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# Journalism Report V Innovation and Transition

# Excerpt

**J-R V**

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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.<sup>1</sup>

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

<sup>1</sup> <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.<sup>2</sup>

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.<sup>3</sup> They are now selling cars, houses, dog food, partner-

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

<sup>3</sup> 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).<sup>4</sup>

#### *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

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<sup>4</sup> 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.



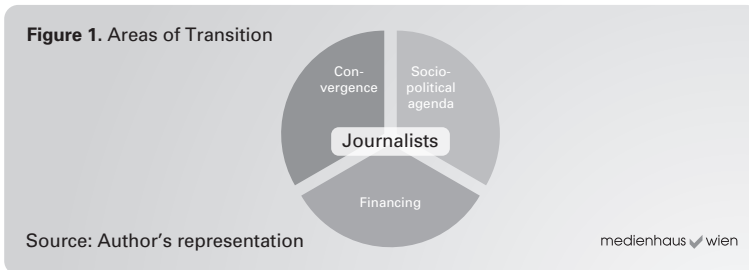
the one hand, and, on the other, advertising, PR and the prospering media projects of corporate publishing, all of which are increasingly becoming integrated into a journalist's job description?

- 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
<b>Macro Level – Media System</b>	Digitalization and technical convergence	Changes in media perception, network culture, legislation and regulation	Change in advertising and sales revenues, new digital competition
<b>Meso Level – Enterprise</b>	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
<b>Micro Level – Journalistic Work Methods</b>	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”<sup>5</sup> – 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-Gruppe<sup>6</sup>. 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.<sup>7</sup>

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-Mediendatenbank-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.<sup>8</sup>

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.)

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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.<sup>9</sup> 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

<sup>9</sup> 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 Spiegel<sup>10</sup>). 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.<sup>11</sup>

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".<sup>12</sup>

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.

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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.

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