiences. To start the BMC in Berlin, know-how was provided by actors of the ClubCommission, the network of Berlin clubs which was, like later the BMC, founded bottom up in 2000. The establishment of Clustermanagement Music Business Mannheim & Region benefitted civically from the society of Mannheim's founders' centers mg:gmbh. Similarly, the MusicUnit at krelHtiv profits financially from hannoverimpuls, the organization for economic development of the county capital and region of Hanover. In Mannheim and in Hanover, the interdependence with already established civic structures supported the responsible network organizers with stronger engagement for the music cluster. In contrast, the responsible actors in Berlin often express hope for a more stable institutional connection to civic structures.

The following recommendations are meant to explicitly support editors and publishers in developing their own management innovations in journalism. The recommendations build upon each other. We think of them as steps on the path to a management innovation which is somewhat similar to the *institutionalized co-organized openly networked support*. They are recommendations to responsible actors, the consequences of which however project much further than the action radius of individual actors.

Facilitate positive media DEVELOPMENT experiences

Our research shows that structural dynamics and transformations are not only presently but also generally inspired by actors who collect experiences with new media as a means of added value. They are in some respects ahead of their time, as they co-develop or at least internalize the specific functional logic of new media earlier than others.

Those who try out new media at an early stage – also in a private context – become *agents of change*. Therefore, it is barely surprising that new generations find themselves at the forefront of change. Young journalists – digital natives – whose private use of media is changing, carry individual experiences or formerly unfamiliar practices over into professional environments. In network theory one calls this spillover effects; effects which extend further than thus far separated contexts (Padgett and Powell 2012). We assume that in journalism younger actors expect digital network media to be provided within organizations for team work and expect that it is naturally used in various ways in production and distribution and the orientation and organization of their reception.

We recommend – more strongly than ever – that editors and publishers facilitate experiences in practical interaction with new digital network media as so-called *post-industrial means of production* as an explicitly positive *development experience*, as opposed to conventions of the past within the music and the publishing business.

Inspire cultural CURIOSITY and entrepreneurial OPENNESS

In the context of conflicts in digital processes of structural transformation, it has been shown that new experiences have enabled productively configured dynamics when cultural (often scientific) curiosity is coupled with entrepreneurial openness.

This is more and more frequently inspired by the collaboration with external actors which is known to change, for example, journalistic practices (Buschow 2017). For instance, in projects common for this day and age such as workshops (so-called hackathons), journalists and/or publishing employees together with software developers, technicians, hackers and designers co-operate, co-produce, comment, share their knowledge and so forth. Nowadays, more and more software and hardware products are developed, which later on present a meaning in and for journalism as media. An exemplary result of such a co-operation in form of sharing practices and knowledge within a process of interaction are modern actor-constellations and new phenomena such as data-journalism, a new distinguishable way of reference to, on the one hand, journalistic rules and resources as well as, on the other hand, rules and resources of data analysis, statistics, computer and hacker culture. Something similar is not only true for such overlaps also present in drone, sensor and robotics journalism, where thus far there were clearly separated practical constellations (aviation, computing, robotics) overlapping with journalism – it increasingly also applies to the growing number of digital reestablishments of journalism (Buschow 2017).

Hire digitally creative journalists, partners and developers as INDIVIDUALS

The institutionalization and distribution of the management innovation *institutionalized co-organized open networked support* in the music industry proves that this innovation is a further development of the digital-media organization innovation peer-to-peer production. It is particularly successful and procures competitive advantages for actors developing their value activities in the branch if own experiences with peer-to-peer practices can be drawn upon and where it is possible to build upon the basis of these practices and their principles – rather principles of personal relationships than those of market or contractual relationships.

It is possible to establish new digital-media relationships significant for value activities in the long term when participants have seen themselves as individually participating people and also have addressed and supported each other. Therefore, our recommendation for editors and publishers is to see media employees, internal and external partners and freelance journalists more than before as individuals and to address them as such and to integrate them into their *People Business*. Thus, it becomes possible to even embrace and invite them digitally from time to time. In the organizational form of the *publishing house*, new value-creation constellations, which also develop digital-media structure transformations in journalism, are becoming more and more important. Competitive advantages no longer arise mostly from the optimization of internal production processes alone, but particularly from (the optimization of) the cooperation and the networking with more and more different digitally creatives.

Participate in the FOUNDATION and INNOVATION of digital-media open and networked forms of management of journalistic value creation

Just as more and more actors from the Berlin music industry do, accept digitalization as a personal as well as a professional challenge. Contribute actively to the foundation and innovation of digital-media open networked network institutions – with your digital-media experiences and competences with digital network media, with your cultural and entrepreneurial curiosity and your experiences in foundation. It is best to do this in cooperation with junior journalists or young actors who are committed to the cause instead of being just controllers and number crunchers as has been the case in journalism for the longest time. If implemented, journalism will become more agile, flexible, often more favorable, more sustainable and, above all, economically less risky.

LEARN more than before from others and from other branches

We are just beginning to understand the almost ten-year history of the Berlin Music Commission as a story of management innovation in the music industry. Its economic importance as an innovative actors' constellation, especially compared to other similar *network organizations* and their different network institution, currently indicate that first and foremost network organizations are beginning to learn from other networks and their respective other chances, challenges and structures or forms of institutionalization. We are discovering that networks, network organizations and networking formats have become a kind of new external infrastructure for more and more value actors. These new structures suggest the end of disruption of established structures as well as the outlines of a new order of value creation. In conclusion, we, therefore, recommend editors and publishers to be even more interested in structure transformations of other media industries, to discuss those transformations and new digital-media structures with responsible persons belonging to such networks. Potentially, in the light of the new structures and order of value creation in the music industry, they might start developing new openly networked structures for journalism as well.

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A practitioner's view.

Clemens Pig, *CEO of Austria Press Agency, Austria*

The Good old Cooperative as an Innovation Model

News agencies are exotic in the media industry: in every country there is generally just *one* national agency with original content creation for all editorial divisions. Numbering around 20 amongst a total of about 140 news agencies worldwide, the “club of independents” is especially limited and therefore worthy of protection. The independent, full-service agencies of the western paradigm are a role model under the ownership of media enterprises, which in their founding rationale instruct the news agency to produce a basic supply of news (“news wire”). The underlying thinking is to provide services that would be too expensive for each individual media enterprise to provide on its own.

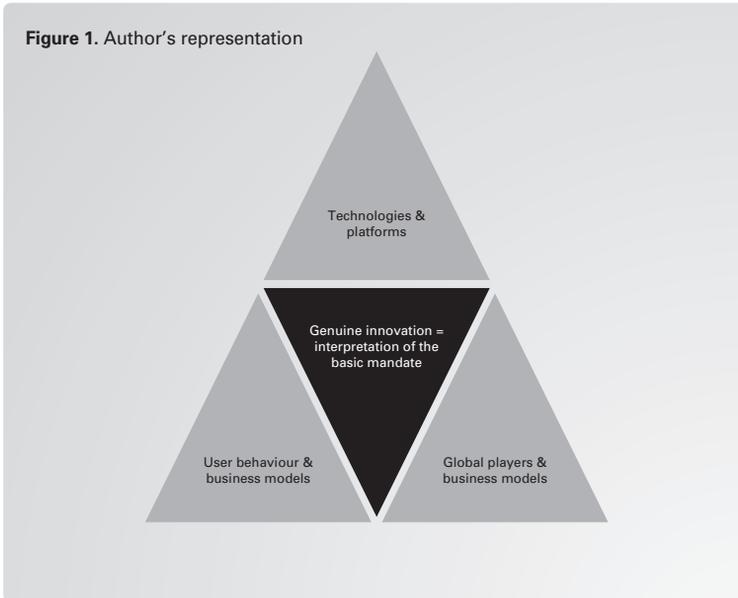
With this in mind, directly after the Second World War, in 1946, Austria Press Agency (APA) was founded as a cooperative with a mandate under the ownership of the Austrian daily newspapers and the public broadcasting station ORF. APA's basic editorial mandate is stipulated in statutes. Briefly put: its mandate is to provide public value on the basis of private mandate.

The company's tectonic plate as an entry point for strategic innovation management

The company objective of a news agency is therefore the production of information services which for individual media companies cannot be produced expediently from an economic point of view. This is the foundation – a kind of tectonic plate on which genuine entrepreneurial innovation can take place.

Apart from the development of products and services, *real innovation* means the ongoing *reinterpretation* of the company objective. In the case of Austria Press Agency, this is the adaptation of the cooperative mandate for its member (=media) companies in the area of content creation. (The company objective itself is formed on the basis of the structure of ownership and its interests; a substantial change would result in a shift in the tectonic plate and, consequently, the company's objective – it would be an earthquake). In the current media economy and in media production, the speed and depth of this ongoing reinterpretation

is necessarily oriented around the triangular relationship comprising *disruptive technologies and platforms* (motor for technological monopolisation with massive data aggregation), *global players and business models* (new non-media players based on the principles of “winner takes all” and “cut out the middleman”), and *changed user behaviour with fractured business models* (news unbundling and distribution along non-media channels with new advertising forms and sources of revenue).

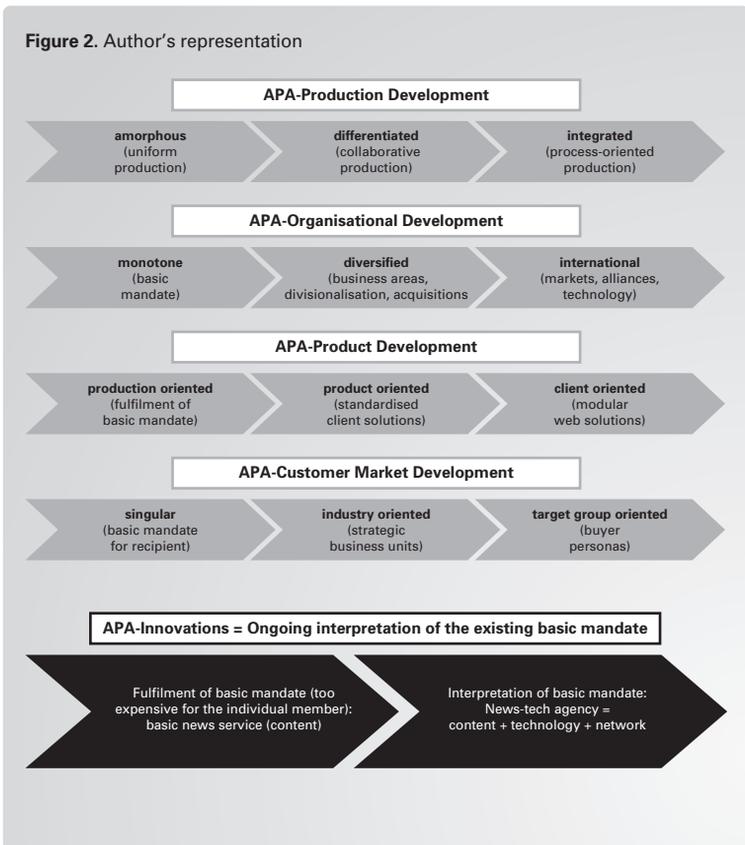


Only an appropriate understanding of the rationales of transformation for one's own business (“What business are we in?”) will result in the necessary, ongoing reinterpretation of the existing basic company objective. This reinterpretation provides fertile ground for the vision, strategy, and the company's corporate identity in change and innovation management (“completeness of vision”).

Maturity of the company as an enabler of operational innovation management

In addition to the determinants and limitations described for strategic innovation management (triangular relationship), the level of maturity of the company itself (in the sense of production, organisational, prod-

uct, and customer market development as central processes of value creation) is a critical influence on the degree of effectiveness in operational innovation management. The company’s respective phase of development determines whether the strategically defined reinterpretations (real innovations) can actually be implemented by the organisation (“readiness to fulfil”). In the case of APA Group, when reinterpreting the company objective in terms of the aforementioned triangular relationships and the organisation’s level of maturity, the basic cooperative mandate of “producing a basic news service” (content) is expanded by adding the areas of “media technology as member value” and “data network as customer value”. In change and innovation management, the classic news agency is transformed into a data-driven news-tech agency.



The company's culture of innovation as a catalyst

Probably the most persistent obstacle for change and innovation management is corporate culture (extended time to change). In personnel-intensive services, in particular, an explicit culture of innovation functions as a catalyst for the organisation's innovative strength in the long term. The central corporate cultural achievements and models in the digital media economy involve:

- *Trial and error*: the frequently cited culture of failure conceives of failures as a (necessary) part of the path to success and in everyday corporate life means, first and foremost, the willingness to quickly adjust services and business models that do not work. The recognition and cessation of error-related developments are critical in the context of phasing out few but profitable legacy media products and establishing numerous but less profitable digital media products. The principle of trial and error itself must become best practice in innovation management.
- *Exploitation and exploration*: in the production of old products, the elimination of dual practices in the organisation and the digitalisation of workflows with respect to process excellence (exploitation) establishes the necessary financing capacity for the development of new solutions (exploration). In the current phase of transformation in the media, in which there is still no clear picture of future value creation in view of the ongoing changes, media innovations can generally be financed only by way of legacy products (through defined seed and research budgets). In this respect, fast-paced media innovations are grouped around the (still) existing services that have been a success. In the case of Austria Press Agency, for example, Austria Kiosk has been developed as a cross-publisher digital newsstand with diversified ecosystems (W-Lan-models = digital reading circles, media bundles, mobile communication installation) along the flagship APA-Online Manager platform. In this strategy there is continued development of classic products, in which real innovations are positioned next to existing ones without destroying them.

Based on this perspective, the disruptive innovation approach is counterproductive and would lead to the erosion of the financing power of legacy products. A smart innovation strategy accommodates the current parallelism between old and new patterns of media use and therefore the legitimacy of old and new product rationales. In this respect, the establishment of real innovations also means the need for new thinkers who create these innovations and take responsibility in the company

for themselves: “disrupt yourself or be disrupted” is an unfeasible task asked of commercially successful product managers and the directors of existing services, who have to implement a clear strategy of exploitation through to maturity. There is no room here for real innovations; a multicultural strategy of innovation that learns to differentiate between classic product development and innovative development is needed. The concept of disruptive innovation appears to account for patterns of failure rather than to formulate functioning rationales of innovation for the future.

- *Prototyping and business planning*: the frequent lack of visibility, particularly for early-stage innovations and their upstream technological fields of research, and diffuse business use cases mitigate the potential strength of imagination and innovation of new products and services. Moreover, in many cases the logic of the classic business plan prematurely stifles the potential for innovation in digitalisation. In contrast to the legacy product model, in which media enterprises within the national borders define the constellation of the product market from top down and their media organisations are able to practice an agenda-setting monopoly (“ordered interpretation”), the digital production model has a wide range of versions. The digital culture of innovation calls for creative latitude in development; success and failure (“trial and error”) are frequently undetermined before prototypical application in the respective business case.

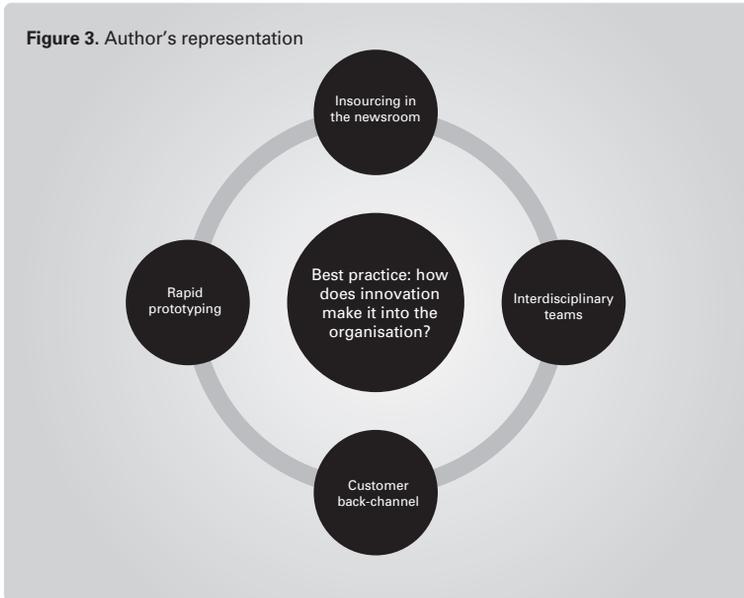
Several promising prototypes or indeed commercially successful innovations probably never would have seen the light of day in what for legacy media is classic business planning with three-year revenue forecasts and break-even calculations. The entrepreneurial alternative lies in the development of prototypes or click dummies with the respective business cases (customer back-channel), a rapid trial-and-error process including the transfer of the successful prototypes to project management or rejection of dysfunctional prototypes. Only at this stage in the process of innovation does the prototype leave the creative, control-free developmental sphere, passing through the revolving door into the line organisation’s business segment together with business planning. And in business planning itself there is a difference between the culture of legacy and digital innovation. The latter overcomes existing market barriers and product silos and benefits from the positive scale effects of digitalisation (think big). For example, Austria Press Agency managed this through innovations in mobile publishing (internationally licensed white label apps with monetisation widgets for media).

Best practice: insourcing innovation into the line organisation

The paths of innovation into the line organisation should be no mystery. The challenge in corporate practice lies primarily in establishing an explicit culture of innovation and in transferring concrete innovations to the line organisation. During implementation, innovations and their results generated in externally managed innovation units are frequently perceived in the company as foreign bodies and are only slowly integrated, or indeed rejected, by the existing organisation. With respect to the “psychology of innovation”, it appears that “innovations from without” are often perceived more as a threat to that which is familiar and existing and less as something new that can be positioned alongside what exists and ensure future revenue (see the relations between exploitation and exploration described in the concept of disruptive innovation). To overcome these effects, APA Group bundled rather than dislocated the innovative strengths in the company by establishing the APA-Media-Lab and integrating it spatially into the heart of the company, namely in the newsroom. Furthermore, drawing from most of the company divisions an interdisciplinary team of programmers, developers, designers, editors, researchers and business analysts was established, which forms the core MediaLab team and for each innovation project this is supplemented by one colleague from the existing organisational unit, who implements the innovation. This is meant to ensure the smooth transfer into the regular production processes from the inception of the innovative idea to the creation of the prototype and transfer into regular operations.

Parallel to the innovation unit's organisational and spatial integration into the company, new methods and techniques in innovation management support the necessary trial and error and the important visibility of innovations. Rapid prototyping as well as sprint and slack-time models are used in the MediaLab. Click dummies or prototypes with the respective business cases are necessarily replacing traditional forms of presentation for innovative ideas and applications, while innovative sprints and defined innovation times for employees in the line organisation (slack time) guarantee concentrated and rapidly available prototyping in terms of time and content. Developed prototypes are made available to users (editorial offices, communication decision-makers) in MediaLab's technical innovation platforms for direct testing and via API for integration into existing editorial systems or web CMS systems. In the trial and error process, this back-channel supplies essential findings on the continuation, adaptation or abandonment of the respective prototypes. Moreover, through this back-channel decisions on the features

and applications in the prototype's specific business cases are made where monetisation is to subsequently occur: in the creative developmental sphere among users and customers, unlike in the legacy model in management as part of a wide array of committee meetings ("democratisation and innovation"). Apart from this, decisions on pricing and business models are made in the business segment after the prototypes are transferred into the line organisation.



Technology as a central driver of growth functions as a constant for all measures in operational innovation management. In the triangle of relationships described at the outset, technology is the only area which offers hands-on potential for the company to act. The new digital business model for global players as well as the changed pattern of media use and resulting new forms for generating advertising and revenue are determinants of current and future media developments, upon which there is little influence. For media enterprises technology has to prove its strength "under the hood" and, as a web-based modular solution, distribute media content in a flexible and integrated manner that caters to specific target groups ("customer journey"). In the case of Austria Press Agency, all of the technologies used are combined in a shared architecture of technology in order to display, market and monetise the identical

content (e.g. structured media content feeds) in a variety of platforms and channels (APA-Online Manager, Austria Kiosk, apps, etc.). In the future, every item of content will be linked with the appropriate technology, editorial offices, and users.

Best practice: interpretations of the foundation as innovations in fulfilling APA's basic mandate

Most of the innovations presented below represent an interpretation of the news agency's original basic mandate. The continued development of the basic mandate focuses the services that in the digitalisation of the media and communication environment would be too expensive for every single media enterprise in production. For the APA Group, a clear strategy of a sharing economy is emerging for innovation management in media digitalisation in the cooperative organisational form. National partnerships and joint efforts in creating and financing new technological solutions for media production have become indispensable in the digital economy. In contrast to the business models of global players, in the cooperative sharing economy the added value remains with the participants, be it in the form of benefits from marketing media content (APA-Online Manager, Austria Kiosk) or dividends, or through limited investment costs in the context of white label solutions (APA-Media Apps, APA-MediaPay). In some cases cooperative innovation occurs directly in the business model (Austria Video Platform).

Table 1. Author's representation

Innovation	Interpretation	Field of Innovation
Austria Video Platform	Cross-media video exchange platform with financing from advertising	Visual/video, data, marketing
Austria Kiosk	Cross-media digital newsstand with financing from paid content	Publishing, paid content, unbundling, mobile
APA-MediaPay	Cross-media payment solutions with subscription and kiosk link	Paid content, data, unbundling, mobile
APA-TrustedContent	Cross-media platform for classifying sources (SourceCheck) and live research assist	Trusted
APA-Future	Web-based individual module for all online media production, distribution and marketing	Media technology
APA-Mobile Publishing Suite	White label apps for e-paper and wire with widgets	Mobile, publishing, paid content
APA-NewsCards	Source- and issue-centred news interface (AOM) with social media plug-in, editorial offices: production & planning through smart linking	Data, social
APA-VideoNow	Annotation-based image selection and video production	Visual/video
APA-Live-Video	Editorial live streaming with smart embedding and video player for online + TV	Visual/video

APA is the fourth oldest news agency in the world. In the digital media economy and production it is driving the renaissance of cooperative models of innovation.

Digital Transformation

The organisational challenge – creating a roadmap for change

Lucy Küng, *Reuters Institute for the Study of Journalism, the University of Oxford, UK*

We are now at the end of the digital beginning. Two decades after the emergence of the internet and world wide web convergence is well-underway, and the structure of a new strategic environment, of a new media system, is beginning to take shape.

Changing consumption habits have eroded revenues from traditional products while equivalent replacement income from digital products has not yet materialized. From a strategic perspective, a handful of very large technology organisations are playing an increasingly powerful role in the media sector, reducing legacy players' strategic sovereignty and constraining access to audiences.

Organisationally, the on-going addition of new "layers" to media systems (recent ones being digital/online in the late 1990s and social/mobile from around 2008 onwards) have increased operational and strategic complexity inside legacy media and led to resource overstretch.

The core challenge is organisational

This chapter presents some very early findings from a major research project focusing on the digital transformation taking place inside media organisations in response to the new environment they find themselves in. The core premise is that the core challenge facing legacy media is organisational. And while there is little doubt that they have the ability and commitment to master the content transformation, the organisational transformation is equally critical but has so far been less of a priority. Organisations *are* being transformed, but piecemeal rather than systematically and strategically, and perhaps sub-optimally as a result. My new research builds directly on the findings from *Innovators in Digital News* (2015). Its goal is to create a roadmap for legacy transformation that identifies best practice in five inter-related fields. This chapter provides some very early findings from the research so far.

The big shift

The big shift in the media industry over the past two decades has been the gradual ascendancy of technology. Convergence theories predicted

that media, tech and telecoms would gradually move closer together forming a mammoth new sector. In fact, the media industry seems to be slowly being ingested by the tech sector. Technology has long since lost the epithets “new” and “high”. Technology is now just technology (or increasingly just “tech”) and it’s everywhere – determining outcomes in strategy and in leadership, central to industry core competencies, and helping shape the structure of organisations.

The ascendancy of technology in the media industry means that tech is no longer simply the “plumbing” that allows news organisations to get their content out to audiences, it is now absolutely intrinsic to the creation of content, to the distribution of that content, to the quality of that content, to building a relationship with audiences, and to scale and therefore competitive sustainability. Many successful new players, like BuzzFeed or Netflix, are essentially tech companies with a media layer on top. This isn’t just happening in the media, the Tesla S has been described as a computer on wheels.

Platforms are eating the environment

Technology is critical inside media organisations, and technology organisations are now critical actors in the media industry. The impact of the media conglomerates – the media monoliths – was a prime concern for scholars a decade ago. Now this issue has faded from view, eclipsed by the implications of a new set of monoliths, the tech giants such as Apple, Google, Amazon and Facebook, which are now some of the best resourced organisations on the planet, which are playing an increasingly powerful role in the media, controlling increasing portions of media content distribution and consumption, reducing legacy players’ strategic sovereignty, constraining access to audiences, and reducing income.

The platforms have been a slow-to-ignite bomb under legacy media’s digital strategies, although the ignition process has accelerated as social media and classic media content have converged. Social is a bridge to the next generation of audiences, and social means platforms. For many publishers, the majority of digital traffic is not on their own sites, but on platforms, over 70 % of that traffic is now mobile, with half on Facebook.

Legacy strategy now needs to be inflected through the prism of platforms. Despite the current emphasis on (and in some cases welcome growth in) subscription revenue, legacy media’s growth is dependent on the platforms, not least because the platforms will continue to grow and improve. The search engines, the social networks, and the mes-

saging apps are the new distribution vectors for media content.

This is driven by two underlying feedback mechanisms. First, as platforms grow their value increases, so they attract more investment, which allows them to improve their products and services. Second, as Evan Williams, founder of Medium explains, the search engines, messaging apps and social networks “link the web and host often data-heavy content for free. And because each of the nodes is more interesting than any one individual’s or publisher’s personal site, people who used to go to those sites wind up at the nodes instead, thus they seize more and more users” (Fine 2016).

And as the platform economy grows in scope and sophistication, traditional publishers are weakened. They have less power over Facebook than they do over Google’s natural search, more control over Facebook than they do over Snapchat and Instagram.

The effects of these developments are serious:

- Lower revenues. While publishers get 100 % of every dollar that is invested on their own platforms, they will get only a percentage of income generated by it on Facebook.
- Reduced control over the context in which content is consumed. This undermines the journalistic principles many media organisations were built to serve.
- Less scale. The platforms have redefined “mass”. The media used to be the mass media. They were the scale players. Today that is less and less the case. Newspapers were designed to be habitual products. Social media are designed to be addictive, as this boosts both scale and lock-in. And scale and lock-in bring longevity in tech markets, since they protect against the rapid cycle of creation and destruction.

The need for organisational transformation

The new strategic environment poses organisational challenges for legacy media over the entire scope of their activities. And this is an industry that has always prioritized content creation – being excellent organisationally has never been a high priority in the media. This is dangerous because the organisational transformation piece is probably more critical than the content transformation one. My current research focuses explicitly on a number of inter-related organisational elements essential to successful transformation, and below I explore some early findings in these dimensions.

Dimension One: Strategy

The pace, scale and scope of change in the sector has undermined strategic processes in many media organisations. In the face of rapid and far-reaching change, many have abandoned classic strategic planning in favour of a series of opportunistic, tactical moves, often focused around innovation projects. Indeed, in many firms the energy and investments that once went into strategy have shifted into the field of innovation, into reinventing products, services and business models.

But there is a central distinction between strategy and innovation: innovation decisions are exploratory, quicker and reversible. Strategies may pivot, but the perspective is longer term. And while the media industry appears to have put classic strategy work into abeyance, the digital majors have almost old-school strategies for building scale and scope and investing long term in competence building (particularly in technologies that will create barriers to entry).

Reading environmental signals correctly

The platforms are a central development in publishers' strategic environments. The environmental context drives all strategic activities – from environmental analysis, through the development of options, to implementation. The industry grew up in a “steady state” environment, where change was gradual and well-signposted. Firm strategies could be developed using extrapolations from the past. Companies would gather all possible data on the environment, look for opportunities to pursue or threats to avoid, study the experiences of companies that have gone before, and then develop options.

But the new environment is “disrupted”. A range of macro and micro developments with unclear interdependencies are at work and moving at different speeds. And there is always counterfactual data that undermines strategic clarity and inhibits planning. For example, recent research by Neil Thurman found that despite the collapse in print advertising UK audiences spent 88.5 percent of their newspaper brand time with print and only 11.5 percent online. Similarly, a report by the Video Advertising Bureau into Twitter behaviour over one month in Autumn 2016 found that TV programmes accounted for 87 per cent of trending topics on any given night and that 77 per cent of TV is watched live (advanced-television.com/2017/02/03/tv-dominates-trending-topics-on-twitter/).

Strategy development

Strategy is highly context-dependent. All media organisations are different and their strategic options reflect their resource base, ownership and the characteristics of the home market. But all media organisations are also the same in that they are crafting digital strategies in disrupted, technology driven environments. Here are some early findings concerning strategy development in legacy media organisations:

- **Know your endgame.** The velocity and sheer toughness of recent years meant that for many organisations, deep strategy work was hi-jacked by shorter term innovation projects. The new disruptive competitors started out with an end-game in mind. They may pivot frequently and change their goal, but the long term considerations guide current actions, and this is especially the case for digital pure plays backed by venture capital.
- **When making big strategic bets, know what you don't know.** This means try to pinpoint the critical assumptions you are basing these decisions on and double check their validity before you move. Once resources have been invested it will become hard to reverse the decision. Be especially careful if assuming the new will automatically replace the old.
- **Master the pivot,** or, "if it isn't working, call it quits and move on quickly". The pivot is part of Silicon Valley jargon, but under the hype lurks an important point. The pivot is a systematized way of capitalizing on shifts in the market or reacting to strategies that don't work, and examples of pivots are legion, and often forgotten: Twitter was originally a podcasting business, YouTube a video dating site and BuzzFeed, serial pivoter, has moved from tech provider to content play, from full-stack vertical integration to intelligent multi-platform network.
- **Release strategy in beta too.** The principles of agile product design have long been applied to news products, but they apply to strategy also. The digital media sector is a "non-steady state" environment – in strategic terms things can change very fundamentally and very fast. This means strategy processes need to have an inbuilt expectation of iteration, testing, revision, testing and change.

Dimension Two: Active culture management

The impact of culture on strategic outcomes is widely acknowledged. Cultural rigidity has been widely blamed for legacy media's inability to seize the potential of digital markets, and the industry often reflexively assumes culture will pose a barrier to change.

Culture is highly strategic and an extraordinarily powerful force inside organisations. A strong culture is the heart of a sustainable future. So, start transformation efforts with a recognition of how powerful a force culture is.

A strong set of *shared* cultural values is the bedrock to any transformation. Conflicts between existing cultural values and new organisational goals will undermine change efforts. As Geoffrey A. Moore noted “One of the most important lessons about crossing the chasm is that the task ultimately requires achieving an unusual degree of company unity during the crossing period” (Moore 2014, 8).

Legacy organisations – “culture is a problem”

Legacy organisations need to be both smart and systematic about shaping their cultures, and how they manage the cultural dimensions of key change initiatives. But culture change is difficult. Culture is especially tricky in news organisations because journalism has a strong moral core. A deep commitment to the civic importance of quality journalism has powered many legacy players through a very difficult decade. But this also creates a sensitivity to anything that smacks of manipulation.

Pure plays – “culture is performance driver and needs to be managed”

A “pro-digital culture” has been identified as a success factor in successful digital news organisations. In my book, *Innovators in Digital News*, I described this as a culture that views the digital news arena as an opportunity (albeit a highly competitive field), that is not particularly nostalgic about the old legacy days, and which is open minded about using the functionalities of digital technology to reinvent quality news. Digital pure plays view culture proactively and much more optimistically. Culture is, first, something that isn’t just “there”, but something that needs to be curated, and, second, a key element in superior performance. Indeed, overt cultural management is a key feature of new organisations’ self-promotion, as in, for example Netflix’s much-shared slide deck on building a performance culture, and Google’s detailed culture documents.

Dimension Three: Inserting technology, digital and data, deep into the organisational DNA

Inside companies we see this playing out in the gradual blurring of technology, editorial and commercial activities. We can see this shift in many areas – new C-level roles in product development, the integration of data analytics into content creation, a focus on UX, user experience, and the development of smart metrics. There are leaders and laggards in this respect – not least because it's a difficult integration to pull off. Workspaces, team structures, products, formats and tech systems all need to be changed, but more fundamentally a shift in culture is required, which is in turn a very significant leadership issue. It requires an approach that is on the one hand nuanced and respects the smarts of the individuals that create news, but on the other is relentless about increasing agility and the imperative of pushing forward towards a sustainable future.

This change is nowhere more evident than in storytelling. The pure plays like BuzzFeed, Quartz, Vox are 100 % digital. From inception, they have been exploring how to use the evolving panoply of digital storytelling tools to create content with impact. Legacy media are retrofitting this capability, but part of their culture and systems are still focused on traditional journalistic processes and forms, so they have an inbuilt disadvantage right there. Similarly, the pure plays have data analytics engines at the heart of their businesses, which means their content creation is permanently informed by insights on user behaviour and preferences. Again, legacy media are acquiring this capability as a priority, but it needs to be fitted into existing systems and processes, and into their journalistic culture. And lastly, and possibly most critically, it's important to remember that these new players are often magnificently funded. While legacy media are, essentially, all trying to do more with less, and effectively running two businesses, the old and the new, the digital pure plays benefit from very generous private backing, often venture capital (VC). This not only allows them to move fast and hard into new areas in search of scale, but the VC sector is in general much friendlier towards risk. The entire sector is predicated on making intelligent bets, and recognizing that not all of them will pay off. This in turn "de-sensitises" experimentation and failure, both of which are much more charged issues for cash-strapped established businesses.

Dimension Four: Building an agile organisation

All the organisational elements this book concentrates on – strategy, the integration of technology into the organisational DNA, managing culture, and agility, flow into one common issue, structuring an organisation for agility and innovation.

Reorganise rather than restructure

“Organization design is hard. What works when you’re small and in one location does not work when you get bigger and have people all over the world. This is why there are so many reorgs” (Google CEO Eric Schmidt, Schmidt and Rosenberg 2015, 43).

In practice, this is not a one-off decision. Digital media content, delivery and consumption are permanently evolving, and so too are the shapes of the organisations engaged in these processes. Legacy media firms have been reorganising in the face of digitalization for two decades. At the beginning of digital, new units were launched to address new areas. Over time, as content was created for multiple platforms, these were often integrated into existing elements, and digital teams gradually moved to the heart of publishers. The resulting integration between the two areas improved the quality of digital content and of digital storytelling. However, the emergence of digital pure plays changed the game. Legacy’s unified teams were slow and unwieldy in comparison, which created competitive disadvantage. Complexity increased as the social/mobile media layer strengthened and competition intensified. New dedicated units were needed to handle on-platform consumption, data analytics, product development, data visualization and more. These new activities needed to be integrated into newsroom and content creation. At the same time, falling revenues mandated cost cutting and streamlining. So, more restructuring took place. Legacy structures and roles often bore the brunt. Content hubs were introduced to improve content sharing across ten content areas and reorganisation. Today, most media companies are integrated bundles of digital and analogue activities. Large-scale restructuring based on binary thinking (integrated or separate) has been supplanted by frequent reorganisations that are (1) hybrid (combining old and new, tech and journalism), and (2) evolutionary.

Teams as basic building block

Semi-autonomous and semi-permanent cross-functional teams focused on a specific milestone project or goal have long been recognized as a key tool in increasing agility and innovation, and play a prominent

role both in agile methodologies as well as in theories of organisational creativity. This is a huge literature, but a handful of practical ground principles are common to all:

- Split teams if they grow too large (which should mean by extension that the project is becoming larger or a permanent unit of the organisation).
- Dissolve teams once a project ends.
- Composition is important. Teams need to have diversity – in expertise, background, problem-solving style, experience. Google believes that teams should be functionally integrated, combining for example product managers, designers and developers (ibid.).
- Keep checking that the chemistry works and shift members around if necessary. Build an expectation that team composition may be liable to change with circumstances.
- A team infrastructure depends on support from the top.
- Teams need adequate (but not over generous) resources, autonomy and a sense of ownership over the outcome.
- Teams need to interact with other teams. Google design its office space for interactions, and keeps them crowded (the rule is if you can tap someone on the shoulder there is nothing to get in the way of communications and the flow of ideas (ibid.).

Conclusions

This chapter has presented some early findings from a major research project in a field that is moving fast, that seeks to sift out best practice from a set of complex organisations facing significant challenges, against the backdrop of a somewhat tech-obsessed industry discourse. The overarching goal is to provide a useful, workable, helpful roadmap for legacy organisations facing disruption, one that enables them to respond successfully to digital disruption and ensure a sustainable future for the quality content they produce. One benefit of producing results mid research is that things are still flexible. So, please do give your feedback. All observations, comments and ideas for cases are welcome.

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Practitioner's Views by:

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