

At a crossroads: Journalism and entrepreneurship in the Balkans

The role of business model innovation in ensuring independent, sustainable journalism in the region

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ABSTRACT

In the past decade, many have debated over the future of news journalism, the decline of print and the imminent rise of online media. In fact, hardly anyone would deny that the Internet has brought about fundamental changes to media markets around the world, including in the rather small, yet culturally diverse Balkan region. With increasing competition, established news outlets in the region have been struggling to innovate fast enough to keep their revenues from dropping, and many media newcomers have faced the hard task of creating sustainable business models from scratch. As a result, media professionals in the Balkans have identified the need to become more opportunistic and entrepreneurial, while preserving the journalistic integrity of their work.

At the heart of entrepreneurship is the ability to generate unique customer value. With ongoing challenges to their independence as well as the small and fragmented markets unable to fully support their operations, online news media in the Balkans are in need to create unique value and stand out from their competition in order to make it in the long run. The current study takes a qualitative approach to investigate the extent to which digital news publications in the Balkans are being entrepreneurial in their strife to produce sustainable and independent journalism. Derived from eleven semi-structured expert interviews, the results indicate that although the level of entrepreneurship is still quite low, journalists and media owners in the Balkans are starting to understand the new dynamics of the media market and the role that the Internet plays in it. Many have already taken the first step of embracing technology and updating much of the value that they have traditionally been offering to their audiences, yet what is still needed to create entirely new propositions from the bottom up.

Keywords: entrepreneurial journalism, business model innovation, online news media, online journalism, value creation, Balkans

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I. INTRODUCTION

Hannelore Acarnulesei is a native of Romania, living in Transylvania, in the northwest of the country. She has been a working journalist for over 20 years, yet her career path has not always been as smooth. In 2009, she was laid off from her job at a local TV station (Dragomir, 2014), followed soon after by her husband, who lost his position as the editor-in-chief at a local weekly.

With seemingly no other choice left, the two decided to create their own jobs and with a group of journalists, started a local paper from scratch. It was an entrepreneurial endeavor - a successful one, too – which went on for about three years, until a local politician pressured Acarnulesei and her team into selling the paper to him (Dragomir, 2014). That was the time when it turned from an independent publication into a mouthpiece for his political agenda.

Acarnulesei's case is not an isolated one.

While most local media in Romania are now privately owned (Avadani, 2002), many of them are under the influence of political interests. “[E]ven if there is no direct control by the government over the editorial content of the media, the ruling party is very influential” (Avadani, 2002, para. 5). Since the early 2000s, in particular, politicians have increasingly sought to buy local media, thus becoming representatives of both political and business interests (Dragomir, 2014).

Again, the issue goes far beyond the scope of a single case. In fact, the media all across the Balkans “are doing badly, commercially and politically” (“Troublesome times”, 2014). According to the World Press Freedom Index 2014, the highest ranked – that being the most free, Balkan state was Slovenia, in 34th place, and the lowest ranked was Macedonia, all the way down in 123rd position (“World press freedom”, n.d.). Challenges to the independence of media outlets across the region include political and economic pressures (Balfour & Stratulat, 2011; Baydar et al., 2011), legal constraints (Balfour & Stratulat, 2011; “Troublesome times”, 2014) and media concentration (Balfour & Stratulat, 2011), among others. On the one hand, these conditions are not surprising as “processes of democratic consolidation, the introduction of market capitalism, and struggles for independent and pluralistic media environment went hand in hand after the fall of communism in 1989”

(Stetka, 2012, p. 434). On the other hand, however, while they are a historically inherited challenge, these conditions are also a call to action for media outlets in the Balkans to engage in increasingly independent, unbiased journalism. Freedom of the media is crucial for a democracy to thrive (Balfour & Stratulat, 2011), and it is even more important for young democracies as those of the Balkan states, which are still in the process of establishing their own values (Norris, 2008).

A look back at the case of Acarnulesei and her husband is enough to spot a development: Journalists are willing and able to launch their own independent publications to report what they believe to be the “unbiased truth” (Dragomir, 2014, para. 8). They are few of an ever-growing number of media professionals, who are taking the step of creating their own jobs (“The future of news”, 2010). In fact, the rise of digital technology has made it possible for virtually anybody with access to the Internet to create and launch an online news publication (“Interviews – Jeff Jarvis”, 2006; Singer, 2006).

To illustrate, Acarnulesei’s entrepreneurial career did not end with the sale of her newspaper to the local politician. Soon after, together with her husband and a friend, she co-founded HunedoaraMea.ro, a local online newspaper (Dragomir, 2014), which again, however, has not proven to be an easy endeavor. In their efforts to sustain the publication, the Romanians have been forced to look for alternative sources of revenue. “Because you can’t survive from online media, [my husband and I] bought a fornetti (a pastry shop), and then we opened two more,” (Acarnulesei as quoted in Dragomir, 2014, para. 3). Ever since, the operations of their newspaper have been funded with the money earned from selling pastries.

1.1. Research question and relevance

Acarnulesei’s case is an important indicator of the struggles that media owners in the Balkans are facing in the effort to sustain their independent businesses – whether newly launched or established. In recent years, journalists, experts and scholars alike have been talking about the future of journalism and the economics of news (Doctor, 2014; Grueskin, Seave, & Graves, 2011; Jarvis, 2014). Jarvis, who focuses on the main media trends in the U.S., believes that “the future of journalism is entrepreneurial” (as cited in Langer, n.d.). That is to say, journalists must be willing and able to learn about the business side of their trade as well as to seek innovation in every aspect of their business models. Also in the U.S.,

Christensen (2012) is interested in the ways to innovate your media venture in order to survive in the Internet age, while in Europe, Bruno and Nielsen (2012) focus on the level of entrepreneurship in media startups in Germany, Italy and France, concluding that at this point, simply surviving in the market is already a success.

Having said that, there is currently little to no academic research on the adoption of entrepreneurial practices by online news publications in the Balkan region, and in particular, on the effect of these practices on these media's independence and sustainability. With this in mind, the current study aims to answer the following research question:

RQ: To what extent are online news media in the Balkans using entrepreneurial principles to ensure sustainable, independent journalism?

To address this question, the study takes a rather broad perspective in order to analyze the willingness and ability of journalists and news media to adopt entrepreneurial practices as a means to sustainability and editorial independence. According to Avadani (2006),

“[...]it is] a tough game to teach the new entrepreneurs business competitive spirit and responsibility at the same time – but it’s something that has to be done when it comes to media operations” (p. 22).

The challenge for most journalists and news media nowadays is in finding the right balance between reporting the news fairly and objectively, and running a business that is financially viable. In the context of this study, *independent journalism* is defined as journalism that serves the public interest and is not subject to any outside pressures. *Sustainable journalism*, on the other hand, refers to *financially* sustainable journalism, implying the need for online news media to make enough money to support and run their operations. Both terms are conceptualized in more detail in the second chapter. The next sub-section, in turn, focuses on the scope of the research, and the sub-questions used as a basis for the analysis.

1.1.1. Scope of research and sub-questions

As explained earlier, it is of particular importance to determine how news has developed, and perhaps even changed, as it has increasingly moved online, and to evaluate the extent to which entrepreneurship plays a role in those developments.

For the purpose of this research, the term *online news media* refers to any digitally native news publication as well as traditional news media with an online presence in the Balkans.

The Balkan region, in turn, also requires thorough defining. According to Reed, Krystufek and Eastwood (2004), “while the term *Balkan* is clearly associated with the modern political states of former Yugoslavia, Bulgaria, Albania and Greece, the exact delineation of its boundaries is something of a matter of debate” (p. 9). Bideleux and Taylor (1996), for example, add Romania to this list of countries.

In the current study, the *Balkans* is defined as a region comprising states with an easily comparable history of journalistic practices (Balfour & Stratulat, 2011; Emmott, 2014; Stetka, 2012), as well as similar economic and media developments. As a result, the definition includes five of the current and potential country-candidates for EU membership – Macedonia, Montenegro, Serbia, Bosnia & Herzegovina and Kosovo, all of which part of former Yugoslavia (“Freedom of the media”, 2014), as well as the three most recent EU members – Bulgaria, Romania and Croatia. It is important to reiterate that the conclusions of this research will be drawn for the selected region as a whole and not for each country individually.

In a last step, it is also important to determine the scope of the current research question. In order to provide a well-rounded analysis, this study uses the Business Model Canvas (Osterwalder & Pigneur, 2010) as a main analytical framework. According to Osterwalder and Pigneur (2010), a business model can be seen as made of nine building blocks, five of which are primarily concerned with the process of value creation. Because the focus of this study is on online news media and the extent to which they can provide their users with unique journalistic value, the components of the Business Model Canvas that will be examined are: customer segments, value propositions, customer relationships, channels and revenue streams (Osterwalder & Pigneur, 2010). The Canvas is designed so that the first four of those elements are able to explain companies’ use of specific revenue streams, hence

the potential of those companies to be sustainable. As a result, the following sub-research questions have been formulated:

sub-RQ1: How are online news media in the Balkans segmenting their audiences?

sub-RQ2: What updated or new value propositions are online news media in the Balkans delivering to their audiences?

sub-RQ3: How are online news media in the Balkans maintaining close relationships with their audiences?

sub-RQ4: What channels are online news media in the Balkans using to reach both existing and new audiences?

sub-RQ5: What new revenue streams are online news media in the Balkans adopting to ensure the sustainability of their businesses?

1.2. Thesis layout

As outlined earlier in this chapter, the goal of this Master's thesis is to investigate the extent to which online news media in the Balkans are using entrepreneurial principles in their operations, thus generating unique customer value. The thesis is structured as follows: Chapter II. offers a thorough theoretical framework, which lays the foundation for the analysis later on. The chapter begins with an overview of the importance of news, and outlines some of the main changes that news has undergone, as it has increasingly moved into the digital space. Thereafter, the chapter focuses on a number of theoretical concepts, including the Business Model Canvas as the thesis's main analytical framework.

Chapter III. introduces the methodology and research design, and highlights why semi-structured expert interviews were selected as the qualitative approach for this study. The chapter also explains the selection criteria, and offers a list of the chosen experts as well as an operationalization of the interviews. Following is the results section, which presents the main findings of the expert interviews and briefly applies them to the theories outlined in the main analytical framework. The objective is to highlight the main themes and patterns that emerged from the conducted thematic analysis of the interview transcripts, supported by interesting quotes from the participants.

In a final step, the results are discussed more broadly in the context of entrepreneurial-mindedness of online news media in the Balkan region. The final chapter

refers back to the relevance of the topic and highlight how this research has contributed to what was already known in the field. It also offers a summary of the research process, addresses some of its limitations and suggests potential areas for further research.

II. THEORETICAL FRAMEWORK

The following chapter outlines some of the most relevant theories with regard to business model innovation in online new media. First, it offers a definition of online news as product, and then moves on to highlighting entrepreneurship as a means for businesses to create customer value. With the Business Model Canvas in mind (Osterwalder & Pigneur, 2010), the framework also elaborates on the five individual components – customer segments, value propositions, customer relationships, channels and revenue streams – eventually providing the analytical base for the study.

2.1. The importance of news

As explained earlier, it is important to outline the main journalistic trends in the Balkans and to evaluate the extent to which entrepreneurship plays a role in them. The focus of this thesis is on online news media in the region, and this particular section aims to define online news as a product as well as highlight its importance.

While media products can be considered just like any other product on the market, Picard (2005) argues “that this view is problematic, [...], because media products differ significantly among themselves and because they operate in economic environments with business dynamics that most other products and services do not encounter” (p. 61). In the context of the online news industry, in particular, defining the product of individual news media may prove a difficult task.

Traditionally, journalists and media organizations have been considered in their role as gatekeepers (Karlsson, 2011), in which they have had tight control over the processes of newsgathering, production and distribution. Before the advent of the Internet, news was published (for newspapers) or broadcast (for TV and radio) according to a predetermined schedule that audiences could count on each day (Karlsson, 2011). In addition, once the news had been distributed, “it was not possible to either add or subtract content to a specific news story since it was no longer under the control of the producers” (Karlsson, 2011, p. 282). At the stage of distribution, news was considered a finished product, whether it was in the form of a newspaper, magazine or a TV or radio broadcast. “In the analog world, you

had to think of a newspaper as a collection of stories. That's how it was packaged and distributed and sold" (Kim as quoted in Miller, 2015).

Today, things look differently. The Internet has made it possible for news media to distribute information along an extended time frame via multiple online channels, so the concept of news as a product has shifted away from the overall publication, and moved towards the individual news piece. "In digital, every story becomes unbundled from each other, so if you're not thinking of each story as living on its own, it's tying yourself back to an analog era" (Kim as quoted in Miller, 2015).

In addition, the advance of technology has brought a sense of speed and immediacy to every stage of the news production process: Users are not just consumers of news anymore; they are news gatherers, producers, and distributors (Paterson & Domingo, 2008). What has been perhaps an even more important development is the fact that "the high speed of information on the Internet denotes that news items are basically published before they have been completed" (Karlsson, 2011, p. 286). That is to say, online news nowadays is often times partial, published as information comes into the newsroom. As a result, maintaining transparency with regard to the origin and independence of that information has become ever more important.

2.1.1. Independent journalism

The current study is concerned with the developments in news journalism, which Fenton (2009) describes as "news and current affairs journalism that purports to be for the public good and in the public interest" (p. 3). As pointed out in the introduction, independent news journalism can, thus, be defined as journalism that serves the public interest and is not subject to any outside pressures.

Beers (2006), in turn, defines independent news media – and by extension independent journalism – as not being "subject to the most common pressure associated with the dominant, corporate form of ownership" (p. 115). Such pressures include "conforming with the perceived status quo, so as not to upset corporate advertisers and the mass audience delivered to those advertisers" (p. 115). Commercial pressures, however, are only one side of the issue. In the Balkans, political influence is just as common and important to keep in mind, as illustrated by the case of newspaper owner Acarnulesei (Dragomir, 2014).

While commercial, political and other pressures are nothing new to the news industry, their role is more important now than it ever was before. The fact of the matter is that digital technology has made it possible for anyone with a computer and access to the Internet to publish and share information almost on the same scale as established news media (Potter, 2011). The barriers to entry are minimal, yet simply being able to spread information online in no way makes anybody a reliable news source. “[...] in a complex world where information is no longer a scarce commodity, the role of the journalist has become more important than ever” (Potter, 2011, p. 82) – and so has their independence.

2.1.2. Sustainable journalism

Running an editorially independent online news publication may be a challenge, yet it is all the more difficult to run one that is both independent *and* sustainable at the same time. According to Mensing (2007), “developing sustainable economic models to support independent, public-oriented journalism is a vital task for those interested in the future of news in our society” (p. 23).

As mentioned earlier, this study defines *sustainable journalism* as financially sustainable journalism, implying the need for online news media to make enough money to support and run their operations (Briggs, 2011). Pekkala and Cook (2012), who research the issue of sustainability among media entrepreneurs and journalism startups, argue that sustainability is something to be built into the organization’s production cycle. That is to say, journalists and media owners need to be able to think about how to monetize content as well as how to attract advertising based on story ideas: “Content spins off from advertising and back again. Your contact is direct with the reader, answering their questions, but you have to consider if topics highlight or spin off into new directions and go with it” (McGinty as quoted in Pekkala & Cook, 2012, para. 14).

The disadvantage of such an approach to sustainability is the danger of letting revenues and, in particular ad sales, drive content. This is where journalists and media professionals need to be able to set the line between their strife toward a financially sustainable future and their commitment to producing editorially independent content.

The above statement was used to illustrate another important aspect, too. It highlights the need for journalists and media owners to look for new patterns and opportunities, and use them to their advantage. Such opportunities include the need to

identify and implement new as well as diverse revenue streams (Pekkala & Cook, 2012). Mensing (2007) agrees that employing a number of revenue streams and tailoring them to the specific publication may be the best option that online news media have to survive. The current study, therefore, looks at the sustainability of journalism in two consecutive steps: (1) are online news media in the region employing multiple revenue streams as part of their business models, and (2) are they making enough money on their own to survive.

2.1.3. News as a commodity and the concept of differentiation

Earlier in the chapter, Potter (2011) defined information as no longer being a “scarce commodity” (p. 82), which, in itself, is an interesting phrasing. While for the longest time, information – and especially the news – was considered a public good, today is it often seen as a commodity. Jackson (2009), too, has tried to conceptualize news in the same way. Her argument is that blurring the lines between the editorial and business operations of news media companies has the potential of letting certain market trends take over core journalistic values and practices: “The commodification of news threatens to undermine democracy when journalism’s market-driven aspects are contentious with its nonmarket obligations. That is, the amorality of capitalism clashes with journalism’s moral agency as defender of the public interest.” (Jackson, 2009, p. 147).

The concept of news commodification is important for this study, because of the potential of market forces to influence the quality and independence of online news content published in the Balkan region. In addition, commodification stands in contrast with entrepreneurship and entrepreneurial practices, whose primary goal is to take advantage of market opportunities in order to create customer value (McGrath & MacMillan, 2000; Shane & Venkataraman, 2000). In fact, because of this contrast, entrepreneurs are likely to see commodification as an opportunity to generate a value-add that much of the quick news does not offer. In order for that to happen, however, media professionals need to make it their priority to stand out from their rivals, and focus on implementing a differentiation strategy to their business operations.

According to Porter (2001), a company can only then outperform a competitor when it “establishes a difference that it can preserve” (para. 7), so at its core, a differentiation strategy expects companies to identify important, yet unmet customer needs, and to develop unique solutions that fulfill them (Porter, 1985).

For the most part, differentiation strategies are industry-specific and can be applied to different parts of a business. Whether they are tied to a company's product or service, its marketing approach or to its distribution channels, they aim to distance a company from its rivals by creating unique value for its customers (Porter, 2001).

The news industry is no exception. According to Murray (1988),

“if customers do not value products that differ along non-price dimensions, they will not value a differentiated product and will not pay more for it. Therefore, a product differentiation strategy is viable only if customers, when making purchase decisions, give weight to product attributes other than price” (p. 394).

The fact of the matter is that the number of paying news users in many countries worldwide stands at about 10 percent (“Paying for digital”, n.d.). The main challenge for online news media is, thus, to find a way to develop these product attributes that their target audiences will be willing to pay for.

With regard to the customers, it is important to note that media companies are unique from most other companies in that they are able to offer a product in two or more separate, yet related markets: Traditionally, those have been the markets for audiences *and* for advertisers (Picard, 1989 as cited in Albarran, 2010). Media markets are, thus, known as being multi-sided markets, and media platforms as being multi-sided platforms (Hagiu & Wright, 2011; Osterwalder & Pigneur, 2010)

This thesis acknowledges the fact that attracting audiences is a pre-condition for attracting advertisers (Chyi & Sylvie, 1998; Gabszewicz, Laussel, & Sonnac, 2001), which is why it focuses on users as the main customer segment for online news media. Nevertheless, additional market players are discussed, in particular when it comes to companies' revenue streams.

The next section of the theoretical framework focuses on entrepreneurship and its importance for journalism as a means to generating distinctive customer value.

2.2. What is entrepreneurship?

Over the years, the definition of the term *entrepreneurship* has taken on a number of different meanings and even today, there is little consensus on what exactly it entails. In the

following, the concept is defined (1) as an organizational principle and (2) as a mindset, and then applied to the field of journalism.

2.2.1. Entrepreneurship as an organizational principle

Decades ago, Schumpeter (1934) described economic development as “spontaneous and discontinuous change, [...] which forever alters and displaces the equilibrium state previously existing” (p. 64). With the environment’s unpredictable dynamics in mind, firms need to be in the constant position to innovate by combining old practices into new ones (Schumpeter, 1934). Entrepreneurship is, thus, defined as the process of generating new combinations, which may result in the “introduction of a new good, [...] of a new method of production, [...] or] in the opening of a new market” (Schumpeter, 1934, p. 66). In fact, many scholars agree that entrepreneurship is typically associated with the concept of novelty and the introduction of new products, processes or with the entering of new markets, among others (Brush, 2008; Daily, McDougall, Covin, & Dalton, 2002).

Gartner (1988), in turn, takes it a step further to say that “entrepreneurship is the creation of organizations” (p. 47). Entrepreneurs should, therefore, be defined based on their ability to create new organizations and not on the possession of a certain type of traits and characteristics. Simply answering the question ‘Who is an entrepreneur?’ is unlikely to yield insights into the phenomenon of entrepreneurship (Gartner, 1988). Shane and Venkataraman (2000) agree that the focus should not be on the individual alone, and propose a rather two-fold definition instead: Entrepreneurship is a function of two separate phenomena – the presence of entrepreneurially minded individuals and the existence of profitable market opportunities.

2.2.2. Entrepreneurship as a mindset

While many scholars regard novelty and newness to be at the heart of entrepreneurship (Brush, 2008; Daily et al., 2002; Schumpeter, 1934), McGrath and MacMillan (2000) offer a different perspective: entrepreneurship as a mindset. That is to say, an entrepreneur is not necessarily an individual with the ability to create entirely new products or organizations, but a person who can repackage old models into new ones (Schumpeter, 1934) while operating in an environment of uncertainty (McGrath &

MacMillan, 2000). Key to an entrepreneurial mindset is the ability to seize business opportunities and to turn uncertainty into “your ally instead of your enemy” (McGrath & MacMillan, 2000, p. 1). In fact, firms that use uncertainty to their advantage are often able to outperform their rivals.

The ultimate goal of entrepreneurship – whether defined as a discipline focused on the creation of new products and organizations, or as a mindset – is to generate unique stakeholder value (McGrath & MacMillan, 2000; Shane & Venkataraman, 2000).

“Exploiting entrepreneurial opportunities contributes to the firm’s efforts to form a sustainable competitive advantage and create wealth” (Ireland, Hitt, & Sirmon, 2003, p. 965).

2.2.3. Entrepreneurship in journalism

Today, online businesses operate in industries that constantly shape and re-shape themselves (Porter, 2001), and so this dynamic market structure has come to play an important role in upgrading outdated business models and combining old practices to create new ones (Girotra & Netessine, 2014).

The news industry, in particular, has been struggling to adapt to the pace of emerging technologies, with both print circulation and advertising revenues on a downward spiral (Bruno & Nielsen, 2012; Grueskin et al., 2011). While many legacy media have attempted to transition to a digital-first strategy and many others have continued to experiment with different business models (Westlund, 2013), individual journalists have taken the step into creating their own media ventures (Bruno & Nielsen, 2012; Dragomir, 2014; Tanaka, Vehkoo, Bruno, & Sivori, 2012). One main trend has, thus, come to the fore: Entrepreneurial journalism is on the rise, and the need for it will continue to grow (Drok, 2013).

While entrepreneurial journalists are, first and foremost journalists, the changing news industry now also expects them to know the market and to understand the economics of their profession (Drok, 2013). Briggs (2011) emphasizes that many journalists may perceive the blurring lines between journalism and entrepreneurship as a slippery slope, yet this in no way implies that journalistic values will have to be compromised in the name of profits. The main goal for the new model of journalism is to find the middle ground between editorial and entrepreneurial values that results in news businesses that are both sustainable and independent.

In the following, the theoretical framework focuses on the concept of business models as tools for achieving sustainability. As mentioned earlier, sustainability is “an important incentive for value creation” (Amit & Zott, 2001, p. 498) and so using the business model as a unit of analysis in measuring a company’s overall wealth creation (Amit & Zott, 2001) is a fitting approach for the current study.

2.3. Value creation and the business model

Osterwalder and Pigneur (2010) define a business model as “the rationale of how an organization creates, delivers, and captures value” (p.15). Amit and Zott (2010), on the other hand, see business models as a combination of activities that aim to fulfill the perceived needs of the target market. In both cases, the focus is on generating unique value for the customers, and by extension, for the business itself. Morris, Schindelhutte and Allen (2005), in turn, argue that the business model is particularly important for entrepreneurs, as it encourages them to “conceptualize their venture as a set of interrelated strategic choices” (p. 733).

Every company, whether well established or an upstart, has a business model (Chesbrough, 2007), and each business model has several important functions. Among those is the need to: articulate a distinct value proposition; identify market segments; outline the structure of the value chain; specify revenue streams (Chesbrough, 2007). In this line of thought, a business model is not just a value proposition, a revenue generation mechanism or a web of relationships; it is all of the above merged into one (Zott, Amit, & Massa, 2011).

Building a sustainable business model in the information and, in particular, the news economy has been – and still remains – a challenge due to the difficulty of putting a price tag on information goods (Shapiro & Varian, 1999). On the one hand, with the rise of the Internet, it has become increasingly easy for customers to gain access to information for free – and that, for one, is a problem the entire industry faces. On the other hand, while many are willing to pay for information, its perceived value is very individual-specific (Shapiro & Varian, 1999). A report from the Harvard’s Kennedy School of Government puts certain findings in perspective:

“Because of the increasing range of information sources [...] and greater abilities to access material from anyplace at anytime, news organizations will have to move away from the

unfocused, something-for-everyone, one-size-fits-no-one news products characteristic of the second half of the twentieth century” (as cited in Grueskin et al., 2011, p. 41).

In business model terms, this quote outlines the need for news organizations to adapt so that they offer distinct, instead of “unfocused” value propositions; to target niche instead of mass (“something-for-everyone”) customer segments, and to customize (“one-size-fits-no-one”) their offerings to match the exact needs of their customers. In other words, news businesses need to be able to create and deliver unique value in order to stand out from their rivals (Grueskin et al., 2011).

2.4. Business model innovation

In the context of emerging technologies, entrepreneurship and innovation, particular attention has been paid to the concept of business models (Chesbrough, 2007; Teece, 2010; Zott et al., 2011). What Zott et al. (2011) point toward is that in recent years, business models have come to represent “a new subject of innovation, which complements the traditional subjects of process, product, and organizational innovation and involved new forms of cooperation and collaboration” (p. 1032). This reiterates the fact that innovation is not so much the ability to invent something entirely new, but to creatively merge different elements to create a sustainable whole. Business model innovation can thus be a means to achieving a sustainable competitive advantage (Teece, 2010).

In the context of journalism, however, the results in this field are still rather vague. While some media have been more successful at adapting to the digital economy than others, the emphasis is still on experimentation in the hopes of finding viable business models (Jarvis, 2014; Westlund, 2013).

As mentioned earlier, this thesis will make use of the Business Model Canvas (Osterwalder & Pigneur, 2010) in order to find out to what extent online news media in the Balkans employ entrepreneurial practices to innovate their business model.

2.5. Selected components of the Business Model Canvas

Businesses utilize entrepreneurial principles with the goal to generate stakeholder value and achieve a sustainable competitive advantage (Ireland et al., 2003; McGrath &

MacMillan, 2000; Shane & Venkataraman, 2000). Business models, in turn, are the actual “rationale” (Osterwalder & Pigneur, 2010, p. 14) of how companies generate, deliver, and capture value. Osterwalder and Pigneur (2010) propose the Business Model Canvas as a tool with nine building blocks to help design innovative and sustainable business models. Out of those nine blocks, five are specifically focused on creating value for the customer, and thus the implementation of entrepreneurial principles. They are: customer segments, value propositions, customer relationships, channels and revenue streams (Osterwalder & Pigneur, 2010). Figure 2-1 offers an overview of the canvas and the selected components.

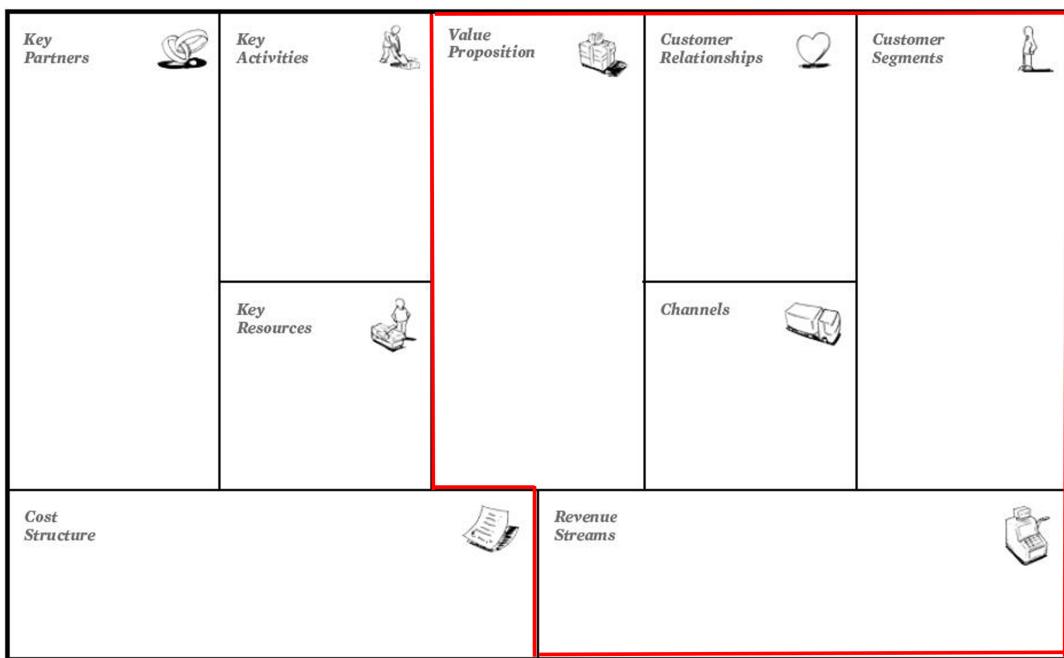


Figure 2-1: The business model canvas and the components (in red) selected for this study (Osterwalder & Pigneur, 2010, p. 13)

In the context of the current study, researching the value propositions of news businesses is crucial because, as outlined earlier, value creation is the direct result of entrepreneurial activity. The customer segments and customer relationships are also key, because news media are increasingly under pressure to identify and target niche audiences as well as to make sure that the needs of those are well met (Grueskin et al., 2011). With the advance and spread of digital technology, more and more media are adopting digital- and even mobile-first strategies to reach consumers on a number of different channels (Westlund, 2013). Eventually, there is a need to assess the innovativeness of the current

revenue streams employed by news businesses and the extent to which they can ensure sustainability (Dragomir, 2014; Jarvis, 2014).

It is important to note that most of the literature on the topic has been derived from Western studies due to the lack of extensive research on Eastern Europe.

2.5.1. Innovation of customer segments

Customers are at the core of any business and, thus, need to be dominantly represented in the business model. The customer segment component of the Business Model Canvas defines “the different groups of people or organizations an enterprise aims to reach and serve” (Osterwalder & Pigneur, 2010, p. 20). As mentioned earlier, the focus of this thesis is on attracting users as a pre-condition for attracting further customer segments, like advertisers.

Business models may focus on the mass market, but they may also target segmented as well as very specialized, niche audiences (Osterwalder & Pigneur, 2010).

Katz (2000) describes today’s media audiences as fragmented, with Jarvis (2009) adding that they are increasingly local, if not even hyperlocal. Audiences, however, cannot be defined as fragmented only on the basis of locality. The case of rising single-subject journalism (Setrakian & Nolan, 2013) points to the fact that audiences are also fragmented based on narrow topics of interest, and Westlund (2013) and Drok (2013) both emphasize the importance of cross-platform journalism, and the customer segmentation that occurs as a result of technology and individuals’ usage preferences.

2.5.1.1. Data aggregation

Because content on the Internet can be accessed from any place at any time, theoretically, online news media have the potential of targeting and attracting a mass-market readership (Osterwalder & Pigneur, 2010; Tewksbury, 2005). This, however, need not necessarily be the case for most publications: “Online news sites can develop unique identities that have less to do with geography than with content expertise” (Tewksbury, 2005, p. 335).

Whether news media target their audiences based on locality or content, or both, their decision to do so needs to be an informed one. In the information economy, making

informed decisions is widely based on evaluating data and datasets, collected by media companies about the consumer behavior of their audiences.

“Provided that data mining models are properly built, they can uncover groups with distinct profiles and characteristics and lead to rich segmentation schemes with business meaning and value” (Tsiftsis & Chorianopoulos, 2009, p. 5). The same models can also be used to develop segmentation schemes based on the value of customers, whether current or expected.

Especially today, with the advance of digital technology making it easier and easier for readers to narrow down the focus of their media consumption (Tewksbury, 2005), online news publications are faced with the challenge of accommodating readers’ increasingly personalized interests.

[Media companies] are no longer satisfied with basic data on paid users, unique visitors, and what stories are read or shared most, but are seeking better metrics and understanding of individual users’ engagement and use patterns across digital platforms (Picard, 2014, para. 16).

By collecting targeted information about their users, media companies are not only able to identify customer needs, but also tailor their content to fit, and eventually satisfy those needs. This thesis looks at data aggregation with regard to its potential to pinpoint specific customer interests, and essentially generate unique customer value.

2.5.2. Innovation of value propositions

Simply put, a value proposition is the main reason why customers choose the offerings of one company instead of those of its rivals. In other words, a value proposition is “the bundle of products and services that create value for a specific customer segment” (Osterwalder & Pigneur, 2010, p. 22). Amit and Zott (2001) contribute to the discussion by saying that generating unique value is crucial for gaining a sustainable competitive advantage. In fact, “unless they can offer compelling value propositions to consumers/users [...], innovator[s] will fail, even if the innovation itself is remarkable” (Teece, 2010, p. 186).

In recent years, journalism has been faced with the need to update its value propositions. As pointed out earlier, news organizations have had to become more focused

in their offerings to customers (Grueskin et al., 2011). Jarvis (2009), too, agrees with this statement, but also emphasizes the importance of journalists and media in becoming more timely and relevant to their immediate audiences.

Yet, while journalists and online news media are expected to change their ways and adapt to the shifts in the market, there is a need for some of the main journalistic values to remain intact. In the words of Potter (2011), “for all [the] new demands, the heart of good journalism remains the same” (p. 86). That is to say, “journalism’s first obligation is to the truth” (Potter, 2011, p. 86) in that it provides citizens with accurate, verified and editorially independent information.

2.5.2.1. Editorial independence

“How we deliver the news is not nearly as important as what we’re delivering” (Singleton as quoted in Huang, Rademakers, Fayemiwo, & Dunlap, 2004, p. 74) is a statement that shows that in the digital age, too, the quality of content should be news media’s number-one priority.

Although the concept of editorially independent journalism was already conceptualized earlier in this chapter, it is now necessary to delve into the individual elements that comprise it. The Online News Association (“ONA – Mission”, n.d.) uses editorial independence as an umbrella term for the “highest principles of fairness, accuracy, objectivity and responsible independent reporting” (para. 6). This research will borrow part of this definition, and emphasize **accuracy**, **balance** and **independent reporting** as crucial journalistic value propositions.

At the heart of journalism is a discipline of **verification** (“Principles of journalism”, n.d.). In fact, objective reporting is not the result of unbiased reporting per se:

“When the concept of objectivity originally evolved, it [...] called for a consistent method of testing information – a transparent approach to evidence – precisely so that personal and cultural biases would not undermine the accuracy of their work” (“Principles of journalism”, n.d., para. 4).

Accuracy consists of the need for journalists to talk to multiple sources, revealing as much information about them as possible, as well as double-checking the facts and insights they

offer. Over the years of its existence, journalism has developed different approaches to identifying and determining the credibility of facts (“Principles of journalism”, n.d), yet many of those techniques have been subject to updating due to the advances of the Internet and online communication.

“Being accurate has always been a core tenet of journalism, but in an age of viral news, verification is an increasingly essential skill” (Riordan, 2014, p, 10). Or in the words of Margaret of the *New York Times*, “fast is good, but right is better” (as quoted in Riordan, 2014, p. 10).

Verification and accuracy have become particularly challenging in the Internet age (1) because of the large amounts of information online and (2) because of the speed with which this information spreads. Digital technology has made it possible for online news media to share updates in a matter of seconds, and while speed can be an important advantage, for established news media organizations, accuracy remains a main priority. According to Chris Hamilton, social media editor at the BBC, research shows that:

[...] audiences aren't really all that interested in speed. Obviously the nature of news is that it needs to be news, we're not talking about taking days to get around to something. But in those first few minutes, it's journalists who obsess about who got the story first. [...] What [audiences] care about much more is accuracy and trust” (as quoted in Riordan, 2014, p. 12).

While established news media outlets seem to favor complete accuracy over speed, this is not necessarily the case for some digitally native publications. Online media sites like Gawker, for example, prefer to post information as it comes in (Riordan, 2014), thus relying heavily on their audience to judge how much of that information they would trust, and how they would combine it with their own knowledge to create their own bigger picture of the issue at hand.

Balance, in turn, is another one of the profession’s main priorities, and it can most easily be described as the need to cover the different sides of a story, thus “asking various sides for comment” (“Principles of journalism”, n.d., para. 4).

In a study by *The Atlantic* and *National Journal* from a few years ago, U.S. media experts indicated that balance in journalism has been hurt (65%) rather than helped (35%) by the rise of the Internet and digital news consumption (Master, 2009). On a positive note, the online sphere has made it possible for an increasing number of people to interact with the news and even to help co-create it. On the other hand, however, “it has blurred the lines

between opinion and fact, and created a dynamic in which extreme thought flourishes while balanced judgment is imperiled" (Master, 2009, para. 8).

At the end of the day, however, it is fair to point out that the concept of balance in journalism is anything but black and white. "I think the issue of balance is such a limited idea. I think there are times in which journalism can go past balance and say, based on our reporting, we can draw a conclusion" (Dvorkin as quoted in "Balance vs. bias", 2006, para. 50). The problem with it is that there are things that cannot really be balanced. When it comes to moral issues, there is usually just one side to them, while in other instances there may be three, four, or five different viewpoints to one problem ("Balance vs. bias", 2006). The role of the journalist then is to make sure that as many possible sides of the issue have been discussed before hitting the publish button.

Last but not least, editorial independence consists of the commitment of journalists and online news media to report in the interest of the public good, and not of any political, commercial or other needs. As discussed earlier, **independent reporting**, thus, allows journalists to be the watchdogs of society, and to keep an eye on and, if necessary, criticize the ones in power (Ward, n.d.).

The next sub-section, in turn, looks into the localization of content and the potential it holds for online news media as they try to provide their audiences with independent journalism.

2.5.2.2. Localization

The localization of content – or the creation of content specifically for local audiences, plays a key role in generating unique customer value. "The notion of 'mass' media may be outdated in an environment of narrowly segmented niche audiences – even audiences of one" (Singer, 2006, p. 9). Without a doubt, today's media audiences are fragmented, with Jarvis (2014) going so far as to say that they are increasingly hyperlocal.

As the name suggests, hyperlocal news media cover "a narrow range of location-specific topics" (Kurpius, Metzgar, & Rowley, 2010, p. 360), and often times make use of blogs, user-generated content and other co-creation processes. In other words, hyperlocal media are very community-oriented (Williams, Harte, & Turner, 2014), with news stories featuring reports on local events, as well as community activities and initiatives, to name a

few. Two things are most important to the success of a hyperlocal publication: staying in close touch with the community and doing so on a regular basis (Jarvis, 2015).

“To serve, attract, and maintain a loyal audience of sufficient size within the community, the blogger [or journalist] must feed the beast not merely daily but many times per day. [He or] she must constantly be out in the community, talking with people” (Jarvis, 2015, para. 2).

Owens, on the other hand, adds local ownership as another key element to success (as cited in Gahran, 2013). Local ownership allows for the establishing of strong, personal relationships with advertisers as well as encourages journalists to commit to the high quality of their news coverage, “because it’s their business, not just their job” (Owens as quoted in Gahran, 2013, para. 10).

In addition, with local ownership comes an increased sense of responsibility towards the community, which, in turn, gives journalists the opportunity to cover the topics that they, and their readers, believe really matter. As a result, (hyper-)local publications have embraced the chance to present their audiences not only with the hard news and facts, but also with the wider context that relates to them (Drok, 2013).

2.5.2.1. Focus on specific topics and context

Ever more often, users are looking for content that is not just geographically relevant to them, but also topically. Setrakian and Nolan (2013), for instance, focus on the rise of single-subject journalism in the U.S.: “The world of the single-subject platform is a vast one that covers all of the topics one would find in the traditional newspaper, broken up and divided out across single-subject platforms to fill the gap [...] in the news space” (Setrakian & Nolan, 2013, para. 16).

Single-subject journalism is the result of readers seeking information that does not only provide facts, but context, too (Drok, 2013; Setrakian & Nolan, 2013). With regard to context, Drok (2013) argues that there is a need for journalism to fulfill both its traditional role of the “watchdog” of society as well as a newly assumed one of “a guide-dog that can help the citizen navigate through post-modern life” (p. 147).

In response to the need to evolve the “watchdog” role of the media, Setrakian founded News Deeply, the parent company of a number of pop-up news businesses. The

most recent of those online publications was Ebola Deeply (Ellis, 2014), which emerged during the disease outbreak in 2014, with the goal to collect the most relevant news on the topic and provide readers with the context they need to understand the issue. “There’s a lot of reporting, but the space could use coherence, and that’s what we hope[d] to provide” (Setrakian as quoted in Ellis, 2014, para. 3). As a result, single-subject journalism aims to complement existing reporting, not replace it.

Put simply, the concept behind the Deeply franchise and single-subject journalism in general is “explanation through simplification” (Ellis, 2014, para. 4) – or in other words, cutting through the clutter of news stories and social media posts in order to provide users with only the most relevant information. Such online publications may, thus, only exist for as long as the topic they cover is current, yet that is long enough, according to Setrakian. “We’re ready to retire the site when the crisis is over, and that’s a good thing. We need dedicated coverage of flashpoints, if they are six months or six years” (Setrakian as quoted in Ellis, 2014, para. 4).

2.5.2.3. Personalization

With the advance of digital technology, readers have become increasingly specific about the news they want to read, as well as about the place, time and device, on which to access it. As a result, the customization or *personalization* of content has recently turned into a buzzword.

According to Thurman and Schifferes (2012), personalization can be defined as a form of interactivity using “a set of technological features to adapt the content, delivery, and arrangement of a communication to individual users’ [...] preferences” (p. 776). Content can be personalized on the basis of direct user input as well as of data collected by businesses through monitoring users’ activity online (Thurman & Schifferes, 2012). In fact, the personalization of news content is closely tied to media’s practice of customer segmentation and their use of data in achieving that. According to Thurman and Schifferes (2012), personalization has become a key strategy for news publishers, “who hope that it can increase their sites’ ‘stickiness’, and allow them to capture data about users” (p. 776).

In the news industry, in particular, “personalization can provide easy access to the more important items from the abundance of available information” (Lavie, Sela, Oppenheim, Inbar, & Meyer, 2010, p. 484). It is important, as such customized content

delivery saves readers the time and effort of looking for the news that interest them, by pushing it directly to their digital devices. That is to say, it is not so much about mass communication anymore, but about maximizing the relevance of news content to the individual user (Thurman & Schifferes, 2012).

However, as Lavie et al. (2010) point out, maximizing relevance is not a very clear-cut process just yet. One of the main challenges to news personalization is in determining its appropriate depth:

“If a personalized news service presents users only with articles on subjects they are presumably interested in, it will limit their access to general information that may occasionally interest them or may broaden their knowledge and interests” (Lavie et al., 2010, p. 485).

In other words, personalization is about finding the middle ground between delivering very specific, individually tailored information, and mass news.

2.5.3. Innovation of customer relationships

Having established that users are increasingly looking for accessibility and interactivity as main qualities of media content, it is important to get an insight into the types of relationships news media are maintaining with their audiences. Customer relationships can be personal, automated, or anything in between (Osterwalder & Pigneur, 2010), with the utilizing of communities and co-creation being among the most common ones.

Drok (2013) highlights online user participation as one of the main innovations in the new model of journalism. Participation is defined as “making use of user-generated content or knowledge, whether through social media or internet communities” (Drok, 2013, p. 148). Jarvis (2009) and Westlund (2013) also emphasize the need for news media to continuously focus on customer engagement and interactivity, and Deuze (2003) calls for a journalism that is open, allowing for customers to become part of the news production process.

2.5.3.1. User-generated content (UGC)

According to Singer (2006), “news producers are no longer distinguishable from news consumers” (p. 4). In other words, readers are becoming part of the production of news – and increasingly so, through their contribution of user-generated content (UGC).

A growing number of people now possess mobile devices, including smartphones and tablets, most of which with a camera, access to the Internet, and – perhaps even more importantly, to social media (Westlund, 2013). As a result, “mobile devices are used for reporting live from both everyday life events and more significant events such as natural disasters, crises, civil wars and riots” (Westlund, 2013, p. 18). In response to these technological developments, many mainstream media have embraced the idea of engaging their readers in sharing their own thoughts, ideas, and even written and visual contributions.

In fact, through evolving practices like the generation of users’ content, a community of users and readers can contribute more than a closed team of producers (Bruns, 2008). What is perhaps even more important is that with the help of UGC, news stories can be covered in much more detail than they would be by journalists alone (Wardle, Dubberley, & Brown, 2014).

An example of the use of UGC as an entrepreneurial practice is the *Guardian Witness* app developed by the *Guardian*. The application is the *Guardian*’s own platform for UGC, which accepts contributions in a variety of formats – from text to images and video (“What is *GuardianWitness*”, n.d.). Another, more geographically relevant example is that of *Dnevnik L!ve*, the UGC platform of Bulgarian online daily *Dnevnik*. Similar to the *Guardian* app, *Dnevnik L!ve*, too, allows for the submission of various text and visual materials as well as for readers to participate in polls and report the news that they believe is worth spreading (“*Dnevnik L!ve*”, n.d.).

Experts and scholars do warn, however, of the dangers that UGC can pose. Thurman (2008) highlights a number of those concerns: “the news value of some user-generated content; [and] its standards of spelling, punctuation, accuracy and balance” (p. 7). As discussed earlier, the rise of the Internet has disrupted some of the core traditional journalistic values, including accuracy and balance. Thus, in order to ensure that they run an editorially independent and ethical business, online news media need to be willing and

able to commit to a practice of fact-checking and thorough verification of sources and their claims.

Another way for online publications to maintain strong relationships with their readers is by building communities, which is the focus of the next sub-section.

2.5.3.2. Communities

The ability of news media to source information from their audiences has certainly been one of the main benefits brought about by the Internet, and over the past years, it has helped redefine the nature of their relationship. Fernández (2013) makes an important remark by saying that “it is now possible to establish a positive relationship of equals between journalists and the audience, no longer conceived as a uniform and passive mass but as a critical mass formed by real users (rather than readers) of media” (p. 194).

The key phrase here is “relationship of equals”. Giving users the opportunity to submit their own content is empowering and it is a step toward building relationships. UGC alone, however, is not necessarily enough to maintain and feed those relationships in the long run. Users often need to feel as part of a bigger whole; of a community that identifies with and revolves around the mission of the specific media outlet (Kurpuis et al., 2010).

Osterwalder & Pigneur (2010) argue that businesses are increasingly making use of communities to interact with their users, and to make sure that the users themselves can communicate and exchange information and ideas among each other.

The Washington Post is a good example in that they have taken on photo-sharing social network Instagram to build long-lasting relationships with their followers. “Instagram is so immediate and intimate that it creates this close connection with the user” (Haik as quoted in Thiruvengadam, 2013, para. 2). In this sense, *The Washington Post* is using the social network not just to share pictures, but also to tell the stories behind them and encourage users to interact with them. *The Chicago Tribune* has taken on a similar approach:

“Our approach to Instagram at the Tribune is to make sure followers are included whenever possible. So while we do post photos from staff photographers from big events, we spend much of our time focusing on weekly themes and showcasing the photos of the people who engage with us” (Kleinberg as quoted in Thiruvengadam, 2013, para. 4)

The above examples are indicative of two main developments that have taken place among online news media in the past years: (1) a growing number of media outlets have identified the need to build relationships with their users, and (2) they have embraced the potential of social networks in doing so. To illustrate their importance, the next sub-section focuses on the use of different channels, and particularly of social media as a means to sharing content and engaging with users.

2.5.4. Innovation of channels

As mentioned above, with the advance of digital technology, it has become ever more important for journalists and media to utilize a variety of channels to expand their reach. According to Osterwalder & Pigneur (2010), the Channels component of the Business Model Canvas comprises all communication, distribution and sales mechanisms. It is also possible to distinguish between channels operated by the company itself – or owned channels, as well as such operated by a third party (Osterwalder & Pigneur, 2010).

2.5.4.1. Social media

Over the past few years, social media have become an important means for people to communicate, share information, organize events and even mobilize large-scale protests. Today, social media use continues to grow, with users of different generations joining multiple networks.

A recent study by the Pew Research Center found out that in the U.S., multi-platform use is on the rise (Dugan, Ellison, Lampe, Lenhart, & Madden, 2015). Of all online adults polled, more than 50 percent indicated that they currently use two or more social media sites, and over half of all seniors (65+ years old) said that they are on Facebook (Dugan et al., 2015). In fact, Facebook remains the most popular social network, although “its overall growth has slowed and other sites continue to see increases in usership” (Dugan et al., 2015, para. 8).

For online news media, in particular, a Facebook presence is almost crucial. According to recent research, the social network is the largest source of referral traffic for online platforms – including news media, growing its share 59.5 percent year-over-year (Wong, 2015). Such findings are indicative of the importance of utilizing social media

channels in order to attract new customers, as well as to retain and build relationships with existing ones.

2.5.4.2. Multi-platform distribution

Both Westlund (2013) and Drok (2013) focus on the concept of **cross-platform journalism**, with Drok (2013), in particular, arguing that media users “increasingly expect information to reach them through a variety of platforms” (p. 147). Those include news media’s own (mobile) website, apps, newsletters and more. As a result, it is crucial for journalists to be able to communicate across different formats and channels (Singer, 2006). “As media become digital, their formats intermingle. Text, photos, audio and video are no longer distinct formats, but merely different arrangements of bits” (Singer, 2006, p. 3).

In addition, a move towards multiple (owned) distribution channels is a way for online media companies to use and reuse their content across those different formats (Doyle, 2010), which – as outlined earlier, is one of the main characteristics of media products (Albarran, 2010).

Doyle (2010) argues that the “migration to multi-platform strategies” (p. 434) is more important now than ever due to the changing patterns of media consumption, especially among young audiences (Drok, 2013). Users want to be able to get news whenever and wherever they want, whether on their smartphone, tablet or laptop (Singer, 2006). Mobile sites and applications, thus, play an increasingly important role among online news media.

The shift to multi-platform distribution has led to the need for the customization of digital content in order to satisfy users’ individual needs, as well as to ensure the continuous improvement of the user-friendliness of mobile applications (Drok, 2013).

2.5.5. Innovation of revenue streams

“If customers comprise the heart of a business model, revenue streams are its arteries” (Osterwalder & Pigneur, 2010, p. 30). Generating sustainable revenue streams is, thus, the result of identifying the value for which customers are willing to pay and ensuring that this value is delivered. The focus of this section will, thus, be on **market-driven**

revenue streams such as the sale of advertising and subscriptions (Osterwalder & Pigneur, 2010), as this would be a clear indicator of the potential of online news media in the Balkans to sustain themselves.

Before looking into any of the specific revenue sources for online news media, it is important to note that in order for all e-businesses to be successful, they need to be able to fulfill their customers' wants and needs (Picard, 2006). This, however, can be especially challenging, because – as mentioned earlier, news media operate in more than one market (Hagiu & Wright, 2011; Lindstädt, 2009; Osterwalder & Pigneur, 2010) and thus attempt to meet “both public and private needs and wants of varying significance” (Picard, 2006, p. 10). What is perhaps even more important is that audiences alone are not yet in the position of being the main revenue stream for most news media (Picard, 2006).

2.5.5.1. Online advertising

With the rise of the Internet and digital technology, the range of options for news media to finance themselves has grown, however, none of them individually has proven to be entirely sustainable just yet.

For news media, advertising has long been a core revenue stream, and it remains one of the primary ones for online news publications, too (Mensing, 2007). “Online advertising has shown steady and impressive growth, [...] however, this amount is still a fraction of the total advertising market” (Mensing, 2007, p. 24). Mensing’s research is from eight years ago. In 2015, though, the UK is expected to become the first country in the world “where digital media will take a 50% share of advertising spending” (“UK to achieve”, 2015, para. 1).

For startups and relatively young online publications, display ads are among the most commonly used, and are either sold as cost per mille (CPM), or at weekly or monthly rates (Pekkala & Cook, 2012). Sustaining a journalism startup through online advertising only, however, is a challenge.

“About three-quarters of all online advertising goes to the top 10 sites and Google, Facebook, Microsoft, and Yahoo account for about 60 percent of all online revenue. This leaves very little advertising expenditures to be contested among all other players – of which news providers are only a small fraction” (Picard, 2012a, para. 2)

Another issue is that of the decrease in online advertising prices due to the large number of sites that offer it. Similarly, more established news media organizations, and in particular such that run print operations, feel that digital advertising revenue are only a small fraction of their print revenues Picard (2012b), hence their unwillingness to shift their primary focus on online.

Such developments in the market for advertising have made it almost a must for online news media to seek multiple revenue streams if they want a chance at long-term sustainability (Buttry, 2010; Mensing, 2007).

Another option for news media companies to make revenues online is by selling slots for sponsored content (Osterwalder & Pigneur, 2002). The concept of sponsored content is that of getting “advertisers [to] pay to have their messages integrated with editorial content on a publisher’s site” (Cookson, 2014, para. 3). In other words, it is an adaptation of the *advertorial*, which has long existed in print, for the digital age. Sponsored content is considered part of *native advertising*, a form of marketing that looks the same as regular editorial content, and aims to “blend in seamlessly with other stories” (Cookson, 2014, para. 4).

2.5.5.2. Beyond advertising: multiple revenue streams

Apart from advertising, digital media companies can “collect subscription fees from their private customers and demand fixed prices for content from their business customers” (Osterwalder & Pigneur, 2002, p. 7). Such a revenue model focuses on the direct sales of news content to media users. About a decade ago, the revenues from online subscriptions in the U.S. stood at less than 10 percent on average (Mensing, 2007), while today, digital subscriptions at major U.S. newspapers are rising steadily (Cassidy, 2014). This upward trend is indicative of the potential of subscriptions as a viable revenue stream for online news media.

In addition, online news media can also make money from selling data to business clients (Buttry, 2010a; Conover, 2009,). According to Buttry (2010b), “databases are a tool news organizations can use effectively [...] to tell stories and provide answers for their communities, as well as to develop new revenue streams” (para. 2). It is important to note that the ability to turn data into a sustainable revenue stream is also closely tied to news

media companies' commitment to data mining and data aggregation, two processes highlighted earlier in the section on Customer Segmentation.

Even more recently, though, digitally native publications in both the U.S. and Europe have turned to crowdfunding as a source of revenues (Bruno & Nielsen, 2012). With the help of crowdfunding, “an entrepreneur raises external financing from a large audience (the ‘crowd’), in which each individual provides a very small amount, instead of soliciting a small group of sophisticated investors” (Belleflamme, Lambert, & Schwienbacher, 2014, p. 585). The obvious benefit of crowdfunding for journalists and/or media owners is that of raising capital in exchange for reporting the stories that the crowdfunders are interested in and, thus, paying for. In a way, crowdfunding makes it possible for individual journalists and online media companies to strengthen the commitment to their audiences and cater to their specific needs (Carvajal, García-Avilés, & González, 2012). In addition, it is also a tool for journalists and media owners to test their market, as well as to build relationships with their audiences already early on.

2.6. Summary

The above theoretical framework provides a scientific foundation for further investigating the entrepreneurial-mindedness of online news media in the Balkans, and eventually answering the main research question: *To what extent are online news media in the Balkans using entrepreneurial principles to ensure independent, sustainable journalism?*

This chapter focused on entrepreneurship both as an organizational principle and as a mindset, and emphasized the importance of the processes of value creation and business model innovation. Generating unique customer value is key, as it makes it possible for online businesses – media ones, too – to stand out from their rivals (Porter, 2001). The business model, in turn, is the rationale that helps these businesses “create, deliver, and capture [that] value” (Osterwalder & Pigneur, 2010, p.15). In order to achieve thorough analytical results, the Business Model Canvas (Osterwalder & Pigneur, 2010) was chosen as the main analytical framework. As the study focuses on media users and the value that online news outlets are able to create for them, five building blocks were singled out from the canvas: customer segments, value propositions, customer relationships, channels, and revenue streams.

2.7. Conceptual framework

Figure 2-2 offers a visual overview of the conceptual framework that this thesis builds on. As pointed out already in the introductory chapter, online news media in the Balkans are increasingly expected to adopt entrepreneurial principles to provide both sustainable and independent journalism. With the help of the selected elements from the Business Model Canvas (Osterwalder & Pigneur, 2010), this thesis focuses on the ability of online news media to create and sustain unique customer value.

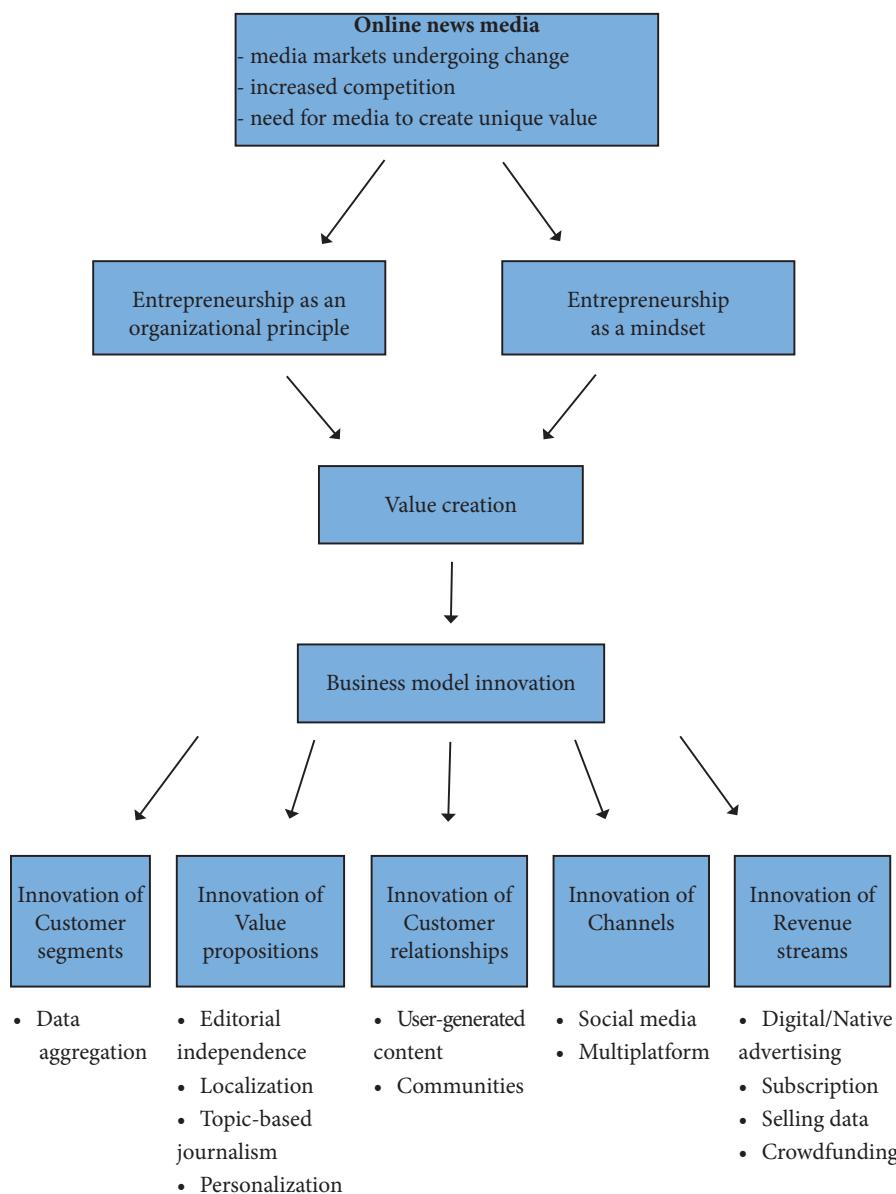


Figure 2-2: Conceptual framework

III. METHODOLOGY

3.1. Qualitative research

In addressing the research and sub-research questions posed earlier in the text, this study makes use of a qualitative research approach. The qualitative approach aims to describe, interpret and develop a deep understanding of phenomena, attitudes and human perspectives (Berger, 2000). As the goal of this research is to grasp *how* media are operating in the Balkan news market and *the extent* to which they have adopted innovation in their day-to-day practices, this approach is particularly fitting. Unlike in quantitative research, where the ultimate goal is to draw generalizable conclusions, “the qualitative researcher seeks an understanding [...] in terms of the context in which the research is conducted” (Bryman, 2012, p. 408). As the aim of the current study is to highlight the entrepreneurial practices in the Balkan region, utilizing an approach that takes the context of the local media markets into account is especially important.

3.2. Research design

The exact method selected for this case are expert interviews, which helped gain insight into the state of entrepreneurial journalism in the Balkans, as well as the innovative practices employed by news media in the region. The choice of experts as interview partners is an appropriate one due to the broad scope of the research. Experts have an overview of the environment that is being studied as well as the trends related to it, and are often a “unique source for ‘inside’ information” (Dorussen, Lenz, & Blavoukos, 2005, p. 317). That being said, the definition of the term *expert* was also kept rather broad for the purpose of this study. The goal was to collect insights from both journalists and media owners as well as from scholars, media researchers and analysts. A variety of perspectives was key to the findings of this study.

The conducted interviews were recorded and transcribed, and the transcripts were further analyzed with the help of a thematic analysis. In addition to five main categories

derived from theory, this study aimed to identify smaller themes and patterns, too (Braun & Clarke, 2006), eventually providing a well-rounded answer to the main research question.

3.3. Expert interviews

The choice of expert interviews as a method for this study carries with itself several objectives. First, the goal was to gain an overview of the state of entrepreneurial journalism in the Balkans, and to identify some of the main trends. These first impressions were based on the input of experts of different occupations within the fields of media and journalism. A more specific overview of the interview subjects is provided a little later in the text.

The second objective was to identify to what extent there were patterns in the input of interviewees from different fields of expertise, and the final one was to find out the extent to which entrepreneurship is part of journalistic practices in the Balkans, and to pinpoint the most commonly used of those.

3.3.1. Data collection

The expert interviews were semi-structured. They were conducted on the basis of a pre-determined list of questions (Berger, 2000), and followed the approach of responsive interviewing as proposed by Rubin and Rubin (2012).

“Responsive interviewers structure an interview around three types of linked questions: main questions, probes, and follow-up questions” (Rubin & Rubin, 2012, p. 3). The main questions made sure that the sub-research questions were thoroughly answered. Probes, in turn, are expressions that encourage interviewees to provide more information and details with their answers, and follow-up questions aim to pick up on interesting statements and encourage participants to elaborate on them (Rubin & Rubin, 2012).

The semi-structured interviews started with a couple of more general questions about the state of online news in the region, and the way their role has developed over the past years. The interview was then split into five main parts, each of them corresponding to a component of the Business Model Canvas, following the structure outlined in the theoretical framework. In order to gain in-depth insights into the topic and to answer the main RQ as accurately as possible, the interviews were operationalized in a separate sub-section (see 3.3.3. Operationalization).

All of the interviews were conducted – due to the distance – over Skype. They were recorded and transcribed as soon as they were over.

3.3.2. Interviewee selection criteria

The participants in this study were experts who could provide insights into the state of entrepreneurial journalism in the Balkans. As mentioned earlier, the definition of the term *expert* was kept rather broad, as it is necessary to collect data from a number of different perspectives. Therefore, for the purpose of this study *experts* were considered to be:

- media entrepreneurs in the region, who have launched their own media business in the past five years;
- journalists and/or editors in management positions at news media with an online presence in the region;
- media researchers, consultants or analysts with expertise in the Balkans
- scholars, who research the fields of media and journalism, with specific knowledge on the trends and developments in the Balkans.

The selection included 4 media entrepreneurs, 3 journalists and/or editors in management positions at online news media, 3 researchers and media consultants, and a scholar. A complete list is presented in the following sub-section.

3.3.3. List of expert interviewees

Name	Description
<u>Journalists & editors</u>	
Ana Petrusheva (MK)	Ms. Petrusheva has been working as a journalist since the late 1990s and is currently the managing editor of the online news site Balkan Insight, published by the Balkan Investigative Reporting Network (BIRN), an NGO. Ms. Petrusheva is also the country director of the Macedonian branch of BIRN.
Milka Tadic Mijovic (ME)	Ms. Tadic Mijovic is a journalist and the executive

	director of the Montenegrin independent news weekly Monitor.
Laurentiu Colintineanu (RO)	Mr. Colintineanu is a freelance multimedia journalist from Romania, currently collaborating on projects with Bucharest-based news site HotNews.ro.
<u>Media entrepreneurs</u>	
Tomislav Šimpović (CR)	Mr. Šimpović is a media entrepreneur, formerly a successful local news publisher and currently the founder of Colombio, a crowdsourcing mobile app connecting users with news media and journalists.
Hannelore Acarnulesei (RO)	Mrs. Acarnulesei is a Romanian journalist and editor. Together with her husband, she is the owner of the local online publication HunedoaraMea.
Lily Lynch (USA)	Ms. Lynch is co-founder and editor-in-chief of the online news magazine, Balkanist.
Alexander Nikolov (BG)	Mr. Nikolov is co-creator of the Bulgarian online news publication Chronicle.bg
<u>Media experts</u>	
Oliver Vujović, (DE)	Mr. Vujović is one of the founders of South East Europe Media Organisation (SEEMO) and currently its Secretary General. Previously, Mr. Vujovic has worked as a journalist and Balkan correspondent for a number of media in Europe.
Marius Dragomir (RO)	Mr. Dragomir is a media expert and analyst, currently holding the position of senior manager at the Open Society Foundation's Media Program.
Larisa Rankovic (SR)	Ms. Rankovic is a media consultant, researcher and journalist from Serbia.
<u>Scholar(s)</u>	
Boban Tomić (SR)	Dr. Tomić is docent at the Media and Communications Faculty of Singidunum University in Serbia.

3.3.4. Operationalization

The analysis of the expert interviews was guided by the five business model components derived from the theoretical framework, and the five selected elements – customer segments, value propositions, customer relationships, channels, and revenue streams, provided the main structure for the interviews. They were used as the main categories to base the analysis on, yet they were broken down further in the strife to achieve more thorough results. Table A1 (see Appendix A) offers an operationalization of the questions and a guide to the semi-structured interviews.

3.3.5. Thematic analysis

As the data for this study was collected through expert interviews, the transcripts of those conversations were of great importance for the process of data analysis. The chosen method for analyzing their content was thematic analysis – “a method for identifying, analyzing and reporting patterns (themes) within data” (Braun & Clarke, 2006, p. 79). It was particularly suitable for the current study, as its goal is to highlight the extent to which online news media in the Balkans are being entrepreneurial in their work.

The analysis started with getting to know the collected data, identifying main messages and gradually eliminating any unnecessary details (Braun & Clarke, 2006). The next step was to recognize recurring themes and patterns, and using codes to organize those into multiple coherent categories, guided by the structure derived from theory. After most of the data was categorized, it was also important to identify sub-themes and patterns not only within those categories, but also between them.

IV. RESULTS: EXPERT INTERVIEWS

The following chapter focuses on the analysis of the data collected during the eleven semi-structured expert interviews, thus extracting their main findings. As outlined in the methodology chapter, the interview questions were structured according to the five selected elements of the Business Model Canvas (Osterwalder & Pigneur, 2010): customer segments, value propositions, customer relationships, channels, and revenue streams. In the course of the theoretical framework, those five building blocks were refined with the help of an additional eleven value drivers: data aggregation, editorial independence, localization, topic-based journalism, personalization, user-generated content, communities, multiplatform distribution, social media and digital advertising. The specific approach of this study was a thematic analysis, as a result of which the already identified themes were refined or complemented by newly emerged sub-themes.

The next section discusses the extent to which online news media in the Balkans are employing entrepreneurial principles to better target their audiences.

4.1. Customer segmentation

In this section of the analysis, the study aims to answer the following sub-question:
How are online news media in the Balkans segmenting their audiences?

The theoretical framework outlined a number of criteria that online news media can base their customer segmentation strategy on: Those include locality (Jarvis, 2014) as well audiences' interest in specific topics (Setrakian & Nolan, 2013) and their technical abilities (Drok, 2013; Westlund; 2013). Most prominently, the theory highlighted data aggregation as an important tool for collecting valuable information about users' wants, needs and preferences. In answering the above question, the thesis aims to find out if – and to what extent – online news media in the region are using data aggregation to segment their audiences, and whether or not they rely on other tools and techniques to do so.

4.1.1. Segmentation based on data

As highlighted in the theoretical framework, media companies “are no longer satisfied with basic data on paid users, unique visitors, and what stories are read or shared most” (Picard, 2014, para. 16), and are therefore looking for ways to gain insights into individual users’ consumer behavior. Data aggregation was, thus, considered a key theme for the analysis of the entrepreneurial-mindedness of online news media in the Balkans. The expert interviews, in turn, helped identify a recurring sub-theme: **the use of metrics and analytics** for gaining insights into users’ behavior on online news sites.

4.1.1.1. Use of metrics and analytics

Identifying the use of metrics and analytics as a sub-theme of data aggregation is an important step in pointing out the level of entrepreneurship employed by online news media in the Balkans. As argued by Picard (2014), data is key if media companies are to understand their users’ wants and needs.

Marius Dragomir, media expert and analyst, offered a similar point of view.

He sees the importance of data in the “combination of new technologies and software to follow and check the profiles of readers, and follow up with ads online, and with various offers”. While he has observed developments in this area, the use of data does not seem to have become a priority for many media outlets in Balkans just yet. In fact, the majority of the interviewees focused on the importance of using metrics and analytics for online news media to get a better sense of how many people visit their website, when and what content they pay the most attention to – as opposed to collecting data on their individual profiles and consumer habits.

Freelance journalist Laurentiu Colintineanu acknowledged the importance of using metrics and tools like Google Analytics, however, as he pointed out, for the most part, they are “being used only in a quantitative way”. That is to say, many news media are primarily concerned with the number of visitors they attract per day as well as the stories they read the most. Tomislav Simpovic, who until two years ago was at the forefront of his own local media outlet, shared similar experiences. He said that he and his team “didn’t use any data as data. We were using metrics, we were using Google Analytics [to know] which articles

are more shared, and at which time to publish,” as well as what social groups to target with what stories.

Ana Petrusova, managing editor of Balkan Insight, sees the value of tools like Google Analytics in their ability to show how viewership moves during the day: “I can see what they’re reading – at what time, from what country, what they’re interested in, [and] what speed they react with.” Acarnulese, in turn, uses analytics to also find out what platforms users are accessing her and her husband’s online newspaper from.

There is no doubt that in today’s day and age, metrics are more than important. It is crucial for online news media to know how many people visit their site, at what time, for how long and perhaps even more importantly, on which stories they click the most.

Clicks are a key concept for online news media in the Balkans, just like they are for media around the world. With the tone of someone who understands both the pros and cons of hunting clicks online, Alexander Nikolov, co-creator of Chronicle.bg, said: “The clicks are important – and they’re important for everyone.” At the end of the day, in order to keep his media site Chronicle.bg independent from political interests, Nikolov needs to be able to convince advertisers that it is worth for them to spend money on ads on his publication.

This is today’s nature of the profession: Journalists are both journalists and business people with the ability to make money from their work. What’s important, however, “is that the click does not end up taking priority over the quality of the content,” Nikolov added.

4.1.2. Segmentation based on content

Interestingly enough, a sub-theme that emerged from the analysis of the expert interviews was online media’s use of content as a segmentation strategy.

With regard to the **type of content** that is being published in the region, most interviewees addressed the dichotomy of sensationalist vs. serious news. Nikolov, in particular, made it clear that it is possible for journalists and media owners to segment their audiences based on whether they prefer to read more tabloid than higher-quality content, and vice versa.

The fact of the matter is that, with the rise of the Internet, a lot of the news has become faster, more superficial and increasingly relying on clickbait headlines. Oliver Vujovic, Secretary General of SEEMO, and Milka Tadic Mijovic, executive director of the Montenegrin weekly Monitor, pointed out the large amounts of information on the web as

one of the main challenges to the quality of today's news in the region. It has contributed to the increasing amounts of entertainment news, which, in turn, has led to the fact that "we are dealing with the tabloidization of the media", according to Tadic Mijovic. More often than not, media companies "are trying to sell as much as possible, so they are selling more entertainment and more of this yellow page [type of] content", she added. Vujovic expressed a similar opinion and added that based on his observations, traditional media that have an online presence are also increasingly giving in to tabloid, yellow page formats.

With regard to his experience with Chronicle.bg, Nikolov said that journalists and media owners should be able to make the conscious choice between including the clickbait-headline-seeking audience part of their own, or excluding it altogether. Should online news media decide to do the latter, they would most likely work with a smaller, but better educated target audience, he said. Given the dynamic nature of the Internet, however, such a choice is anything but clear-cut.

In the words of Nikolov, "in the 21st century, all media go back and forth between serious and more tabloid content. The question is what they will choose as their priority". His point is that online news media can afford to publish lighter content every once in a while as long as their focus remains on doing serious journalism. "In all fairness, we [at Chronicle.bg] have tried to post somewhat lighter content alongside our daily news and analyses," said Nikolov. Such lighter news does not necessarily have a high informational value, he added, however it would attract a larger audience that – once on the website - could potentially click and get interested in some of the more serious content. Nikolov is of the opinion that audiences can be educated, at least to some extent, to read quality journalism.

For Petrusheva and Balkan Insight, segmentation is done on the basis of readers' interest in the Balkan region as well as in the context behind the news. "Our news is often more than [just news]. They're kind of semi-analysis, because they tell you not just what has happened but also why should you care," Petrusheva explained.

Simpovic and Acarnulesei, both of whom have either had or currently have a local news publication, also said that they target their audiences on the basis of content. "On a local level, you're segmenting by targeting the different social groups with stories," Simpovic said. "We were hitting the social groups with content for them, and that's why my online media was one of the most successful in Croatia, among the locals". For Acarnulesei, too, the priority is to inform the community she lives in and to produce content on topics people

want and need to know about. “We have readers from here or people who left and they want to know what happens here.”

For each of these experts, the content and the type of stories they tell have been among the main criteria for choosing and segmenting their audiences. Lynch explained that after having run the Balkanist for over a year entirely by herself, she had developed a sense for which stories resonate with what part of her audience.

4.2. Value propositions

The following section is concerned with answering the second sub-question of this research: *What updated or new value propositions are online news media in the Balkans delivering to their audiences?* In doing so, the analysis focuses on the current offerings by news media outlets in the region and the extent to which they create unique value for their users. The theoretical framework identified four main value propositions – editorial independence, localization, topic-based journalism and personalization, each of which is analyzed on the basis of sub-themes gained from the conducted expert interviews.

4.2.1. Editorial independence

“Editorial independence is something that you need if you want to be a journalist, period.”

These words by Colintineanu are an indication of the importance of editorial independence for any news media, whether print, broadcast or online. In fact, all interviewees agreed on it as a core journalistic value. “Editorial independence has been an important question during the entire history of journalism and mass media,” said university docent Boban Tomic.

As part of the theoretical framework, editorial independence was broken down into three individual themes: **accuracy**, **balance** and **independent reporting**. This break-down was made based on the definition by the Online News Association, according to which editorial independence includes the “highest principles of fairness, accuracy, objectivity and responsible independent reporting” (“ONA – Mission”, n.d., para. 6).

During the process of coding the collected data, two of the individual themes – accuracy and balance were merged into one, and were, in turn, complemented by a newly

emerged sub-theme that deals with the **speed** of news reporting. **Independent reporting** – or the independence from political or business interests, was analyzed as a separate theme.

4.2.1.1. Accuracy and balance

While the majority of interviewees discussed the issue of accuracy, and in part balance, as an important contributor to the integrity of online journalism, they all agreed that news in the region has decreased in quality as it has increasingly moved online. Vujovic, Simpovic, Tadic Mijovic and Petrusova address the large amounts of information on the Internet as a major challenge for assessing the credibility and accuracy of online sources.

Vujovic raised an important question: How do we define who is a journalist and who is not, and more specifically, “can we say that everyone who’s putting news online is a journalist?” In his opinion, it is important to “make the big difference between a journalist who is working according to [certain] ethical and professional standards, and of those who are putting news online but are not journalists” – in other words the citizens. Petrusova agrees that there must be clear line between citizen and professional journalism, while Simpovic goes as far as to say that citizen journalism can pose dangers to the accuracy and balance of online news: “People are not used to double-checking or giving the second perspective,” he said.

Citizen journalism will be dealt with in more detail later on in the context of customer relationships and user-generated content, however, it is an important aspect of the discussion on accuracy, too. Most interviewees mentioned the open nature of the Internet as a contributor to the changes online news has gone through over the past couple of decades. While back in the day journalists were the gatekeepers of information, today everybody can post online, almost immediately, and thus participate in the creation of the news.

In the course of the analysis, **speed** and the immediacy of information were, thus, identified as a sub-theme to accuracy and balance.

Five of eleven interviewees agreed that speed is an important value that online news media in the region can bring to their customers. Petrusova looked at it from an advantageous point of view by saying that today, “you get to put something online in a matter of seconds and you can disseminate the information really quickly and spread the word through social networks.” Speed, therefore, is crucial. In fact, it is so important that online publications have an obligation to report the news no later than an hour after it had

broken, according to Vujovic: “If you don’t do it, you’re not more interesting [than any other online news media]. That is the system that you have – to be faster than in the past.”

Acarnulesei, in turn, described the current situation as “the big rush we’re living in”. In her experience, because of the pressure to be the first out there, journalists have moved away from writing stories to simply putting the news out there. “You don’t have time to write stories [anymore],” she said. “You don’t have time to write everything you know, or to know everything you have to know.” The latter part of this sentence is especially important to understand the challenges that the immediacy of the Internet poses for journalists and media owners alike.

Yet, one thing remains for certain: With the obligation of online news media in the region to be fast comes the obligation to maintain their accuracy and professionalism. According to Tomic, however, “a lot of journalists who work in online media want to [win] the battle between time and getting the news out as soon as possible, so they [often] forget their obligation toward media ethics and professionalism.” Vujovic added to that by saying that because journalists have to react very fast, they also tend to make more mistakes than in the past.

4.2.1.2. Independence from political or business interests

Just like they need to uphold their commitment to accuracy and balance, online news media in the region should strive to do their work independently from outside interests – whether political or business ones. Most interviewees discussed the concept of independence as one that implies online news media in the Balkans not relying on political or business figures for revenues. This in itself, however, is a complicated matter.

Both Nikolov and Balkanist founder Lily Lynch believe that the term *independent* is somewhat tricky. “It’s interesting that we call it independent media because there’s [usually] someone behind it,” Lynch said. If it is not the local government, then it is most likely a foreign one, or an organization that supports media initiatives. At the end of the day, advertisers, too, have their own interests and are potentially able to influence the direction of a publication. Especially in the Balkans, where the media markets are quite small as they are, an important advertiser could make all the difference for an online news outlet.

A number of experts disagreed on whether it is easier or more difficult to be editorially independent as a publication in the Internet age, however, their arguments all

touched on the struggle to make money as online media outlet in the region. According to Dragomir,

“it’s increasingly difficult to be independent in the media but that is especially when you are part of one of the traditional media groups. That is because in most of the region, the media are controlled by 2-3 large conglomerates, and it’s hard for journalists to actually do their job independently.”

When entirely online, on the other hand, he believes news media have more options to be independent. Still, “it is a matter of funding, because I think there is not a working business model for online media in the region”. At least not just yet.

Colintineanu, in turn, said that although it does not seem like it, being editorially independent online is a bigger struggle. He said: “If [your revenue] is being affected by politicians, by businessmen loyal to politicians, and so on, then it’s harder for online media [to be independent] because their budget is small anyway, and that is making it even smaller.” Tadic Mijovic shared a similar opinion, saying that if an online media outlet wants to be independent, it needs to be able to make money on its own. In her opinion, “you can be independent if you have a small site, you are posting some content and making money on the side, doing something else”.

To back this statement, there is perhaps no better example than that of Acarnulesei and her local publication HunedoaraMea. As mentioned in the introductory chapter, Acarnulesei and her husband run three bakeries to support their site and to stay free from outside interests. It may not be a sustainable business just yet, but it is a good alternative to giving in to political or business interests. “We had to do something to survive,” said Acarnulesei. Opening a bakery was one of very few options: “These were the only options and these still are the only options. We chose this way to live and to still do our job.”

4.2.2. Localization

Acarnulesei and her husband have committed their time and energy to running an online publication that informs their community and keeps it close together. In fact, Acarnulesei said that local “is the most important thing,” and then added:

“There are lots of national online or print [publications] and everybody has where to go to have the information. So [...] we write local news. We have readers from our county or people who left and want to know what happens here.”

In her case, it seems that local news is important for two main reasons: (1) it is there to offer readers an independent take on news and current events, and (2) to keep the local community not only informed, but also closely connected.

Simpovic, too, is of the opinion that “local matters a lot”. In fact, he believes that local not only matters, but also that it will grow in importance as technology progresses. The heart of each local online publication is the community, and in his opinion: “Communities are tied more and more.” Social networks like Facebook and Twitter have particularly helped in the rise of communities.

Simpovic and Acarnulesei, however, are not the only ones with similar observations. About half of the interviewees brought up the importance and potential of local online news for communities in the Balkans. Similarly, media consultant and journalist Larisa Rankovic shared the example of Serbian local publication Juzne Vesti, based in the south of the country. “[Juzne Vesti] focuses on the local issues – local in that part of Serbia, and often has some investigative pieces”. For her, the value of such a local online news portal comes with its independence: “The most important difference is that [such platforms] bring a critical approach to authorities and to the socio-political events happening,” she said.

Those examples, however, seem to be some of very few. According to Vujovic, the concept of offering local content to audiences in the Balkans is not very strongly developed yet: “In some countries you have it, but in many countries it’s still not [well developed]”. The difficulty he sees has, once again, to do with funding. He said:

“If you go too local, the question is who will pay for this webpage and for this information. So the financial side is, I would say, the reason why this local level is still not so strong in the Balkans and Southeast Europe.”

While local online news may not have flourished just yet, its potential to bring about independent reporting is obvious. Both Dragomir and Vujovic agree, however, that it will take a high degree of transparency – in terms of both ownership and funding, in order for such publications to have a strong impact. In Dragomir’s opinion, “there is a huge space [for

local], especially among young readers and young consumers of media, and I think the space is growing a lot on mobile platforms.”

4.2.3. Focus on specific topics

Just like localized content is able to provide communities with information tailored specifically to their immediate physical surroundings – something that national outlets do not usually do in great detail, online publications based on topics can do that for readers with very specific interests. Theory indicated that such topic-based – or even single-subject journalism, can offer audiences insights into a particular issue as well as add context to it (Setrakian & Nolan, 2013).

Similarly to local news media, topic-based publications have not yet flourished in the region. Three of the interviewees expressed hopes for the potential of such online publications, however, they also said that topic-based journalism cannot be considered a trend in the Balkans at this point in time. Dragomir said: “I see various initiatives being launched in the region, and they die as soon as the topic is gone. I’m thinking about various investigative journalism efforts. Usually they were funded by donors, so they were not lucrative businesses”. A main problem for such initiatives, he added, is once again funding.

Still, there are various publications in the region that attempt to make it the realm of topic-based journalism. In Serbia, for example, Rankovic has seen the emergence of a number of local non-commercial online media: “In recent months, there have been three or four portals in Belgrade only covering cultural or sub-cultural events.”

Colintineanu acknowledges the potential of very specialized online publications, however, he has identified a different problem. In Romania, he said, “newsrooms are so understaffed right now that there’s only a couple of us, who really have the privilege of being specialized on one subject.” To illustrate, there are “four journalists, me included, who are specialized in foreign policy. We have one journalist – one! – who specializes in healthcare journalism. One in the whole 20-million people country.”

Because of such difficulties, what is more often the case is that more established news media start individual sections or pages, dedicated to specific topics. Petrusheva, for example, shares her experience with Balkan Insight: “We try to do all these different topics that could be interesting. For instance, we have a whole page called Balkan Media Watch, dedicated to what’s happening with the media in the region.” One of their priorities is, therefore, the

packaging of such focused content that caters to very specific reader interests. It is important to note that focused topics also work well as a strategy for segmenting the audiences of online news media in the region.

4.2.4. Personalization

When it comes to specific audience interests, topic-based journalism is one way to provide unique customer value. Theory, however, indicated another approach, and that is the personalization of online news content. According to Lavie et al. (2010), personalization makes it easier for users to choose the content that interests them the most among the abundance of information online. Delivering customized news, therefore, saves users the time and effort they would otherwise spend looking for that content.

In the Balkans, while personalization exists as a concept, it is hardly a popular one. Colintineanu raised an important point, which is that online is the place where users consume non-linear content. In Romania, he said, “we don’t think of on-demand content. [...] We don’t think of the possibility of you having ways and means to personalize your homepage – or your feed, or the push service on your phone.” That is to say, online news media do not yet think of audiences as their clients. Dragomir, in turn, has a similar, yet slightly more positive outlook: There is no doubt that the region is still lagging behind more developed media markets, however, online media seem to be increasingly “working with experts in technology [...] to really discover the value of the individual consumer”.

While both Colintineanu and Dragomir looked at the situation from a technological point of view, Lynch addressed it from the perspective of information sharing. Based on her experience in the region thus far, she has observed what she called “the Balkanization of information”. This means that very often, people from one Balkan country do not show much interest in the developments of any of their neighbors. Lynch said: “It seems that the personalization of news could contribute to even less contact between the countries than there already is.” In this sense, giving users the opportunity to customize the content that interests them could lead to “an increased Balkanization of information and less sharing of experiences and understanding.”

In any case, whether the focus on personalization would be from a technological or an information-sharing point of view, the reality is that the concept has not yet been adopted at a considerable rate.

4.3. Customer relationships

The following section aims to answer the third sub-question of this study: *How are online news media in the Balkans maintaining close relationships with their audiences?*

In the theoretical framework, online user participation was identified as one of the key value-add elements to news media's ability to maintain strong relationships with their audiences. While Jarvis (2009) and Westlund (2013) highlight the need of online news media to focus on customer engagement and interactivity, Drok (2013) emphasizes the importance of encouraging users to contribute their own content, whether through social media or online communities.

4.3.1. User-generated content (UGC)

As brought up earlier, users are no longer passive consumers of information. Instead, they can actively participate in the creation of news by engaging in conversations with journalists as well as contributing their own content (Singer, 2006). User-generated content (UGC) is, therefore, important if online news media in the Balkans want to maintain and improve their relationships with users. In the course of the data analysis, three sub-themes were identified in this section: UGC as **comments**, UGC as actual **content submissions**, whether visual or text-based, and UGC as a **threat to accuracy**.

4.3.1.1. UGC as comments – and Internet bots

All interviewees agreed that maintaining strong relationships with users is of great value for online news media. Acarnulesei, in fact, considers it to be crucial: "That's how we live," she said. "People have to read [because] otherwise we don't exist anymore – and online it's easier to keep your readers close, because they can comment, [among other things]".

Comments, in fact, are still one of the most popular ways of communication between audiences and online news media in the region, Tomic explained. Vujovic, in turn, said that comments are also valuable because they can give journalists and editors an indication of how a certain topic resonates with the readers.

As important as they may be, however, comments often require a certain amount of editorial supervision. Vujovic said: “It is still necessary to have an editor who would go over the comments from the readers and sometimes also remove some comments, if they are against [...] professional standards.” Petrusheva, in turn, shared an example from her work at Balkan Insight, saying that on their website, they do not let comments to go through directly. “On our website we are quite careful. We get to see [the comments] first, and sometimes we get to edit them. We don’t edit the content, but for instance, we would cut out obscene language.” Moderating comments is a practice employed by an increasing number of online media in the region, and obscene language and offensive statements are only few of the reasons why they do it.

In addition, Rankovic pointed to the “recent phenomenon of people being hired [...] by political parties to be active on Internet sites through comments”. Using so-called Internet bots is a trend that another three of the interviewees also made sure to address. While such bots are being used increasingly in this digital day and age, Petrusheva believes that the trend has been particularly aggressive in Serbia thus far. “That’s a very big deal in Serbia,” she said. “You have entire armies of Internet bots that would on any topic or media – especially the ones with the highest number of viewers, and with the biggest number of comments.”

It is important to note here that, although bots are widely considered to be software robots, “in Serbia, the term is metaphorical. Bots are party members who write comments on the Internet, since political parties are not in possession of such software” (Cvejic, 2014, para. 2).

It is not a secret that there is a significant danger that comes with such attacks on online news media, and Tomic and Rankovic both agreed that they are intended at influencing the public opinion. Also, “this kind of thing also obscures the general public opinion visible through online engagement”, Rankovic added.

With or without the threat of Internet bots, however, comments remain one of the most important and most straightforward indicators of user engagement on online news media. Dragomir agreed, yet he also made the point that comments are slowly becoming obsolete. He said: “The comment phase to me seems like already a very old part. It’s a very static page – you go there, you add your thing, and usually, you cannot [even] search through them.” In his opinion, online news media will have to come up with more interactive ways to pull more users in.

4.3.1.2. UGC as content submissions

Comments are certainly an important tool for user engagement, but as Dragomir pointed out, they are not necessarily very interactive. Nikolov, for instance, said that often times, people tend to post comments that are two to three times longer than the original article. “It happens a lot,” he said, “so then we [at Chronicle.bg] approach these people and ask them if they want to express their opinion in the form of contributed content.”

For the most part, users tend to refuse. The reason for this could well be the fact that in most of the region, there is no “culture of debate”, as Dragomir put it. Users often speak their mind in comments, but they rarely follow through. Nikolov’s example is important, because it indicates an attempt on the part of an online news publication, in this case Chronicle.bg, to get users to engage more actively with the brand – a point that will be discussed in the Communities section later on, yet clearly, there is a certain level of unwillingness among the users themselves to take that next step. Of course, any reader’s contribution would not be published without the necessary work from an editor, Nikolov added.

What users are often willing to submit, however, is updates about events they are currently witnessing – most commonly communicated over social media – as well as visual materials. Tomic and Simpovic both agreed that online news media often engage with their users by asking them to send it topical photos. “I think that visual materials like photos and video clips are working as a strong link between audiences and online media,” said Tomic. He gave an example of the 2014 floods in Serbia and the neighboring countries:

“Last year, Serbia was under bad weather conditions, and floods made a lot of damage -[also] in Bosnia and Croatia. A lot of people used their mobile phones and their mobile phone cameras to make a lot of important pictures and video clips.”

Vujovic, who used the same example, also agreed that in times of crises, UGC can be crucial to keeping up with the current developments. Petrusheva, Simpovic and Tadic Mijovic seconded that statement, and made the point that content and ideas brought in by users can be a good starting point for any story. The emphasis fell on the phrase *starting point*.

4.3.1.3. UGC as a threat to accuracy

While all interviewees shared the opinion that UGC can be a great asset to any (online) newsroom, they also made it clear that it can also cause media professionals quite a few complications. Content brought in by so-called citizen journalists is valuable especially given the immediacy of the Internet, however, it is also content that needs to be verified and checked.

The danger with UGC is that citizens are not trained to assess content based on professional journalistic standards such as accuracy, balance, maintaining witnesses' privacy and so on. The problem with this is that unverified information can often lead to the spread of rumors and in more extreme cases, to misrepresenting or hurting the reputation of a person – be it a public or private figure. This is why, “when it comes to user-generated content, I believe that journalists should always check and then publish”, Simpovic said.

Colintineanu, in turn, expressed a similar opinion by saying:

“I firmly believe that journalists are needed to put things in context. We’re not needed anymore to be the source of news, because anyone can do that, but we are needed in terms that [we are] a credible source of news. [We] can do the analysis, and [we] can do the projections, and [we] can give you the broader context because this is our job.”

From the collected data, it became clear that encouraging citizen journalism and the submission of UGC can be a tricky matter. While users can often be the eyes and ears of an online news publication, their contributions should be treated with care and as a starting point to a particular story. It should remain the journalist’s responsibility, all interviewees agreed, to double-check and verify any information that reaches them as a result of citizen journalism.

As elaborated on in this section and as indicated in the theoretical framework, UGC is one of the ways to maintain strong customer relationships. The following section addresses user communities as another means and focus on the extent to which online publications in the Balkans are currently able to create and maintain such communities.

4.3.2. Communities

The concept of communities builds on that of UGC and the ability of users to become part of the news creation process (Fernández, 2013), yet it takes it a step further in that to be part of an online community, users need to feel as part of a bigger whole (Kurpuis et al., 2010). About half of the interviewees mentioned the importance of building user communities, however, the discussion often went back to the ability of users to post comments and engage in a conversation.

Colintineanu and Tomic, for instance, focused on the ability of social networks to help online news media in the region create such user communities. Users now have the opportunity to talk to the media not only through the comment section on their website, but also by liking, favoriting or commenting on content posted on Facebook, Twitter or other social networks, Tomic noted. Colintineanu agreed on the potential of social media to foster the growth of communities, however, he said not much was being done in this respect – at least in his home country Romania. Most online media, he added, only post links to the articles they publish: “Okay, people engage with it to a certain extent and that’s it. [But] you don’t get a status – just a normal down-to-earth status on something. No, you just get a link-bite.”

While this remains the case in the region, it could be the case that online news media miss out on a number of important opportunities. The most important of them perhaps: generating revenues. Based on her experience, Lynch said that “in terms of trying to make money, you really need to cultivate your audience”. Dragomir, in turn, added that it is crucial for online media to have their readers in a network: “Having communities of readers is important because you build a readership that you can then offer in a coherent way to advertisers and marketing agencies.”

4.4. Channels

The following section focuses on answering the fourth sub-question of this thesis, which is: *What channels are online news media in the Balkans using to reach both existing and new audiences?* The theoretical framework highlighted the use of different communication channels as important if online news media in the region are to reach broader audiences and

create unique value for them. Those channels can be company-owned as well as operated by a third party (Osterwalder & Pigneur, 2010).

4.4.1. Social media

This study emphasizes the use of social media and networks like Facebook, Twitter and others to be key for value that online news media in the Balkans to their increasingly diverse and scattered audiences. The theoretical framework highlighted the potential of social media to reach users of all ages, including people of 65 years and older. Recent research in the U.S. indicated that more than half of all online adults polled use two or more social media sites, and over 50 percent of seniors have a Facebook profile (Dugan et al., 2015).

How does this trend, however, translate in Balkan terms?

As a matter of fact, all interviewees agreed that being on social media is of great importance for online news companies if they want to maintain and expand their reach. In addition, it was Facebook that stood out as the most popular social network in the region, and the one with the most potential to increase online news media's visibility.

The trend, however, is more general and it does not apply to news media only. According to Dragomir, there has been a shift in the way Internet users behave online: "Increasingly, the browser is not the entry point to the online world anymore," he said. Instead, social networks have taken over this role for a big part of the population in the region. "For many people Facebook has become their Internet, at least the main entry point into the whole Internet. That's how people operate, and that's how they function online," Dragomir elaborated.

This is an important development, because in a way, it sets new standards for how online news media, in particular, can and should approach their customers. Rankovic put it plainly:

"For many online media, without social networks they would be quite invisible. I know from my experience and the experience of some colleagues that unless you post a link on Facebook or Twitter, but mainly Facebook, almost no one will read the text. That's the main distribution channel."

Dragomir, Tadic Mijovic, Lynch and Acarnulesei all agreed and in turn added that social networks have become extremely powerful as a leading communication channel for news media.

Based on the analysis, social media has definitely proven an important tool for news companies in the Balkans to communicate with and expand their audiences. This, however, has not been the only advantage of the rise of social networks like Facebook. Petrusova, for example, has found Facebook useful not only in expanding Balkan Insight's readership, but also to gain a different view on that readership. "Facebook also gives you a different perspective on your audience – what they like and what they don't like, what posts are visited and what are not, and so on."

For Acarnulesei, it has offered an opportunity to build relationships with readers in her county and eventually create a sense of community. "The day we started the online newspaper, we created a Facebook page, invited all of our friends, and created lots of [Facebook] groups," she said. The idea was to create groups for people in each city of the Hunedoara County: "Our newspaper is called HunedoaraMea – Hunedoara is the name of our county and Mea means *my*, so it's *my Hunedoara*. The main city is Deva, so [there is a Facebook group] called DevaMea, or *my Deva*."

Acarnulesei has, thus, managed to leverage the use of social networks not just to distribute news content, but also to create and foster a sense of community among the readers. As a result, it has become increasingly obvious that social media have enabled online news media in to have two-way communication with their users.

In addition to the role of social media, this thesis is also concerned with the willingness and ability of online news media in the Balkans to adopt multiple platforms for the distribution of their content. The following sub-section, thus, focuses on multi-platform distribution.

4.4.2. Multi-platform distribution

The focus of this section of the analysis is on the use of multiple platforms in order for online news media to distribute their content. The theoretical framework highlighted the fact that media users "increasingly expect information to reach them through a variety of platforms" (Drok, 2013, p. 147). Such platforms include (mobile) websites, applications, and email newsletters, to name a few. In addition, Doyle (2010) emphasized the importance of

multi-platform distribution as a way for online media companies to use and reuse their content across different formats.

The analysis of the collected made it possible to identify a sub-theme to the current section of multi-platform distribution, and that was **mobile sites and applications**. The gained insights are presented in the following sub-section.

4.4.2.1. Mobile sites and applications

Although this topic did not necessarily stand out as a priority among most interviewees, four of them touched upon on multi-platform in more detail. Colintineanu, Acarnulesei, Dragomir and Lynch all agreed on the potential of mobile sites and apps to deliver information to users at any place and at any time. According to Dragomir,

“it is becoming more of a rule for online media to [...] communicate through multiple platforms. I think one is mobile and it is increasing. Amazingly, a lot of people – even people you wouldn’t expect, like older people – [...] do a lot of things on tablets and mobile phones, including the consumption of news and content in general, especially entertainment.”

Acarnulesei seems to have noticed a similar trend: A recent update to the HunedoaraMea website improved its mobile-friendliness, and “I see now on Analytics that more than 60 percent of readers use it on mobile.” Having a well-functioning version for mobile is, therefore, becoming increasingly important.

When it comes to the mobile-friendliness of content, however, Colintineanu is firm: “People have to adapt the content to the platform they’re selling it on, and this is not being done,” he said, based on his observations in Romania. He then added:

“We have news apps, [for example], but what you get is one-on-one the text that’s published on the website. It’s not really mobile-friendly; it’s not designed to be mobile-friendly. It’s not adapted content-wise – I mean, people don’t read a four-page article on their mobile device. We have not gotten to the idea; we have, but it’s a bit condescending, the way we look at it.”

Online news media in Romania do not seem to have made the leap to using video on mobile, Colintineanu added: “We don’t think of video on mobile devices. We just embed a

Youtube video and if that plays on the mobile device, then it's okay; if it doesn't, then the whole app crashes and that's it."

On a slightly different note, again with regard to mobile applications, Lynch is not convinced that they could really push media's work that much further – at least according to her observations. Without basing it on any specific numbers, she said that "smartphone penetration [in the region] is probably not massive. [...] The people who would read you either on a laptop or on a desktop are the same people who would probably have a mobile app."

The last few statements show that there are obviously differences in how mobile is perceived in different parts of the region. It is, in fact, normal for such discrepancies to exist. The bottom line is that while mobile holds quite a few advantages for online news media in the region, its potential has not yet been embraced completely.

4.5. Revenue streams

In the following section, this thesis addresses the fifth building block of the Business Model Canvas – revenue streams, and emphasizes the extent to which online news media in the Balkans are willing and able to adopt new and/or multiple revenue streams to ensure the long-term viability of their businesses. The sub-question in focus is: *What revenue streams are online news media in the Balkans adopting to ensure the sustainability of their business?*

As elaborated on in the theoretical framework, generating sustainable revenue streams is the result of identifying the value for which customers are willing to pay and ensuring that this value is created and delivered (Osterwalder & Pigneur, 2010). Chapter II. placed the focus on market-driven revenue streams as the strongest indicators of sustainability, however, it also raised the point that as of today, audiences alone are not yet in the position to provide online news media with the revenues they need to be self-sufficient (Picard, 2006). The analysis of the collected data indicated similar insights: While online advertising emerged as the most common source of revenues for online news media in that Balkans, state support and foreign funding followed closely behind.

4.5.1. Online advertising

Without a doubt, advertising has long accounted for one of the main revenue streams for news media worldwide, and interestingly, not much has changed with the rise of the Internet. According to Mensing (2007), by the mid-2000s “online advertising had shown steady and impressive growth, [...] however, this amount [was] still a fraction of the total advertising market” (p. 24). Today, and mainly in the West, digital advertising has made significant progress: In 2015, the UK is expected to become the first country in the world “where digital media will take a 50% share of advertising spending” (“UK to achieve”, 2015, para. 1). This contrast between the figures now and 7-8 years ago is important and especially telling for the Balkans. While advertising remains a key revenue stream for most online news media in the region, its share is much closer to the one described by Mensing in 2007 than what is currently being spent on digital advertising in the West.

Most interviewees expressed a similar view, and Vujovic set the context:

“The most important online source [of funding] is, of course, advertising but if you take the percent of advertising that is going online and that is in the old media, especially compared to TV, it is still a very small amount of money.”

He took it a step further to say that online news media in the Balkans are still not profitable, and that while some portals are more financially successful than others, most of them are not able to fund their operations entirely through online advertising. Quite logically, the amount of online advertising (most commonly display ads) that a news portal is able to attract is based on the traffic that it is able to generate. This is also why Nikolov previously explained that a lot of news media in the region often mix serious with somewhat lighter news content in order to attract different audiences and as a result, more clicks.

A closer look at the collected data, however, helped identify two main issues with regard to the ability of online news media in the region to make money from selling advertising space: (1) many businesses do not yet trust to advertise online, and (2) a lot of the advertising budget in the Balkans is controlled by the state.

First, why the trust issues?

Colintineanu and Acarnuleseii, both speaking based on their experiences in the Romania, raised an important point when it came to the discussion of making money from

online news: If something is on the Internet, then it must be free. In their country, there is no mentality of paying for online content, they added – and if users are not paying to view content, then why would advertisers?

“Everybody is used to the fact that the Internet is free. And if the Internet is free, publicity is free also,” said Acarnulesei. She went on: “People who run businesses are not very open to online yet. They all read news online, but they still don’t trust [to advertise on] it.” The fact that the market is so behind is one of the main reasons Acarnulesei and her husband have to run three bakeries on the side in order to keep their publication going.

The distrust in the online world, however, seems to be characteristic for the most of the region. Rankovic, too, believes that there is a certain preference for companies to advertise on traditional media, like TV stations, than on a web portal.

The second issue, however, has more to do with where the advertising money comes from. The majority of interviewees agreed that the media markets in the region are still relatively small, and that companies do not have much money to invest in publicity online. The ones that do have a budget would be more likely advertise in traditional media, as already mentioned, or on sites like Google and Facebook. Colintineanu explained that at least in his home country, about 80% of all online advertising goes to the big players (e.g. Google, Facebook, etc.) and the other approximately 20% is distributed among digital publications, online news media being among them. Still, the main problem is that a large part of the advertising budget is often controlled by the state, and most of the interviewees agreed that this is a major obstacle to the growth of online news media in the region.

In Montenegro, for instance, making it as an independent news media outlet is more than a challenge because most of the advertising money is in the hands of the state. Tadic Mijovic elaborated:

“If you’re independent, you can hardly get money from the advertisers, because advertisement is controlled by those who are in power. It’s very very hard, especially in Montenegro, to get money if you are, for example, writing about abuses of the power and if you are criticizing those in power.”

In a way, it sounds like being an independent *and* sustainable online news media is not just hard, but almost impossible should they rely on advertising alone. It is important to note that this is not an isolated case.

In Serbia, too, a lot of the advertising money is connected to politics. The small number of companies willing to advertise in online news portals forces these portals to depend primarily on media-buying agencies that operate as a link between them and the advertisers (Matic & Jovovic, 2014). Tomic explained: “In Serbia, we have several agencies that control 80% of the total annual budget for advertising [... and] a lot of media know very well that if they have access to this budget, they will be able to survive.”

These agencies, he added, are mostly in the hands of political structures or other powerful individuals, who can exert pressure on the editorial line of the online news media that they finance. This is one of the main challenges to the independence of online publications in the country – and the region, yet this challenge will persist until they manage to successfully utilize additional revenue streams.

4.5.1.1. Native advertising

Making money with online advertising is not easy, and it is certainly not sustainable just yet. There have been, however, certain developments. As highlighted in the theoretical framework, the Internet has brought about the rise of native advertising and in particular **sponsored content** – a concept that the majority of interviewees focused on in the discussion on sustainable revenue streams.

As explained earlier, sponsored content involves “advertisers paying to have their messages integrated with editorial content on a publisher’s site” (Cookson, 2014, para. 3). The idea is for such content to look as closely as possible like any other news article, so that readers do not perceive it as advertising per se. Dragomir explained:

“What we see is the rise of, what people call, native advertising, which is actually when, as a media outlet, you work with a company and you produce a story that is in fact advertising and then it is published - sometimes labeled as [advertising], sometimes not - as a news story or a news analysis.”

There are two main points to take away from the above statement. Firstly, there is obviously a trend of online news media to increasingly use native advertising and especially sponsored content as a source of revenues. This is positive because, as theory indicated, multiple revenue streams are the way to a sustainable future of online journalism. Petrusheva

and Acarnulesei were among the interviewees, who indicated that they produce sponsored content as part of Balkan Insight and HunedoaraMea, respectively, yet they do so with care. “We mark every publicity article we produce,” said Acarnulesei.

This is important and it is also the second major point that Dragomir’s statement raises: Sponsored content must be labeled as paid-for content. “In the old days, he said, “when I worked as a journalist, this was a major problem because this is a way of using media to mislead people; it’s hidden advertising. [...] It’s acceptable as long as it’s labeled.”

From the analysis of the data so far, it becomes clear that adopting multiple revenue streams is crucial should online news media in the Balkans want to make it in the long run. For Acarnulesei and her local publication, sponsored content is one of the main sources of income. In fact, “sponsored articles have a much bigger click-through rate than ads,” according to Simpovic. It is not to forget, however, that clicks are not everything and that using means of native advertising requires a certain level of discipline and transparency.

4.5.2. Beyond advertising: multiple revenue streams

Advertising may be one of the core revenue streams for online news media, yet it is hardly the only one. As theory indicated, media companies worldwide are increasingly collecting subscription fees (Mensing, 2007) or selling data to business clients (Buttry, 2010a; Conover, 2009), among others. A rising number of publications are also turning to crowdfunding to raise money directly from their readers (Bruno & Nielsen, 2012). While most of the interviewees touched on those topics, they were not convinced as to how much these revenue streams can help online news media in the region achieve sustainability.

With regard to paywalls, for instance, Simpovic is not sure how this approach will bring media companies money in the near future: “I don’t know how [media] will solve the paywalls. I think we’re too far away from that,” he said and then added: “The first who makes a paywall will lose because the others won’t have one.”

Colintineanu agreed. After all, most of the region still believes that what is on the Internet is for free, he said.

In Bulgaria, on the other hand, one of the most prominent publications in the country, Capital Weekly, is attempting to do something in this respect, according to Nikolov. “The idea is that readers will be able to see the headline and the first paragraph of the article, and if they’re interested in it, they will have to pay for it in order to read it.” This

is a practice used more commonly in the West by major publications like the Financial Times, for example. An alternative to a paywall is offering partial or full access to content in exchange for a subscription fee.

Based on the collected insights from the interviews, a subscription-based model seems to be working best for rather specialized publications. Dragomir gave the example of one of the biggest financial newspapers in Romania, primarily read by business companies that are willing to pay for its content. As a result, “those [publications] that find their niche [can] raise money not only from advertising but [also] from subscriptions,” he said.

Similarly, Balkan Insight has a very specific audience – “one that is interested in the processes in the Balkans”, as Petrusheva put it – which is why they have been able to lock most of their content for paying customers only. Their subscription packages range from an individual to an institutional one, and in fact, “our subscribers are mainly embassies in the region, foreign governments, international organizations, some NGOs, a lot of universities from abroad, [as well as] journalists or international media that are interested in the Balkans.” Because the publication’s editorial line focuses on providing readers with context around the news, as well as in-depth features and analyses, they are able to stand out from the other media in the region, which simply provide the most important facts. “You have to keep in mind that the news is free,” Petrusheva reiterated. “Everyone can read the news.” In her opinion, “the key thing is how to make something that [...] stands out, and how to make something that is not merely copy-pasted from what you see everywhere else.” Differentiation is what helps create unique value, and unique value is what customers are willing to pay for, after all.

In addition to the discussion on paywalls and subscriptions, two of the interviewees also touched upon the topic of crowdfunding in online journalism. Lynch, for example, said that the Balkanist has made use of the international crowdfunding platform Beacon in order to finance a number of its stories. Colintineanu, on the other hand, gave the example of a small media outlet in the Romania called Casa Jurnalistului, which is also trying to finance its work by raising money from its audiences. Both interviewees agreed, however, that as helpful as crowdfunding may be for a certain period of time, it is not necessarily a long-term strategy.

4.5.2.1. (Foreign) government funding and grants

As already pointed out, online news media in the region are currently unable to sustain themselves simply based on market transactions. Alongside state-controlled advertising, many news publications also rely on funding and/or grants from either the state, or foreign governments and organizations. This aspect of the analysis is important because it ties not only into the discussion on sustainable revenue models for online news media, but also raises the question of their editorial independence.

Lynch put it quite plainly a little earlier in the text: It is hard to talk about independent media *per se*, given that there is almost always someone behind it. She elaborated:

“Just because it’s not the local government, it’s frequently another government, a foreign government, paying. [...] That’s probably the biggest source of funding you’re going to get: foreign governments paying or, say, the EU or foundations with direct links to government.”

Rankovic, Nikolov and Colintineanu also talked about the need for online news media in the Balkans to resort to (foreign) government support or grants in order to stay in business. They listed domestic governments as an important source of financing as well as journalism grants, EU funds, and foreign embassies like the Norwegian, German and U.S., to name a few. While those often prove to be crucial sources of financing, the experts expressed the same concern about what they could mean for the long-term independence of online news media.

Rankovic said: “There is the possibility that once you get some money from a state institution, there could be a kind of suppressed, critical approach [toward your publication].” As a result, the media outlet would suffer with regard to its editorial independence. This, however, does not hold true only for media that receive financial support from the domestic government. Lynch, for instance, has refrained from applying for any grants or foreign support, because she believes they, too, have the potential to influence the way people perceive a publication – in her case the Balkanist. “The sad thing about having to be backed by the EU or the U.S., [or any other state] is that for reasons that are both good and bad, people in the Balkans are not going to trust [these publications].”

From the analysis of the revenue streams, it becomes clear that running an online media outlet in the Balkans is far from being an easy and, even less so, a profitable task. While news businesses are trying to adopt multiple revenue streams in order to be sustainable in the long run, most of them rely mainly on advertising and sponsored content to make money. Because, however, the media markets in the Balkans are relatively small and also quite fragmented due language and cultural differences, it is not yet possible for online publications to make enough from market transactions alone. As a result, they often turn to the state or foreign organizations and governments for financial support.

V. DISCUSSION AND CONCLUSION

The fifth and final chapter of this thesis focuses on the discussion of the results, highlights some of the most significant findings, sets them in the broader context of entrepreneurial journalism in the Balkans, and elaborates on how they compare to the insights derived from theory. The chapter also discusses some of the limitations of the current research and makes suggestions for future investigations in the field.

With the help of a qualitative research design and expert interviews, in particular, the goal of this Master's thesis was to provide an answer to the research question: *To what extent are online news media in the Balkans using entrepreneurial principles to ensure independent, sustainable journalism?*

As highlighted in previous chapters, the news industry has been shaken by the rapid rise of technology, and has, thus, been increasingly encouraged to break away from the logic of the past and focus on fragmented, ever more scattered audiences. Theory indicated that many legacy media have made the effort to transition to a digital-first strategy and many others have continued to experiment with different business models (Westlund, 2013). In addition, more and more individual journalists have taken the step to create their own online media companies (Bruno & Nielsen, 2012; Tanaka et al., 2012). In other words, the industry has increasingly demanded from media professionals to understand the economics of journalism and become more entrepreneurial (Drok, 2013).

Adopting an entrepreneurial approach to their profession has implied the ability of journalists and media owners to identify and cater to the needs of their audiences and provide them with unique value (McGrath & MacMillan, 2000; Shane & Venkataraman, 2000). In investigating the extent to which online news media in the Balkans are able to generate such value for their customers, this thesis made use of the Business Model Canvas (Osterwalder & Pigneur, 2010) and focused on five specific building blocks: customer segments, value propositions, customer relationships, channels and revenue streams.

With the Internet having been among the main game-changers for journalism in the past decade, each of those five blocks has been subject to new developments under the influence of digital technology. Some of the main findings with regard to the region are discussed in the following section.

5.1. Significant findings and theoretical implications

Without a doubt, technology has been an important factor in the changes that the profession has undergone. In fact, the extent to which online publications in the Balkans have been able to implement entrepreneurial principles in their operations has had a lot to do with the extent to which they have been willing to embrace technological advancements. Two trends emerged as a result of the findings: With the increasing move of content online, news media in the region have been given the opportunity to provide their audiences with (1) updated or (2) entirely new journalistic value.

5.1.1. Updating traditional journalistic value

The theoretical framework highlighted the difficulty of defining the term entrepreneurship due to the multiple understandings of its meaning among scholars. Broadly put, it deals with the ability of companies to spot market opportunities and develop solutions that would fulfill the exact needs of their customers (Shane & Venkataraman, 2000). This does not necessarily have to happen by introducing an entirely new product or service, but rather by combining already existing practices into new ones to create unique value (Schumpeter, 1934).

In this sense, technology has been key to the development of online news media in the Balkans and their ability to merge old and new practices. The analysis presented in the previous chapter indicated that journalists and media companies in the region are making efforts to embrace new developments – and in particular technological ones, in order to update the value that they have traditionally been offering to their customers, such as the quality and accuracy of information, relevant content and the ability of audiences and newsrooms to have a two-way communication.

5.1.1.1. Quality and accuracy of information

One of the most fundamental changes the Internet has brought to journalism has been the ability of news media to publish large amounts of information with no time or space constraints. While this has enabled online publications in the Balkans to reach wider

audiences with vast amounts of content, it has also led to a public sphere that is more cluttered and – somewhat ironically to the mission of the Internet – less transparent. Experts agreed that as a result, the quality of news has gone down, and it has become increasingly difficult for users to judge the credibility of a lot of online sources in the region. In addition, the immediacy of the Internet has made it possible for online media in the Balkans to share information as it comes into their newsroom, leading to a rather common practice of publishing news that is often incomplete. Thus, as much as technology has helped online news media in the Balkans act faster and less so bound to a specific schedule, it has also posed a threat to the quality of the produced content and its accuracy.

Theory indicated a similar trend, in which “the high speed of information on the Internet denotes that news items are basically published before they have been completed” (Karlsson, 2011, p. 286). Most experts confirmed those original insights saying that a lot of the online news that is being published in the region is primarily short, fact-based and often times even unfinished.

The immediacy of the Internet, however, was discussed in a more positive light, too. Multiple experts saw speed as an important value-add to the offerings of online news media in the Balkans, as it allows them to publish and share information as it is happening, thus keeping their audiences informed at all times. One expert even said that digital publications in the region now have the obligation to report on (major) news within an hour of it breaking. This, in itself, is an important insight because it paints the picture of a very competitive media environment where online publications aim to get the news out as soon as possible, and ideally, before any of their rivals.

While there is certainly a positive side to the immediacy of the Internet, from a business perspective, it is fair to question whether or not speed is indeed a value-add to the offerings of online news media in the Balkans. As highlighted in the theory, companies can generate unique customer value only if they can identify and establish “a difference that it can preserve” (Porter, 2001, para. 7). In that case, if digital news publications in the region all have the obligation to report on news as quickly as possible, then speed becomes more of a commonality than a difference that can set media companies apart.

The findings of this study are in line with the insights derived from theory, which emphasize the importance of speed for journalists and media professionals. There is a certain discrepancy, however, when it comes to the ability of speed to add value to the information published by online news media. According to Hamilton, “audiences aren’t really all that interested in speed. [...] What they care about much more is accuracy and trust” (as quoted

in Riordan, 2014, p. 12). In other words, speed is not in the position to replace audiences' need for quality news, which is why a way to really stand out from their competition is for digital publications to master both the immediacy and accuracy of their coverage.

5.1.1.2. Audiences: active contributors

The Internet may have empowered news media to operate more freely in the digital space, yet it has done so for their audiences as well. With the rise of digital and mobile technology as well as social networks, citizen journalism has become an important phenomenon in the Balkans and has put online news media in the position to maintain closer relationships with their audiences and encourage them to contribute their own news updates, observations and content – whether as text, photos or video.

The majority of the experts acknowledged the potential of citizen journalism for furthering the work of online news media in the region especially when it comes to reporting live from events and remote locations. Simply put, audiences can now be the eyes and ears of publications around the region, thus becoming an ever-bigger part of the news creation process. The adoption of user-generated content (UGC) is, in fact, one of the most visible examples of online news media embracing technology to create added value for their audiences. This rise of citizen journalism in the Balkans is consistent with the insights derived from theory, which highlighted the increasing use of digital technology and mobile devices for generating user contributions (Drok, 2013; Westlund, 2013).

Just like with speed, however, the increasing use of UGC has brought along challenges to the quality and accuracy of online media outlets. In the Balkans, experts agreed that UGC can be both a blessing and a curse and that it is of utmost importance to have editorial supervision over any citizen-brought content. After all, unverified information can potentially endanger the integrity of the outlet. Theory, too, indicated that UGC does not always adhere to high standards of accuracy, balance and even spelling (Thurman, 2008), which is why professional journalists and editors should be the ones, who have the final say over what gets published online.

5.1.1.3. Relevance of content

Needless to say, online publications in the Balkans are in limbo between the old and new journalistic logic, and are only slowly moving towards becoming truly digital companies. An example of this is their (in)ability to provide their users with content that is relevant to their specific interests and information needs. While the Internet has made it possible for online media to target ever-larger audiences, “online news sites can develop unique identities that have less to do with geography than with content expertise” (Tewksbury, 2005, p. 335). This, however, is hardly the case in the Balkan region. As most experts pointed out, many online news media continue to apply the logic from decades ago, which implies going for as many visitors as possible – or in today’s jargon, going for as many clicks as possible. Such an approach, however, is outdated in a time when media businesses should aim to satisfy the needs of the individual consumer.

Theory indicated that in order for online news media to get closer to meeting the news of their individual users, they need to employ data aggregation and study the profile of each consumer. While experts emphasized the wide use of metrics and analytical tools in newsrooms across the Balkans, they also pointed out that this is as far as online news media go to better understand their audiences. Data aggregation can be an important value-add for media companies in the region, however, not many have focused on embracing it yet. In addition, there are currently also very few examples of news media in the region producing truly local or topic-based journalism, which could potentially be another strategy of providing audiences with relevant content.

Looking at the value(s) that news media in the region have traditionally aimed to provide their audiences with – quality, relevance and engagement, among others – it is fair to say that there has definitely been certain progress resulting from the ongoing technological changes. As highlighted in the previous paragraphs, the Internet has been both a blessing – in that it has enabled improved journalistic practices, including the immediacy of information distribution and stronger customer engagement, and a curse – in that it has led to an overall decrease in the quality of the news. Therefore, while online news outlets have made efforts to embrace the technological changes and become more entrepreneurially minded, they are yet to work out how these new practices can be put to use without jeopardizing the independence and integrity of their outlets. In the meantime, it is also important to note that

there is still a lot of room for experimenting with new techniques and approaches, especially with regard to customer segmentation and the ability to offer content tailored to the interests of the individual user.

5.1.2. Creating new journalistic value

While technology has made it possible for online news media in the region to update multiple aspects of the value they have traditionally been offering to their audiences, it has brought about the chance to generate new types of value, too. As theory indicated, a definition of entrepreneurship also refers to companies' ability to take advantage of opportunities and create new offerings – and thus new value, for their customers (Brush, 2008; Daily et al., 2002).

For online news media in the Balkans, the creation of such new value is closely tied to their ability and willingness to make use of the technologies they have access to. As already pointed out, online publications in the region are only slowly making progress towards becoming fully digital companies, which is why it is possible to say that they are currently not in the position to go to lengths to create entirely new value. This part of the discussion is specifically focused on the process of personalization and on the development of mobile sites and applications.

5.1.2.1. Personalized content

The personalization of content is a key contributor to the journalistic offerings of online news media, especially as it can help them “increase their sites’ ‘stickiness’, and allow them to capture data about users” (Thurman & Schifferes, 2012, p. 776).

The problem with translating this trend to the Balkans starts with the fact that, for the most part, news media in the region have not yet committed to targeting the individual customer instead of the mass market. While one expert said that some online publications are starting to understand the importance of it, many media are still far behind. The personalization of content can be done on the basis of direct user input as well as of data collected by businesses through monitoring users’ online activity (Thurman & Schifferes, 2012), among others. The difficulty with this is that online news media in the Balkans are yet

to embrace the advantages of data aggregation, which – as highlighted earlier – is key, if publications want to segment their audiences more thoroughly.

While the current lack of commitment to personalized content can be interpreted as an inability or unwillingness on the part of online news media in the Balkans to create new value with the help of technology, it is also important to take the cultural background into account. As one expert pointed out, there is a certain level of “Balkanization of information” in the region, and while “personalization can provide easy access to the more important items from the abundance of available information” (Lavie et al., 2010, p. 484), in the context of the Balkans, it might mean a decrease in the cultural and informational exchange between cultures. In embracing their inner entrepreneurs, journalists and media owners would need to give way to new concepts and innovation while encouraging dialog within the region.

Theory, too, focused on the technological as well as the content side of the personalization process. On the one hand, personalization entails a commitment to embracing new technologies in targeting the individual consumer (Thurman & Schifferes, 2012) – with data aggregation being one of those technological developments. This is the aspect where the theoretical insights and interview findings differed from each other, mainly due to the fact that online news media in the Balkans are, for the most part, still focusing on the mass market and mainly segmenting their audiences on the basis of content rather than data. On the other hand, however, the theoretical and interview findings overlapped when it came to the depth of personalization. Lavie et al. (2010) pointed out that:

“If a personalized news service presents users only with articles on subjects they are presumably interested in, it will limit their access to general information that may occasionally interest them or may broaden their knowledge and interests” (p. 485).

This statement is clearly in line with one of the experts’ opinions that the personalization of content in the Balkans can lead to a decreased dialog between people and countries in the region.

5.1.2.2. Mobile technologies

Another way for news media in the region to create new journalistic value has been by adopting – or at least attempting to adopt – mobile technologies. While news media in the Balkans have experimented with the concept of mobile, they have not yet used it to its fullest potential. As several experts agreed, it is extremely important for online news publications to be active on various platforms – and for the most part they are, yet they still have a lot of work to do with regard to the user-friendliness of their mobile sites and applications.

The fact of the matter is that mobile technologies – sites and applications, in particular, are directly linked to the personalization of content (Drok, 2013). While not all mobile sites or apps in the Balkans provide the option for users to personalize their news feed, the fact that they can access the news at any time and any place is already customization enough.

Overall, the findings of this study are consistent with the insights gained from theory in that mobile technologies are an important asset to any online newsroom nowadays. They differ, however, when it comes to the progress made in the Balkans in adopting such technologies to provide media users with added value. An explanation for this discrepancy may be simply the fact that due to the lack of extensive research on the entrepreneurial media trends in the region, the theoretical framework built primarily on insights derived from the West.

In conclusion, this research underlines that while online news media in the Balkans have embraced the ongoing technological changes in order to improve and update some of their already existing offerings, they are struggling to leverage technology to create entirely new value. Journalists and media owners in the region are being entrepreneurial as far as their current resources allow for, however, considerable investments in value-add products or services – especially investments in technology, are rare.

5.2. Limitations

While the research in the scope of this Master's thesis yielded important insights into the extent to which online news media in the Balkans are using entrepreneurial principles to ensure the independence and sustainability of their work, it is also necessary to point out the

three main limitations of the study. First of all, the data for this research was collected based on a qualitative approach and more specifically, the input of 11 expert interviewees. The goal of this thesis was to seek “an understanding [...] in terms of the context in which the research is conducted” (Bryman, 2012, p. 408), which, however, did not make it possible to draw any generalizable conclusions on the topic.

The second limitation, in turn, has to do with the early development stage of the online media market in the Balkans. As pointed out in the introductory chapter, the media across the Balkans “are doing badly, commercially and politically” (“Troublesome times”, 2014), and that is unsurprising given the region’s communist past. The majority of experts agreed that the Balkans is still lagging behind the West with regard to the entrepreneurial practices employed by online news media, and this developmental gap is likely the reason why several aspects of the theoretical framework did not correspond (see again 4.1.1., 4.2.3. and 4.2.4.) with the data collected from the interviews.

The third limitation of this research is the political context in the Balkans and the fact that politics and the media are often times still largely intertwined. Due to the relatively small size of the media markets and their current inability to fully support the operations of digital publications, many of those publications depend on state funding to meet their financial goals. This political influence over the economic activity of online news media is a factor that likely contributes to the low levels of entrepreneurship in the region.

5.3. Future research

Building on the limitations outlined in the previous sub-section, and in particular the fact that this thesis made use of expert interviews in collecting the data, a suggestion for future work would be to conduct quantitative research in the realm of entrepreneurial journalism, which would ideally focus on the insights derived from the current study. In particular, it would be interesting to focus on the individual user and his or her motivations to consume news from online media in the Balkans. This consumer perspective would be an important contributor to journalists’ and media owners’ understanding of what value propositions individual users are looking for, and how they could be best brought to them.

A second suggestion for future research is closely tied with this study’s definition of the term *online news media*. While this thesis focused on both digitally native publications and traditional media with an online presence in order to give a more complete overview of the

state of entrepreneurial journalism in the region, future research might want to focus on entirely digital publications only. As pointed out in previous chapters, news media in the Balkans are struggling to become fully digital companies, which is why future investigations could use a case study approach to highlight best practice examples of digital natives in the region.

As mentioned in the previous sub-section, the political context in the Balkans is an important factor in understanding the extent to which online news media use entrepreneurial principles in furthering their work. Future research may, thus, want to explore the influence of politics on the ability of digital publications to produce independent journalism and to generate unique customer value.

While online news media in the Balkans may be going through a tough transition between the old and new logic of journalism, it is important to note that efforts are being made to turn publications into more value-driven digital companies. Although the level of entrepreneurship is still quite low, journalists and media owners are starting to understand the new dynamics of the media market and the role that the Internet plays in it. Many have already taken the first step of embracing technology and updating much of the value that they have traditionally been offering to their audiences, yet what is still needed is to take a leap of faith and create new propositions from scratch.

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VII. APPENDIX

Appendix A: Tables

Table A1: Operationalization and guide to semi-structured interviews

Introductory question	How has news developed, perhaps even changed, as it has increasingly moved online? <i>If not mentioned, follow up with:</i> <ul style="list-style-type: none">• to what extent is online news subject to traditional journalistic values?• to what extent can online news be seen as a commodity?
Customer segments	How are online news media in the region segmenting their customers?
<i>Data aggregation</i>	How important is data aggregation in attracting new customers?
Value propositions	What is the value [could be more than one thing] that online news media in the region most commonly offer to their users? How important is it for online news media in the region to be editorially independent? Do you think it's easier or more difficult for online news media – as opposed to traditional ones in the region, to offer independent journalism?
<i>Localization</i>	How important is it for online news in the region to offer localized content?
<i>Specialized, topic-based journalism</i>	Have you noticed a tendency of online news media moving towards topic-based journalism as a way to offer unique value? <i>If not mentioned, follow up with:</i>

<i>Personalization</i>	<ul style="list-style-type: none"> • to what extent is this a trend of trying to provide users with more context? <p>How important is it for online news media able to deliver personalized content to their users?</p>
Customer relationships	<p>How important is it for online news media to maintain close relationships with their users?</p>
<i>Communities</i>	<p>How important is it for online news media in the region to create user communities?</p>
<i>User-generated content</i>	<p>To what extent are media using UGC as a means to co-creating the news with their users?</p>
Channels	<p>What channels are online news media in the region using in order to reach existing and new customers?</p>
<i>Multiplatform distribution</i>	<p>How important is it for online news media to use multiple platforms to distribute their content?</p>
<i>Social media</i>	<p>What role do social media play in sharing online news content?</p>
Revenue streams	<p>What revenue streams are online news media in the region implementing to ensure the sustainability of their business?</p>
<i>Digital advertising</i>	<p>To what extent is digital advertising able to provide online news media with sustainable revenues?</p>
<i>Multiple revenue streams</i>	<p>Are online news media in the region adopting multiple revenue streams to sustain their businesses?</p>