

Risking it all? Media innovation cultures in newspaper organizations in the United States, Germany and Scandinavia

Abstract

Due to several reasons such as the downfall of advertising revenues and changing news consumption habits, the news media industry is struggling not just to reinvent the business model but to survive altogether. Investing in new technology and reforming newsrooms around new technology, such as artificial intelligence is costly and strategically complicated (Agrawal et al., 2018). Notably, it is often less about the costs of investment in software and more dependent on choosing the right editorial strategy and making sure that the newsroom is equipped with the right skills for transformation. This becomes a problem specifically for small and medium sized news media organizations that do not necessarily have access to the best human and technological resources.

The lack of a strong innovation culture does not help either. Instead, imitation and copying are core elements of media innovation (Boczkowski, 2005). For instance, a study of US metro papers shows that companies are mostly rearranging existing business models rather than experimenting with radical innovations, while examples of new projects breaking the barriers of legacy media are rare (Villi et al., 2019). Newspapers tend rather to reproduce the concepts of past successes, focusing on incremental changes, rigorous brand alignment and top down-monitored, commercially steered activities (Järventie-Thesleff, Moisander, and Villi 2014). Media executives often hesitate to make bold, high-risk moves because the landscape keeps changing so fast and the risks with costly investments are high (McDowell 2011). The brakes on change are also cultural (Ess, 2014). Going from products to services, from hardware to software, and from audience to users includes changing mindsets, many times unlearning the trade and its institutional truths.

The proposed paper studies innovation cultures in newspaper organizations in the United States, Germany and Scandinavia. It focuses particularly on how media managers assess risks in media innovation and development processes. The preliminary results demonstrate risk awareness and avoidance and a tendency to base decisions on existing processes and structures such as the "print culture", which is still very hard to break despite more than two decades of convergence of the digital and analogue business environment. In the paper we discuss the different reasons for avoiding risks, such as organizational limitations and minimizing revenue losses.

The data comes from semi-structured interviews with media managers in newspapers and media industry experts in the United States (n=35), Germany (n=20) and the Scandinavian countries (Sweden, Norway and Denmark, n=31). Transcripts of the 86 interviews have been coded using Atlas.ti and analysed thematically. The interview data is supplemented with relevant statistical data including circulation, advertising and revenue structure data in order to describe and capture changes in the markets and operating environments of newspaper publishing companies.

Keywords: Newspapers, strategy, media innovation, risk assessment.