Who is going to pay for journalism? Hunting the elusive business model

Michael Bromley & Regan Neal

We want to explore the process – the activity of hunting – rather than the outcome.

Neither of us know what the successful business model is. If we did, we would probably be on a plane right now headed to meet Rupert Murdoch with a large invoice.

What we want to do this afternoon is explore many of the key factors (most of them well-known and well canvasses) in the mix, and the possible constellations of those factors (which are perhaps less discussed).

In line with much of the work in this and related areas, we don’t think this is an issue of ‘either, or’, of binary opposites; but of configurations which are sometimes not contemplated because of the polar oppositionalism which is brought to bear on this topic.
A group that includes former state lawmakers, high-profile attorneys and veteran former newspaper reporters plans to launch a non-profit online news organization to provide watchdog and investigative journalism in Orange County. The Voice of OC, which will get its start with USD 140,000 from the Orange County Employees Assn., hopes to fill a void left by shrinking staffs covering the county at the Orange County Register and the Los Angeles Times ...

First, they sack all the calligraphers

Then, they start doing it themselves
MagCloud enables you to publish your own magazines. All you have to do is upload a PDF and we'll take care of the rest: printing, mailing, subscription management, and more.

**How much does it cost?**
It costs you nothing to publish a magazine on MagCloud. To buy a magazine costs 20¢ per page, plus shipping. ... You set your issue price and all proceeds above the base price go to you.

**How are they printed?**
MagCloud uses HP Indigo technology, so every issue is custom-printed when it's ordered. Printing on demand means no big print runs, which means no pre-publishing expense. Magazines are brilliant full color on premium paper with saddle-stitched covers.

...  

**What do I need to do to participate?**
You'll need a PayPal account or major credit card to buy magazines, and publishers will need a PayPal account so we can pay you earnings. To create a magazine, you'll need to upload a PDF ...

Problem is, as Jay Rosen pointed out, it's pretty easy to DIY.

Of course, no-one makes money off the web – except Matt Drudge who makes about $56m a year.
The US newspaper industry is struggling, with seven major companies in bankruptcy and the total number of newspaper jobs lost since 2007 reaching 30,000. Nearly 80 percent of Americans are opposed to using tax dollars to help failing newspapers. 

Newspaper company income is set to fall 17 percent this year as the advertising market continues to contract. "It is not so much the economic crisis but the changing behaviour of consumers and therefore advertisers which is forcing the sector to change."

Magazines will also be hard hit, with a decline in advertising sales of 14.5 percent. 

Since the financial meltdown began a year ago, journalism jobs have gone away at a rate three times the rate jobs have disappeared in the general economy. The news media, including newspapers, broadcasting and online media, have shed 35,885 jobs since Sept. 15, 2008. The great majority of the jobs lost - 24,511 - were in newspaper and other print journalism. Since 2008, the news industry has shed 46,599 jobs. Job losses were occurring at a fairly steady rate of about 1,000 a month starting in January 2008, and then accelerated, in December 2008 when 7,398 job disappeared ... 

European journalists are producing an increasing amount of original content for online-only publications - but teach themselves the digital skills to produce it. 43 per cent of those polled said at least 60 per cent of the material produced for online is original content. But 67 per cent of respondents said they had taught themselves digital skills, such as video editing and formatting for online. Blogging was now part of the day job for 46 per cent of respondents, while 47 per cent said they were required to produce online video clips. 

Not only are people not reading (or watching or listening, for that matter), but they aren't going to subsidise either. 

The major effect is pretty obvious. 

Not just in the USA.

In this environment, DIY applies to journalists, too.

As Lea Thompson said the other week, most people in the media business in Australia believe it is 'headed here like a train'. 

In this environment, while the metro daily paper might have employed 300-400 journalists, a typical web operation employs 15-40.
an online news magazine featuring in-depth stories and stories that otherwise were not getting covered in the Denver area

**Goodbye, from the RMI . . .**
We have put everything we made into producing content and supporting our independent partners, but we can no longer afford to produce enough content to justify the membership.

Unproblematically transferring journalism to the digital domain is unlikely to resolve the issues.
Equally, conventional business models will not totally disappear.

Subscription is probably the oldest – the way *The Times* was sold in the 18thC.

It looks good for TV without ads or fussy regulators. HBO

For specialist information which is usually tax deductible or paid by the firm. Financial newspapers

For regular news when the government controls the conventional media. Malaysiakini

And for music and music downloads. Lots of examples.

A mix of ‘old’ and ‘new’ media.
Media dominate journalism

But for regular, everyday journalism … ?

Media branding has overtaken the Fourth Estate as the primary role of conventional media.
Chilkoot Pass. Klondike gold rush c.1898.

That has led to a structural refocusing of journalism – from object of inquiry to voyeurism.

In Habermasian terms, to spectatorship and the refeudalisation of the public sphere.
Voyeurism straddles advertising and subscription models.

Leverages advantage out of either – or both.

Conflates journalism with entertainment, and even pornography.
At the same time, doing it yourself is made easy.

From the frivolous to the deadly serious.

So, there is less reliance on the conventional, top-down, lecturing media.
Spending on Internet advertising in Britain grew 4.6 percent in the first half of 2009, outperforming the wider ad sector, which slumped 17 percent, and making it the country's biggest ad medium ahead of TV.

- Reuters (29/9/2009)

Moreover, advertising is no longer going to pay for conventional media to carry journalism.
Hyperlocalism

A counter – where people seem to wish to participate, not spectate – where they are perhaps interested in the object of inquiry.

Hyperlocalism. Back to journalism’s roots. It, too, straddles business models – from purely corporate commercial to truly community.
‘...while mass media leaves many people feeling powerless and uncertain of what to believe, the internet helps them understand the news. Online media also makes them feel they can make a difference by giving them access to unofficial accounts from people unaffected by professional interests or political correctness and by allowing feedback to authorities ... However, the report also mentioned that the internet is leaving some people more confused than ever, because of its size and abundance of sources.’

(Journalism.co.uk, 16/9/2009)

Not surprisingly, people want to feel both informed and in charge.
Mobilizing ‘the people
Formerly known as the audience’

Crowd sourcing to user generated content – from Perez Hilton to Iran via the mobile phone.

So, what business are journalists in?

Media brands … information … communication … the mobile business?
Making sense of this while also putting journalism first.

A range of attempts ... Based on wider social practices.

There are now more than 50 non-profit investigative journalism organisations around the world.
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<th>Types of intervention</th>
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<td>Pre-moderation</td>
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<td>Imitation</td>
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<td>Complementary UGC</td>
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<td>Post-moderation</td>
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<td>Different</td>
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<td>Supplementary Blogs</td>
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<td>Re-invention</td>
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<td>Social media</td>
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Founded on an understanding of social mediation.
The last of those 3 categories tends to participatory, socially libertarian, reactively moderated mediation in which control over the process is rendered visible.

The shift from conventional mediation (on the right) is pretty obvious.
‘protecting, strengthening and expanding spaces for citizens and their associations to exist in, express themselves and engage meaningfully in public life’ (Civicus annual report, 2006)

The objective is to mobilise mediation in the interests of civic expression and association.
This is a perhaps more grounded way of putting it (which seems to be particularly applicable in the case of the protest in Iran earlier this year).

‘people + passion + technology + action’ (Brice-Weller, 2007)
ISSUES TO BE ADDRESSED

1. ‘the socio-technologies of assembly’  
   (Girard and Stark 2007) — constraints and liberties
2. the ‘material mediators’  
   (Hutchins and Klausen 1998)
3. socio-cultural and economic desirability
4. the filling of structural holes  
   (Burt 1992)

Yet before we are carried away by utopian visions of a ‘brave new world’, we need to know more about

The constraints as well as the liberties inherent in these circumstances
The identities of those who may make new forms of mediation possible materially
What makes these new forms desirable
How bridges will be built across the gaps between the elements
Thick citizenship
community and individual ... affective relationships ... promotes a state of animated flux rather than contributing to the arrival at an acceptable consensus (Kim 2006)

Social brokerage
linkages across unconnected spaces/actors ... coalitions across boundaries ... activity in interstices ... innovation (Kern & Nam 2008)

Situatedness
collaborative tool design ... skills sharing ... broad distribution (Ananny & Strohecker 2002)

We suggest three possibilities on which those propelling new mediations are drawing.
DEVELOPMENT

1. Media literacy
2. Social activism
3. Initial challenge
4. Accommodation
5. Citizen journalism

Nevertheless, in its specific form, this new mediation does not arrive fully formed.

We have looked at citizen journalism and detect five stages …
Summary

1. Evolutionary (not revolutionary)
2. Media-civics base (thick citizenship)
3. Bridging structural holes (social brokerage) = more unique information
4. Collaborative – sourcing, constructing, disseminating, participating, reflecting

To summarise …
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It is within this kind of understanding that we can view both the main characteristics of these new forms of mediation (on the left) and how they are sloganised (perhaps provocatively).
What they add up to is a projection that journalism’s orientation will shift away from centralised institutional power – both of themselves and in relationship to others – towards the marginalised, disorganized and powerless.
The quote is from the UK and typifies the supposed relationship between local media (most commonly and historically newspapers) and the spatial community.

Is that relationship breaking down?

If so, it is because over the long 20th century, the local press was increasingly institutionalised (starting with consolidation in the 1920s and resulting in concentration by the end of the century)? The local press is no longer in any meaningful way local – that is, locally-owned, locally-run, or even locally located.

At the same time, ‘local’ has changed its social meaning in terms of work, (which is increasingly concentrated in metro areas), leisure (which increasingly arrives through a cable or wireless link), services, etc., etc..