

Comparing legacy media responses to the changing business of news: Cross-national similarities and differences across media types

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Abstract

In this article we analyse how legacy media organizations in six countries are adapting to the changing business of news. We focus on how similarities and differences in their responses to digital developments are shaped by the interplay between organizational legacy and national context. The study draws on media sociology and comparative media systems research and is based on 54 interviews with managers and editors at 25 newspapers and commercial broadcasters in Finland, France, Germany, Italy, Poland, and the UK.

We find that organizations within the same medium respond to change in similar ways (newspapers versus broadcasters), and that these responses are surprisingly similar across different countries. We argue that factors related to the medium-specific legacy shape media adaptation more than do structural differences between national media systems because news organizations faced with a changing and uncertain environment imitate the strategies adopted by peer organizations elsewhere.

Introduction

Private sector legacy news organizations face challenges in an increasingly digital media environment characterized by more intense competition and, as a consequence, by increased pressure on the commercial sustainability of their news operations. In this article, we examine how different types of private sector legacy media organizations (newspapers and commercial broadcasters) in six different European countries are responding to the changing business of news. We focus on how similarities and differences in their responses are shaped by organizational factors related to their medium-specific legacy and structural factors such as developments in the media sectors and national contexts in which they operate.

Private sector legacy news organizations play a fundamental role in funding professional journalism (Hamilton, 2004, 2016). In the UK, for example, newspapers and magazines alone were estimated to account for 69% of total investment in news production in 2011 and commercial broadcasters a further 10%. By comparison, the public service broadcaster BBC accounted for 21% and online-only news organizations only 1% (Mediatique, 2012). A study in Italy has found broadly similar figures (AGCOM, 2012). Thus, developments in the business of news, as well as the media's response to change, concern not only the companies in question but also, more broadly, investment in professional journalism itself.

Previous research on the changing business of news has shown how the media environment is becoming increasingly challenging for news organizations. Historically, most newspapers and commercial broadcasters in high income democracies have operated in a relatively secure and profitable media environment, enjoying considerable market power, because advertisers and audiences had few alternatives to print and television (Picard, 2011, 2014). However, with the diffusion of digital technologies, the competition for audience attention and advertisers' expenditure has dramatically increased, undermining that market power (Grueskin et al., 2011; Picard, 2011; Taylor, 2014).

Faced with such a structural change, news organizations have started reconsidering their business

models, the ways in which they generate revenues from a mix of consumers, advertisers, sponsorships and business-to-business payments (Picard, 2011). Whereas during the first decades of digital media most news organizations offered their content for free at the point of consumption and mainly relied on traditional forms of digital display advertising, several newspapers have recently started to experiment with pay models and native advertising (Arrese, 2015; Artemas et al., 2016; Carlson, 2015; Conill, 2016; Myllylahti, 2014; Pickard and Williams, 2014). Thus, previous research shows that news organizations respond to a changing media environment by experimenting with new business models. However, most studies so far have focused on individual case studies or a small number of cases (Artemas et al., 2016; Nielsen, 2012; Westlund, 2011), and as a result we still lack a systematic understanding of how this process takes shape across different types of news organizations and across different national contexts. This limits our understanding of the relative importance of organization-specific, contingent factors versus more contextual, structural factors.

This study is based on 54 interviews with executives, senior managers and editors representing both the editorial and the business departments at a strategic sample of 25 newspapers and commercial broadcasters in Finland, France, Germany, Italy, Poland and the UK. We set out to provide a more systematic understanding of media adaptation processes by comparing news organizations across types (broadcasters and newspapers) and across national contexts (the six countries covered). We show that medium-specific legacies influence responses to change more than country-specific structural developments. Drawing on previous work on media organizations and change (e.g. Boczkowski, 2004) and on comparative media systems research (e.g. Hallin and Mancini, 2004), and informed by institutionalist theory (DiMaggio and Powell, 1983; Scott, 2008), we argue that this is because legacy news organizations facing uncertainty tend to adopt approaches to digital news that imitate strategies adopted by peer organizations elsewhere, often along medium-specific lines. In other words, newspapers adapt to digital developments in the same way as other newspapers do, and broadcasters in the same way as other broadcasters, even though the structural pressures from audience and advertising developments nationally are in fact very different. We suggest that future work can draw on specific institutionalist theories of causal mechanisms including imprinting, path-dependency, and isomorphism (DiMaggio and Powell, 1983; Scott, 2008) to better

understand cross-organizational and cross-national differences and similarities in how media respond to change.

The article is organized in the following way. First, we review relevant work from media sociology and comparative research and build on this to formulate two hypotheses on how media organizations adapt to change. Next, we explain our method and sample. We then present our empirical findings. We conclude by discussing how the interplay between organizational factors (such as understandings of the situation related to the medium-specific legacy) and structural factors (such as specific developments in different media sectors and national contexts) affects the way private sector news organizations adapt to the changing business of journalism.

Literature review and overview of key developments within media systems

Our study draws on two different scholarly traditions interested in change in news media: media sociology and comparative research on media systems. In this section, we situate our work both theoretically and methodologically, and we formulate two hypotheses. We also briefly present secondary data detailing the main trends that may affect how news organizations adapt to a changing media environment.

Media sociology and comparative research

One of the main approaches to understanding how media organizations adapt in response to a changing environment is media sociology. This approach has mainly relied on case studies of individual news organizations investigated through newsroom ethnographies and interviews with journalists (e.g. Boczkowski, 2004; Dickinson et al., 2013; Paterson and Domingo, 2008; Usher, 2014).

Research in this tradition has generally recognized the importance of both internal factors (e.g. specific organizational arrangements) and external conditions (e.g. structural changes in the media environment), and argued that the interplay between these two types of factors shapes how media

organizations change. However, reviewing the growing body of literature in this area, scholars have noted that attention has been focused first and foremost on internal factors (Paulussen, 2016). Take for example Boczkowski's (2004) influential study on US newspapers, which suggests that the development of online news is a process that unfolds in relation to broader contextual trends, but in practice focuses primarily on internal factors in each organization. The emphasis on internal factors is echoed in other studies of news organizations and digital media (e.g. Küng, 2015; Usher, 2014; van den Bulck and Tambuyzer, 2013). Such studies tend to find that change is a highly process that is strongly influenced by organizationally specific factors such as organizational structures, work routines and practitioners' perception of the users. These studies generally find considerable differences between otherwise seemingly similar organizations such as, for example, individual newspaper organizations, often on the basis of individual case studies or a few cases.

Drawing on this previous research and observing that we still lack systematic analysis of how external factors shape organizational adaptation (Paulussen, 2016), our focus here is on examining differences and similarities in how news organizations adapt to change across medium-specific types (newspapers versus broadcasters) and national contexts (media environments with different developments in audience and advertising). Doing this effectively requires us to cover a larger sample of organizations, and organizations in different national contexts, as we do here. This enables us to provide a systematic, broad overview to supplement existing in-depth studies.

In comparing systematically across countries, we draw on comparative research on media systems (see e.g. Brüggemann et al., 2014; Hallin and Mancini, 2004, 2012; Humphreys, 1996, 2012). In this tradition, economic, technological and political factors are considered structural conditions that shape how journalism and media organizations develop in different contexts. The emphasis here is generally on differences between groups of countries that present similar patterns of development internally. This tradition, while rich and evolving, also has shortcomings, but opposite ones to media sociology. If media sociologists have in practice tended to focus on internal, organizational factors, comparative media systems research has mainly focused on external, structural factors and paid less attention to cross-organizational variation within a given system. As Powers and Zambrano (2016) argue, comparative media systems research tradition tends to pay little attention to how individual

organizations ‘navigate the economic, political, and regulatory context in which they find themselves’ (p. 861). It is a tradition that tends to find differences across national contexts, but also considerable similarities across otherwise seemingly different organizations in the same national contexts. Our aim here is to build on comparative media system research by considering structural differences across the six countries we analyse, and combine this with a media sociological interest in organizational factors that may lead to differences between media organizations.

In summary, the media sociological tradition has tended to focus on internal, company-specific factors leading to cross-organizational differences. Comparative media systems research has tended to focus on external, nationally-shared, structural factors leading to cross-organizational similarities but cross-national differences. Our brief review allows us, therefore, to offer two hypotheses about how legacy media respond to change. Both hypotheses recognize the interplay between structure (including both organizational legacy and national context) and agency (contingent reactions to an uncertain environment).

H1: Different types of media organizations (newspapers and broadcasters) respond to change in different ways, because their contingent reactions are shaped by different organizational legacies.

H2: Media organizations in different countries respond to change in different ways, because their contingent reactions are shaped by different national contexts.

Overview of key developments that may affect media adaptation

As our hypotheses suggest, we expect to find differences across national contexts and media types in the way news organizations respond to the changing business of news. We also expect these differences to be due to the interplay between organizational and structural factors. Before turning to our primary interview-based research to address our hypotheses, we briefly outline the structural factors we have considered in our analysis. We focus on two main dimensions: the distinctive features of the selected national media systems and key market developments in newspaper, broadcasting, and internet media sectors.

The countries covered in this study are Finland, France, Germany, Italy, Poland and the United Kingdom. They represent a range of different European media systems (Brüggemann et al., 2014; Hallin and Mancini, 2004, 2012). As Table 1 shows, these countries are characterized by distinctive features in terms of structure of media use and advertising markets. Both Italy and Poland are marked by higher levels of television viewing, lower newspaper circulation and lower levels of internet penetration than the four other countries. These features are reflected in the structure of their advertising markets, which differ in terms of size and per capita figures, but have similar levels of expenditure concentration in the television sector. Similarly, France is characterized by a weak newspaper sector (both in terms of consumption and advertising market share). However, it presents a higher internet penetration and more balance between television and online platforms in terms of advertising expenditure. In contrast, Germany and Finland are marked by particularly high levels of advertising expenditure per capita, strong newspaper sectors, high levels of internet penetration and vibrant online advertising markets. Finally, the UK is defined by particularly high levels of internet penetration and digital advertising expenditure.

Table 1 about here

The second dimension of comparison is the pace of change in the media sectors where news organizations operate. Many of the structural differences identified above have built up over years and have in turn exercised long-term influence over the development of news organizations in each country. Newspapers, for example, have historically been stronger in Finland, Germany, and the UK than in France, Italy, and Poland. But it is also clear that the media systems identified on the basis of the situation in the 1990s (e.g. Hallin and Mancini 2004) are changing. We explored structural change by looking at one of the key market trends affecting the legacy and digital operations of news organizations, i.e. changes in newspaper, broadcasting, and internet advertising expenditure. Table 2 shows that the legacy business of newspapers is declining rapidly in all six countries (especially in Italy and Poland), whereas the television sector has, until recently, been more stable. Indeed, developments in TV advertising are mixed but, even in countries showing negative trends, the decline is much less pronounced than in the newspaper sector. Finally, internet advertising has grown rapidly in all the six countries (see Table 2) and already represents the largest advertising market in the UK

and Germany (as shown in Table 1 above).

Table 2 about here

The secondary data reviewed above provides an important starting point for analysing the qualitative data we have gathered. It clearly shows how private sector news organizations across these six countries (a) operate in very different media systems (as Table 1 shows) and (b) while they face similar pressures in the media sectors where they operate, they do so to very different degrees (as Table 2 shows).

Method and sample

Our primary data comes from interviews with senior editors and managers in a strategic sample of different kinds of private sector legacy news organizations (newspapers and commercial broadcasters) in six different European countries. Responding to frequent calls to go beyond newsroom-centric approaches (Wahl-Jorgensen, 2009) and case studies that consider only journalists, newspaper organizations, and a limited number of cases based in single countries (Artemas et al., 2016; Nielsen, 2012; Westlund, 2011), we have included in our sample a) interviews with both editorial and business managers, b) a sample including both newspapers and broadcasters, and c) a high number of cases (25 different organizations) across six different countries.

Semi-structured interviews were conducted between April and July 2016 with 54 executives, senior managers and editors at newspaper and broadcasting organizations. In each country, we selected four media companies representing different types of private sector legacy media organizations: one commercial television broadcaster, two national newspapers (one up-market daily and one mid-market or tabloid newspaper, when possible), and one regional newspaper (two in Germany, where regional newspapers make up much of the industry). The media organizations were selected from those with the widest audience share or print circulation in their traditional markets. Table 3 shows the list of organizations covered and the number of interviews conducted in each.

Table 3 about here

The interviews were mostly conducted face-to-face (only in five cases were they conducted remotely) by the authors. We used NVivo to facilitate data organization and retrieval. NVivo is a software used in qualitative research to effectively manage large amounts of unstructured data (1) (Paulus et al., 2017; Robins and Eisen, 2017). After importing the transcripts, the authors manually coded the topics discussed by the interviewees and analysed the material looking for conceptual similarities and differences across organizations, media types, and countries, as well as for the themes and the topics that were predominantly stressed by interviewees. In this article, the interviewees' quotes are attributed to the sources according to the positions they held at the time of the interview and the media organization they worked for. Some quotes do not carry roles or organizations at the request of the interviewees. Off-the-record information and confidential numbers provided by interviewees have informed the analysis.

Findings

Private sector legacy news organizations are generally responding to major changes in the news business by cutting costs to remain profitable as traditional revenues decline (especially in the newspaper sector), but also investing in a variety of new digital initiatives to reach new audiences and generate new revenue streams. The main initiatives emerging from the analysis of the interviews are experimentation with paywall models and the search for alternative revenue streams, such as the launch of new content offerings, investment in native advertising, and the adoption of diversification strategies. In this section, we present our empirical evidence and explore how new initiatives and responses to change differ across different media types (H1) and national media systems (H2). We start by addressing our first hypothesis and then discuss our second hypothesis.

Differences across media types (H1)

Our results show that differences in the digital strategies developed by news organizations are strongly related to their organizational legacy. Indeed, the approaches to digital news developed by newspaper organizations differ sharply from those developed by broadcasters. After illustrating how newspapers invest in new digital initiatives more aggressively than commercial broadcasters, we discuss how these two media types have more generally developed distinctive approaches to digital news. Then, we discuss how these differences depend on the interplay between organizational factors (such as understandings of the role of news within overall commercial operations of a specific media organization) and structural factors (such as the different pace of change within their specific legacy sectors).

The first type of new initiative to emerge from the analysis, particularly widespread among the newspapers covered for this study, is *experimentation with pay models*. Newspaper publishers are increasingly introducing various forms of digital subscriptions, such as metered paywalls and freemium models, to supplement the advertising revenues on which their digital operations have strongly relied for so long. 13 out of 19 newspapers we covered in this study had already adopted a pay model at the time of the interviews, and others, such as the German *Westdeutsche Allgemeine Zeitung*, planned to introduce one in the following months. A recent study, based on a more extended sample of 171 news organizations in Europe, provides quantitative support for the trend towards paywall adoption we have identified. It found that, in 2017, 66% of 99 newspaper organizations, selected from the most important brands in the same six countries covered here, operate a pay model for digital news (*Anonymized, 2017*).

In contrast to newspapers, which tend to converge towards pay solutions, none of the commercial broadcasters covered in our study are exploring this avenue for news content and continue to rely on advertising for their digital revenues. The previously-mentioned quantitative research supports this finding. It considered 23 of the main commercial and public sector broadcasters in the same six countries, and found that all offer free access to their digital news (*Anonymized, 2017*).

As well as experimenting with paywalls, legacy news organizations are exploring other *alternative sources of revenue*. Three main types of initiative emerge from the analysis: the launch of

new content offerings, an increased investment in native advertising, and the adoption of diversification strategies. Before illustrating some of the new initiatives, it is important to point out, once again, how these avenues are explored especially by newspapers, which are particularly keen to invest in new initiatives to supplement display advertising and subscription revenues.

First, newspaper organizations are launching new verticals (i.e. content offerings beyond the news outlets' main brands), repackaged content products (which are based on the selection, re-use and monetization of news items already produced), and website sections aimed at cultivating loyal users more effectively and drawing in new and highly focused audiences which can provide more value to advertisers. An example of these new initiatives is *Pixels*, a content section focusing on new technologies, digital culture, and online gaming launched in 2015 by *Le Monde*. As an executive of the group explained, the project was conceived from the beginning on the basis of a sustainable business model. The strategy behind this project was to reach new and more targeted audiences (young users interested in new technologies), therefore attracting new digital advertising revenue (investments coming from technology companies) (Interview conducted in Paris, May 2016). Similarly, *Le Figaro* has recently launched a gardening section and a Chinese language website that focuses on tourism and fashion in France. As explained by a manager of the group, this new editorial product is part of a wider business strategy to satisfy the demand of advertisers who are interested in this specific target (Interview conducted in Paris, May 2016).

Whereas most interviewees at newspaper organizations stressed several recently-launched content offerings, only two representatives of commercial broadcasters mentioned similar initiatives. In France, TF1 has launched 'SOS Village', a section of its website where residents in small towns post classified ads about small business activities (Interview conducted in Paris, June 2016). In Italy, Mediaset has launched one section devoted to food and another focusing on health, beauty, and fashion (Interview conducted in Milan, May 2016). It is clear that although some broadcasters are also investing in new content, they do so much less aggressively than newspapers. Moreover, as we discuss below, broadcasters' investment in digital news is less focused on generating new revenue streams.

Secondly, newspapers are strengthening their native advertising operations. Legacy news organizations are increasingly investing in this form of branded content by creating new units and teams. The German tabloid *Bild*, for example, has recently established the Bild Brand Studio, a unit fully dedicated to sponsored content. Similarly, in 2015 *The Daily Telegraph* launched Spark, a new division that works on branded content and other services tailored to advertisers' needs. The CEO of the Daily Mail media group has explained that branded content is already a significant part of their digital revenue (Interview conducted in London, May 2016).

Some broadcasters are also experimenting with native advertising operations. MTV in Finland, TF1 in France, and Mediaset in Italy consider native advertising as an interesting development for the future and have already started some branded content operations. However, they have not established dedicated units as many newspapers have done.

Thirdly, newspapers are adopting diversification strategies to explore new sectors outside their core market, with moves into e-commerce, event organization and business-to-business services. Many examples of diversification strategies emerge from our interviews. *The Telegraph* in the UK, for example, has diversified its business with e-commerce operations by moving into new areas such as travel and financial services, while the Finnish tabloid *Ilta-Sanomat* has moved into dating and travel. Both *Le Monde* in France and the regional newspaper *Manchester Evening News* in the UK have created niche publications and website sections aimed at students and their families. Their aim is to attract new advertisers interested in these targets, as well as to organize educational events that generate alternative revenue through sponsorships. Finally, an example of business-to-business services is that of the German regional newspaper *Westdeutsche Allgemeine Zeitung*, which has established an agency offering small- and medium-sized local businesses a wide range of services, from search engine optimization to website construction. In contrast, none of the broadcasters covered were engaged in similar diversification strategies around news.

More generally, our analysis suggests that newspapers and broadcasters have developed *different approaches to digital news*. The digital investment of newspaper publishers mainly aims at developing profitable digital news operations, in the hope that their digital revenues will grow enough to compensate for the losses in their traditional print business. This approach, strongly focused on

monetizing digital news, is clearly exemplified by the following excerpt from an interview with a manager of a newspaper organization, who, speaking off-the-record, stressed how their digital news operations have to generate positive business results:

[Our journalists' focus is] making sure that we're hitting our audience numbers for the day and for the month. [...] What we say to the reporters now is: 'there are probably about half a dozen revenue streams which are entirely dependent on your content and your content being read'. [...] Our reporters need to understand that the more pages they generate, the more money the business makes, and this helps in sustaining our journalism (Quote not for attribution).

The approach to digital news developed by newspapers is significantly influenced by the structural changes taking place in their traditional media sector, i.e. the dramatic drop in advertising revenues illustrated in Table 2, as well as the decline in print circulation (WAN-IFRA, 2015). Several interviewees from newspapers observed that the pace of disruption within their legacy industry has a substantial impact on their investments in digital operations, as well as on the perception of how urgently they need to change to ensure longer term sustainability to their news operations.

In television, by contrast, investment in digital news is more focused on maintaining brand awareness, enhancing image, and connecting with younger audiences with the aim of drawing them to traditional television, rather than on developing independently profitable digital operations. A senior editor at ITV News, for example, explains his news department's digital strategy 'is more about brand than it is about monetization; [...] News is not there to perform a revenue-generating opportunity, it's to create a good brand as part of the wider ITV brand' (Interview conducted in London, May 2016).

The development of this distinctive approach substantially depends on the interplay between organizational and structural factors. The importance of organizational factors is already illustrated by the quotes above: Broadcasters have so far been inclined to look at digital news through the lens developed in their legacy media sectors, where news is just a part of their overall content supply and has more value for branding than for business. Moreover, commercial broadcasters tend to replicate on digital platforms their legacy business models, which are mainly based on advertising revenues

and free access to their general-interest content. An executive of the Italian broadcaster Mediaset, for example, says transferring to digital platforms the same business model that has already proved to be successful in their legacy business was almost a ‘natural’ choice for the group:

We are aware that our [news offering] is doing so well on digital not only because of our high-quality news, but also because our offer is free of charge [...]. Furthermore, our business model for television broadcasting is based on free content. As a result, we are consistently inclined to transfer the same business model to the other media as well (Interview conducted in Milan, April 2016).

Structural factors also play a relevant role in the development of the broadcasters’ distinctive approach. As we have shown in table 2, they experience a relatively more secure economic situation in their legacy sector, where their traditional revenues are more stable, or at least not declining as they generally are in the newspaper sector. This strongly affects their perception of the urgency in adapting to digital developments, as exemplified by the following excerpt from an interview with a representative of a broadcasting organization:

Television hasn’t yet had the same decline that newspapers saw. [...] So, in many ways that presents a challenge because the necessity is not quite so [clear and] the time span is much longer so there isn’t a [situation where] we have to sort it out now (Quote not for attribution).

Thus, newspapers and broadcasters have developed diverse perspectives about how urgently they need to cope with the changing business of news. This is due to organizational factors related to their legacies, but also to the different pace of change affecting the legacy sectors where they still base their core business. Broadcasters’ legacy operations at this stage decline only slowly (or even grow, as in Germany), whereas newspapers in every country have seen sharp drops in print advertising and in print circulation. Our analysis shows that their responses to the changing business of news are clearly shaped by these different organizational legacies, illustrating the importance of a broader, more

systematic review of cases to supplement in-depth analysis of individual organizations' contingent responses.

Limited cross-national differences (H2)

In the previous section, we showed that the legacies of newspapers and broadcasters strongly affect their distinctive responses to the changing business of news. In this section, we turn to their national context, and show how there seems to be only a limited influence from the way the six national media systems are structured and change over time. After illustrating how media organizations approach digital news in surprisingly similar ways across the countries covered in this study, we discuss how these similarities depend on imitating the experimental solutions of peer organizations in other countries.

Limited cross-national variation emerges from the analysis of approaches to digital business models. Experimentation with paywall solutions are undertaken by newspaper organizations in all the six countries. The trend toward paywall solutions is particularly evident in our French, German and Finnish samples, where all the national and regional newspapers selected for this study operate a paywall or have already planned to do so in the near future. This trend is also quite pronounced in our Polish sample, where the tabloid *Fakt* is the only newspaper that offers all its digital news for free. As explained by one of its representatives, however, the Polish tabloid's management also believe that pay solutions are 'the future' and will consider adopting them (Interview conducted in Warsaw, June 2016).

In our Italian and British samples, the trend toward paywall adoption does emerge, but less sharply or seems at an earlier stage. Indeed, *Il Corriere della Sera* and *The Telegraph* are the only sampled newspapers in these countries which had introduced digital subscriptions at the time of the interviews. However, in Italy and the UK too, most of the remaining newspaper publishers in our sample say they are considering paywalls. This is the case, for example, with the regional newspapers *Il Resto del Carlino* and *The Manchester Evening News*, which are carefully looking at the experimentation made by other players and say they may adopt similar pay solutions (Interviews conducted in Bologna and Manchester, May and July 2016 respectively). Only in two cases, *La*

Repubblica and the *Mail Online*, do newspapers' representatives say it is unlikely they will implement a pay model (Interviews conducted in Rome and London, April and May 2016 respectively).

However, at the end of 2017 *La Repubblica* did actually implement a freemium model.

As discussed in the previous section, broadcasters' approaches to digital business models are also consistent across countries, where all commercial TV operators offer their digital news free of charge.

Substantial cross-national consistency emerges from our analysis of the three types of initiatives launched to generate alternative revenues streams. First, the launch of new editorial products such as verticals and website sections shows no cross-country variation. In the previous section, we gave examples from our French sample, but new products and services have been launched by newspaper organizations in all the six countries. *Il Corriere della Sera*, for instance, has recently developed a wide range of new products and business-to-business services, such as newsletters and websites where business news is re-packaged and brand-new analyses are created for subscribing business companies (Interviews conducted in Rome and Milan, April and May 2016 respectively).

Second, the trend towards native advertising also shows substantial cross-country consistency. Investment in native advertising teams seems to be particularly relevant in the cases of BILD in Germany and of *The Daily Telegraph* and the *Daily Mail* in the UK, but a renewed interest in this form of advertising emerges in all the countries covered in this study. Indeed, native advertising operations are also undertaken by *Helsingin Sanomat*, *Iltalehti* and MTV in Finland, by *Le Monde*, *Le Figaro*, *La Voix du Nord* and TF1 in France, by *La Repubblica*, *Il Corriere della Sera*, *Il Resto del Carlino* and Mediaset in Italy, by *Fakt* and *Dziennik Zachodni* in Poland, and by *The Manchester Evening News* in the UK.

Finally, diversification strategies are adopted by newspaper organizations based in all six countries. The importance of e-commerce operations has been particularly stressed not only by interviewees at *The Telegraph*, in the UK, and *Iltalehti*, in Finland, but also by interviewees at BILD, in Germany, and *The Daily Mirror*, in the UK. Event organization and the launch of business-to-business services have been described as relevant operations in many of the interviews conducted in

all six national contexts. As already discussed, diversification strategies aiming at sustaining news operations were not mentioned in any interview conducted at broadcasting organizations.

Cross-country differences in how the six media systems are structured and are changing, thus, exert little influence on how media organizations adapt to the changing business of news. We interpret this limited cross-national variation as the result of managers and editors seeing the same global trends (the rise of digital media, mobile media, and platform companies) through the lens of the experience of what they consider peer organizations (generally organizations of the same type, i.e. newspaper or broadcaster), even if the specifics of their national markets may be quite distinct. The British or Finnish media market, for example, is objectively very different from that found in Italy or Poland, but all our interviewees, and in particular those employed in newspapers, see the same challenges. They all stress, in particular, two main developments in the digital advertising market. First, large technology companies like Google and Facebook occupy increasingly dominant positions in the online advertising market. The high number of their users, together with their mastery of detailed data on digital behaviours, enable these US-based companies to sell to advertisers larger audiences and more targeted advertising at lower rates than those of legacy news organizations. The second development is the audience move to mobile devices for accessing news. Mobile advertising market is much less profitable than the desktop advertising market (let alone print). For instance, although mobile devices account for 56% of *Le Figaro's* traffic, mobile generates only 13% of the French newspaper's digital revenues (Interview conducted in Paris, June 2016). Similar figures were provided by other news organizations based in many of the countries covered.

As managers and editors in different countries see the same challenges and look at the responses of peer organizations, they also tend to respond in similar ways. The narrative used to explain the adaptive behaviour of their organizations is often the same: the dominance of technology companies and the rise of mobile devices contribute to making the business of digital news even more difficult than a few years ago, and this has compelled newspapers to re-think their business models. This narrative has been stressed with surprisingly similar emphasis by all the interviewees whose organizations have adopted pay solutions. An executive of the BILD-Group, for example, explained why the German group has decided to adopt a pay model:

Large platforms take out large portions of the money [in the digital market], so we have concluded that we won't succeed with advertising revenues alone to finance the digital business. [So] we are looking for new business models (Interview conducted in Berlin, June 2016).

Similarly, a senior editor at Helsingin Sanomat explained how the Finnish newspaper, like other peer organizations, is focusing its attention on digital subscribers as a result of the same recent developments in the digital advertising market:

Most of the new initiatives are concentrated on optimizing the digital [subscriptions] revenue [...] We really have to put emphasis on the [digital subscriptions], as actually many of our [competitors] are doing all around. [...] This [is] because of the international players, the intermediaries and the social media that are now soaking the money out of the market. (Interview conducted in Helsinki, May 2016).

The same digital developments and organizational narratives are also driving the renewed interest in native advertising. As explained by an interviewee, for example, *The Daily Telegraph* has strongly invested in native advertising production because, with this form of advertising, it is easier for the British newspaper to capitalize on its storytelling skills and better compete with the big technology companies that dominate other sectors of the digital advertising market:

[Branded content is] an area where we are competitive against Facebook and Google because we actually have expertise in writing content, something we can add value to (Interview conducted in London, June 2016).

Concluding discussion

Based on primary evidence from 54 interviews with executives, managers and editors at a strategic sample of 25 newspapers and commercial broadcasters in six countries, we have analysed how private sector legacy news organizations operating in different media sectors and national contexts are adapting to the changing business of news, and examined the interplay between internal organizational factors and external structural factors in shaping their digital strategies. We have shown, first, how legacy players, often criticized for their resistance to change, combine cost cutting with exploring new business models for digital news and investing in a variety of initiatives to reach new audiences and generate alternative revenue streams. Newspapers seem particularly enterprising, whereas broadcasters have experimented less.

Second, we have considered two hypotheses, namely whether we should expect diverse types of organizations (newspapers and broadcasters) to respond in different ways to the changing business of news (H1) and whether organizations in different countries respond in different ways (H2). Here, our analysis offers considerable support for H1 but little for H2. In line with the expectations behind H1, we have found sharp differences between how newspapers and broadcasters are developing their digital news business. Across all six countries, newspaper investment in digital news is aimed at developing profitable digital news operations, whereas commercial broadcasters' investment in digital news is aimed more at maintaining brand awareness and enhancing image. Indeed, the newspapers we have selected have generally adopted a distinctive approach and have launched similar initiatives to respond to the changing business of news: they are keener to experiment with paywall solutions and are investing more heavily than broadcasters in new products, native advertising operations and diversification. In contrast to what H2 would lead one to expect, we have found limited systematic cross-national variation in how private sector legacy news organizations are adapting to structural changes. Although national media systems significantly differ in the way they are structured and are changing, we have found that, on the one hand, newspapers across all six countries tend to respond to major changes as other newspapers do and, on the other hand, broadcasters tend to approach digital news as other broadcasters do.

We interpreted the sharp difference between the approaches of newspapers and broadcasters as a result of the interplay between organizational and structural factors. Indeed, their approaches are due to distinctive understandings of the situation that are strictly related to their medium-specific legacies, as well as to the different pace of change in their traditional media sectors. These organizations still base their core business on their legacy media sectors, and broadcasters especially tend to navigate the digital environment with the models they have originally developed there. This is the case, as we have shown, with broadcasters' notions about the appropriate business model for digital news and the role of news within their overall business operations. Moreover, because of the different market trends affecting their traditional media sectors, newspapers and broadcasters have developed different perspectives on the urgency for change. Newspapers, whose legacy revenues are under greater pressure in every country covered (albeit to different degrees and from very different inherited starting points), are investing more in the digital news market and are more sensitive to its most recent developments. As we have seen, newspapers are experimenting more with digital business models and other initiatives as a result of the recent challenges in the digital advertising market. Broadcasters, who generally experience a more stable situation in their legacy markets, have so far seen their business less challenged by digital developments and have generally experimented less with developing new business approaches to digital news, relying on advertising and cross-subsidies from their legacy operations.

Moreover, we have shown that cross-national variation in the structural trends affecting their legacy and digital operations have less influence on how broadcasters and newspapers respond to the changing business of news than their own media type and organizational legacy. We argue that these strong similarities across different national contexts are the result of a situation where executives, senior managers, and editors view the same global trends from the point of view of what they consider peer organizations (generally organizations of the same type, i.e. newspaper or broadcaster), even if the specifics of their national markets may be quite different. As we have shown, newspapers in, for example, Finland and Poland face very different market conditions, but see the same challenges and react in very similar ways. The result is a development that combines common logics rooted in

technology, globalized economic models, and cultural practices (Hallin and Mancini, 2016) with persistent differences rooted in inherited structures (Nielsen, 2013).

Finally, our analysis suggests that organizational and structural factors related to the specific legacies of newspaper and broadcasters matter more than cross-national variation in structural factors and the pace of change. These findings are important for two reasons. They show how different private sector legacy news organizations are responding to a changing environment that, especially for newspapers, is challenging the business models that have historically sustained most of the investment in professional journalism. Our findings also provide an opportunity to consider how a variegated set of causal mechanisms --- from the organizationally-specific and highly contingent factors that media sociologists have tended to focus on, to the structural macro-factors and trends that comparative media systems scholars consider --- can help us account for similarities and differences in how different media organizations in different contexts adapt to change.

The combination of cross-national similarities and differences across media types that we have empirically documented suggests that private sector legacy news organizations do not respond to structural changes each in their own, unique way, as might be suggested by media sociological approaches often focused on individual case studies and contingent combinations of explanatory factors. Instead, we see clear evidence of *cross-organizationally shared logics of appropriateness*, as institutionalist theories would call it (Scott, 2008). In future research, we would propose examining the relative importance of different possible causal mechanisms derived from institutionalist theory. This would help us better understand the most important factors driving similarities and differences in how legacy media organizations respond to structural changes associated with the rise of digital media. Based on our inductive empirical analysis, we would in particular be interested in applying to this field theories of imprinting (focused on the importance of when an organization is founded in shaping its development, see e.g. Scott 2008), path-dependency (the idea that once set upon a particular developmental path, organizations tend to only incrementally change even if the external situation changes dramatically, see e.g. Padgett and Powell 2012), and isomorphism (the tendency of organizations to imitate others that they see as high-prestige peers when faced with an uncertain situation, see e.g. DiMaggio and Powell, 1983). Institutional theory may complement our

understanding of cross-organizational and cross-national variation in how media organizations adapt to change.

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Table 1. Media use and structure of the advertising market in the six countries

	Finland	France	Germany	Italy	Poland	UK
Population (millions)	5.5	66.8	81.4	60.8	37.9	65.1
MEDIA USE						
Newspaper circulation per 1000 adult population	338	117	232	61	61	185
Television viewing per person (2013) (minutes per day)	174	226	221	261	247	232
Internet penetration	94%	84%	88%	62%	68%	92%
ADVERTISING EXPENDITURE						
Size of the national advertising market (€ millions)	1,122	10,046	19,409	7,003	1,571	18,588
Advertising expenditure per capita (€)	205	150	238	115	41	285
Advertising expenditure per media (share of the whole national advertising market)						
Newspapers (print)	37%	8%	24%	9%	3%	13%
Television	23%	32%	23%	47%	53%	25%
Internet	23%	31%	30%	26%	24%	47%

Sources: World Bank (2016) for population per country in 2015; WAN-IFRA (2015) for newspaper circulation in 2014 (average circulation of daily paid-for newspapers per 1000 adult population); EAO (2014) for television viewing per person in 2013; Internet World Stats (2016) for internet penetration in 2014; WAN-IFRA (2016) for size of the national advertising market (total advertising expenditure in €millions, exchange rates GB£/€ 31 and Zloty/€ Dec. 2014) in 2015 (in 2014 for the UK) and advertising expenditure per media in 2015 (in 2014 for the UK); Our calculation based on WAN-IFRA (2016) data on size of the national advertising market in 2015 (in 2014 for the UK) and World Bank (2016) data for population per country in 2015 for advertising expenditure per capita.

Table 2. Change in advertising expenditure 2010--2015* per media

	Finland	France	Germany	Italy	Poland	UK
Newspaper advertising	-25%	-26%	-20%	-50%	-63%	-31%
TV advertising 2010--15	-4%	-7%	12%	-26%	-4%	11%
Internet advertising	23%	43%	91%	87%	67%	75%

Sources: Our calculation based on WAN-IFRA (2016) data on advertising expenditure per media.

* Change 2010--2014 in the case of TV advertising expenditure in the UK.

Table 3. News organizations covered in this study (the figure in parenthesis is the number of interviewees in each organization)

	Finland	France	Germany	Italy	Poland	UK
National newspaper	<i>Helsingin Sanomat</i> (1)	<i>Le Monde</i> (2)	<i>Süddeutsche Zeitung</i> (1)	<i>La Repubblica</i> (2)	<i>Gazeta Wyborcza</i> (3)	<i>The Daily Telegraph</i> (2)
National newspaper	<i>Iltalehti</i> (2)	<i>Le Figaro</i> (2)	<i>Bild</i> (3)	<i>Il Corriere della Sera</i> (4)	<i>Fakt</i> (3)	<i>The Daily Mail</i> (1)
Commercial television	MTV (2)	TF1 (2)	RTL and n-tv* (2)	Mediaset (2)	TVN24 (2)	ITV (2)
Regional newspaper	<i>Aamulehti</i> (1)**	<i>La Voix du Nord</i> (2)	<i>Rheinische Post</i> (2) and <i>Westdeutsche Allgemeine Zeitung</i> (2)	<i>Il Resto del Carlino</i> (3)	<i>Dziennik Zachodni</i> (3)	<i>The Manchester Evening News</i> (3)

* In addition to RTL, i.e. the main German private sector TV channel, we included n-tv, the news channel belonging to the same media group (Mediengruppe RTL Deutschland).

** For the Finnish regional newspaper *Aamulehti*, we conduct an interview with a representative of Lännen Media, which produces nationwide content for 12 Finnish regional newspapers including *Aamulehti*.

Notes

(1) While we agree with other scholars that the use of qualitative data analysis software is not a guarantee of quality, we considered that it would have facilitated the management of the substantial amount of data generated by the interviews. Moreover, NVivo allows flexibility by facilitating the creation of new labels to code emergent themes and unexpected data (for a discussion of the use of NVivo in qualitative research see Paulus et al., 2017; Robins and Eisen, 2017).