



Lost in Transition. Media Innovations in the Netherlands
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Chapter 7 Summary, conclusions, implications

Summary

Although regional media companies in the Netherlands have become fully aware of the consequences of the digitalization of the mass media, they have shown reluctance to change. They have cut costs and imposed austerity as a first response, rather than reconsider their strategies, innovate and invest. With broadband Internet came a full-scale digitisation of media publications and platforms, and a seemingly inevitable shift towards 'online first.' New players entered the market who have literally pushed aside the legacy publishers and have gained a market share in an unprecedented rapid way.

The central research question of this study is: *How can Dutch regional news media develop and implement innovation strategies in order to fulfil their democratic functions and being economically viable?* I looked at the role of regional news media, the innovation strategies of legacy publishers and the potential of alternative local news business models. The purpose of my research was to evaluate innovations that could result in synergy and improved engagement with audiences. So far, there have been two promising strategies: implementing convergence and going hyperlocal.

I explored how local news is being maintained in the absence of a regional keystone medium. I gauged empirical data showing how regional print news publishers in the Netherlands are still lost in the digital transition - at both the management and newsroom levels. And we've investigated the consequences of the consolidation tactics of regional publishers - pulling back from the local market and allowing local start-ups to step in. With enthusiasm and low-cost strategies, the hyper-locals started to compete with incumbents, and in many cases with success.

I started my research with a longitudinal explorative study of a local news ecosystem without a regional daily newspaper. The role and importance of such a newspaper in that news ecosystem was tested in a situation where a keystone medium was absent. The urgency of the next steps of my investigation was proven by that study.

Next, I investigated to what extent and how convergence, a broadly embraced innovation, was expected to create synergy. I studied the opinions of those concerned with the implementation and management of this process, and how organisations were dealing with the impact of convergence on both the organisational and news production levels. I investigated how regional newspapers implemented cross-media news production in a self-acclaimed attempt to address modern digital news consumption and as a presumably

promising way to reconnect with their audiences. I studied specifically how convergence ambitions were actually put into practice for daily news production.

In addition, I investigated the economic parameters of the different hyperlocal news business models in the Netherlands, in order to explore whether going hyperlocal is a feasible alternative innovation strategy that answers to the objectives of a sustainable media economy and creates synergy as well as more public engagement. For this concluding part of the study, and to address the potential of investments in the local news ecosystem, I also took a closer look at the news production of hyper-locals, business motivation, and the way owners view digital and social media as part of their strategy of convergence to connect with consumers.

The main results of my study can be summarized as follows:

1 Local news ecosystems suffer from the lack of keystone media

The absence of a regional newspaper is not necessarily compensated for by a thriving online news ecosystem. At least not in the Dutch municipality of Almere, a city without a local newspaper, but also not in comparable situations elsewhere in the world, according to recent empirical studies in Denmark, England and the United States. Rather, I see the opposite happening: a deserted media landscape where local political news is the first victim. The political news production in a no-paper city is below average compared to regions with a strong media player. The ecosystem of online news channels (not connected with traditional print or broadcast media) publishing on local politics in Almere is actually structured around two freesheets with their websites, one regional and one local broadcaster and a few amateur online news services.

The number of online news channels reporting on politics has grown substantially, mainly due to social media accounts like Twitter and Facebook. However, both offline and online news channels that report on political issues consist for an important part of aggregators and other websites - with no, or only very few, members of staff.

2 Convergence lacks a clear and shared vision and serious investments

Convergence of print, radio, television and Internet publications into crossmedial concepts produced by integrated newsrooms has become a reality for regional newspapers in the Netherlands. Nevertheless, there is a measurable difference between the vision of the management and that of the editors on how convergence could and should lead to synergy. Most online

editors have more ambitions than their management. Management tends to operate safely while the journalists want systematic investments, both into the training of employees and the technical infrastructure for convergence.

There are important differences in the way convergence strategies are adopted between the six different publishing companies I studied. Regional newspapers in the Netherlands – each in their own way – seemed to underestimate the consequences of implementing convergence as a synergy tool for at least preserving their news market share. A general reluctance and the absence of clear and common strategies seem to explain the slow and somehow undirected actions. The lack of a systematic collection of experiences, and of taking these experiences into account for the next phase in innovation, is striking. I did not see substantially similar patterns in the newspapers' strategies, not even at the different papers of the same publishing company. This suggests that, positively speaking, newspapers enjoy a great deal of freedom in implementing convergence or, to put it negatively, they lack a clear vision and strategy.

Although management and editors of regional newspapers in the Netherlands say how strongly committed they are to convergence with all its consequences, there is a manifest discrepancy between these ambitions and practice. The overall convergence practice makes a disorganized impression. So, for instance, regional newspapers in the Netherlands rarely produce political content that is enriched or produced especially for online purposes.

The lack of a consistent convergence strategy at all levels of the company is mirrored by important differences visible in the way convergence strategies were adopted.

Online video news, reporting by Twitter feeds, or stimulating journalists to blog – these were all ad-hoc endeavours that received neither the trust nor the funding to become a structural effort.

3 Online hyperlocal news offers are growing, and though struggling, here to stay

In the Netherlands, hyperlocal start-up news websites are gaining importance, in spite of all the obstacles I identified. In the past ten years, over a hundred independent news websites have managed to survive locally and have become more professional, and some of these sites are even profitable.

In general, however, the hyperlocal business model is still a low-budget concept based on volunteers. The use of social media is not yet optimal, and advertising revenues are hardly sufficient. But there is a growing

entrepreneurial spirit, visible in a rather good performance in terms of local news – dominant for all models – and a substantial portion of original content.

The motivation to start a local online news website is for the better part grounded in the perception of a local news gap: owners of these sites are not satisfied with the local news offered by traditional news providers. Of course, many site owners are also motivated by commercial objectives. In terms of strategy and claimed engagement, however, there are only a few differences between ideologically non-profit hyper-locals and the ones that are more commercially orientated. Overall, owners show a passion for serving a community. However, a majority of site owners are somewhat uncomfortable with a true journalistic approach. Commercial goals prevail. This is why, in attempts to find new avenues of income, hyper-locals permit third parties to publish unedited and paid press releases in a news environment.

Online local news sites in the Netherlands underperform in terms of an efficient use of resources, the acquisition of readers and advertisers, and in their attempts to connect with audiences. Nevertheless, the lack of resources has triggered ingenuity and has forced owners, employees and volunteers to commit to their project and to adapt to new situations. Although there is more freedom to experiment with technologies compared to traditional news media, taking advantage of new tools and ideas is often not considered a priority, mostly due to lack of time and money and certain skills.

Conclusions and Implications

The results of my studies have a number of implications for the stakeholders involved in regional news ecosystems, and they could inspire future research.

Media organisations

A first general implication of my findings is that, for regional publishers, distribution and not circulation is the most important business parameter. Convergence towards an integrated approach of the news market and an online first strategy seem inevitable. However, it will only create synergy when strategy and practical implications are both defined well and broadly shared in the company. So, the variety of often ad-hoc decisions on the tools and processes chosen to implement convergence should be replaced by a more informed strategy based on national best practices and international benchmark studies.

Re-investing in local news could be an answer to growing competition. The hyperlocals I have studied show that start-up costs are low, as is digital

technology that allows social interaction with news consumers, a critical factor in gaining customer loyalty. Re-entering local or hyper-local markets and being more in touch with the audience would be logical steps for incumbents as well.

Journalists

For journalists, convergence is a means to be sought, and not a goal in itself. Not 'how' news is brought to the consumer is relevant - the choice of platform and so on - but 'what' news. Digital technology has advanced to such a degree that technical skills are not the main bottleneck anymore; journalistic choices in what news to offer, and to what extent, are more important.

In addition, presenting the mere news facts alone cannot beat the competition of low-cost aggregators and online start-ups. Added value – that is, quality – has to be created in original stories (self-produced), scoops and follow-ups, skilled political interviews, and multimedia dossiers. Journalists have to extend their skills to be present on different platforms and to lead public debates and voice opinions on online and offline platforms. Being visible in the public space as an ambassador for democracy and social integration seems a natural role for a journalist.

Journalism education

The results of my study have clear implications for journalism education. Journalism schools should not only train students in established journalism skills and in ever-changing digital technology, but also in media innovation and business strategies. Developing entrepreneurial skills will enhance the awareness that journalism is increasingly subject to market rules. This demands more flexible media work. It is also important for journalists to realise that 'institutional' behaviour might be at the root of the slow innovation visible in the transition to economic realities. All media workers need to take responsibility individually to keep the news business viable. What this means for media ethics need to be subject of ongoing debate.

My results also indicate that the local news ecosystem is a potential - albeit challenging - job market. As this study shows, local news has reclaimed attention and importance, both as a foundation for democracy as well as a commercially attractive product.

Local online start-ups

As we have seen, the hyperlocal markets and their business models in the Netherlands show a number of problems. There is insufficient investment in

the production of a steady stream of original news and in securing advertising revenues. Moreover, hyperlocals could do more in terms of their visibility and presence. This is why they need to expand their social-media strategy and to produce more original news.

Owners of hyperlocal news businesses could benefit from training programmes on developing their site, in terms of navigation, focus, business model and staffing, on adapting to new market circumstances (competitors, advertising), and on the behaviour of the audience.

There is actually no lack of initiative, enthusiasm, and motivation. But let's face it: noble motives on the one hand and the business approach on the other present a severe dilemma. Sometimes ideology is getting in the way of sound economic, organisational and editorial decisions, and vice versa. Both situations cause damage to basic principles of professional journalism.

Society

My explorative case study in Almere gave new insights into the way a local news ecosystem without a daily newspaper develops over half a decade. The lack of a regional daily – or another keystone medium - means that there is a serious risk that many local political events and issues are not covered at all. This has consequences for the availability of independent news, harming the political discourse. At the same time, however, local start-up news producers do try to fill the news gap and show potential.

For the democratic process in local communities, this means that all is not lost. A substantial growth in the number of online news channels with a working business model might create a promising and rewarding local news market. However, which business model is sustained locally needs further research, as does the question of how hyperlocals persist in performing journalistically, ethically and businesswise at the same time.

In any case, governments at all levels need to recognise that a lively local news ecosystem is vital to a local community. As I have seen in my literature studies, news media inform people as voters, foster integration and are key to political checks and balances. A structural public support for media, profit-making and non-profit-making, and local journalism in particular, should therefore be taken into serious consideration. It seems unsustainable for a credible government to persist in drawing the line at radio and television when it comes to supporting mass media with a legal task for culture, sports and political news. When local news production is platform-independent, and when local news needs special attention, it is evident that the funding of local journalism should be platform-independent as well.

Journalism research and media studies

My study supports the academic consensus that the future of (regional) newspapers shows many ominous signs. Technological convergence is mainly implemented as a way to reduce costs and force efficiency into the newsroom, rather than a way to adapt to behaviour of the news consumer. I now better understand why implementing convergence is such a slippery road. McKercher (2002) stated: 'In recent years the convergence of technology has proceeded hand in hand with the convergence of corporations that ... above all seek to profit from technological innovations' (p. 3). Deuze (2007) concluded that empirical studies on newsroom convergence have noted how 'the biggest obstacles to seamless integration always boils down to cultural clashes' (p. 115) - culture clashes between management and work floor, between junior and senior staff, and between text and radio, photo and video. That this makes the transition to a *digital first* newsroom a complex and difficult process became apparent in my study of the regional newspapers in the Netherlands.

Therefore, not surprisingly, studying the effects of innovation processes, and understanding its consequences, is a complex process too. It obviously needs an integrated approach. A standard set-up should at least take into account social, technological and economic factors and has to look at developments over time. Adding to this complexity is the fact that media function in an economic reality where it is important to differentiate between news content and the news producer, the news organization and the media workers, and between media as technologies and media as cultural entities. This means, for instance, that the consequences of implementing a digital-first strategy cannot be totally controlled by an organization.

My research was bound to space, scope and time, as research inherently is. I leaned on explorative case studies, and in the time between data gathering and data analyses changes were under way. My findings and conclusions focus on the regional newspaper companies in the Netherlands at the beginning of the 21st century. As part of my multi-perspective qualitative and quantitative explorative studies, I interviewed key players from all of those companies. But certainly, and as always, an even greater number of respondents would be useful. My research in Almere should be replicated in due time to see what is changing in the regional news ecosystem - especially when it comes to how efficiently social media can help local news start-ups to lure visitors to the website. Moreover, I hope that my study will be replicated in other regions as well to show how generalizable my results are.

In addition, my research supports the idea that studying media management is important in gaining lasting insights into strategic choices, the urgency towards change and the willingness to invest. I explored whether responses of regional newspapers to market change can be explained by rational-choice decisions. However, the Dutch regional news industry seems less goal-oriented than one would expect. It behaves institutionally, rather than in a market-orientated way. Why this is the case, and how organisational theory offers opportunities to challenge and change this attitude, deserves further research.

Whether independent news start-ups are appropriate substitutes for, or an addition to, legacy news media certainly depends on answers to the question of what political news should look like when serving public debates on issues.

Exploring the strategies for adding value to news production beyond just implementing convergence is worthwhile. The same goes for questions concerning how owners of hyperlocals value and implement journalistic codes of conduct, how they combine advertorial-based business models with independent news production and how they deal with conflicting interests, especially in cases where local economic and political powers seem to interfere.

Still, like Quinn (2005) and Thurman and Herbert (2008) have shown for British and American newspapers, I found enough encouraging signs in the Netherlands that could signal a change in media work for the better. With Singer (2001) and Currah (2009) I trust that regional and local news media are most likely to survive the digital crisis due to their place in the community and their fundamental role as a source for *need-to-know* information.

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