This article examines paradigmatic innovation (innovations in business models, mindsets and organizational values) in European cultural journalism. I hypothesize that paradigmatic innovation acts as a driver for innovations in product, process and positioning, and address two research questions: 1) How are the media innovating regarding their paradigm, both general and specifically in the culture section? 2) How does paradigmatic innovation affect the overall editorial positioning, including cultural scope and coverage, product and processes? Findings suggest that we are witnessing a paradigm shift in business models in the digital environment, challenging traditional boundaries related to editorial and branded content and expanding the revenue sources beyond the editorial core. I conclude that media innovation is firstly a paradigmatic innovation which impacts sustainability, the editorial products and processes, as well as brand positioning and extensions. The article proposes four types of paradigmatic innovation based on the analysis.

**Keywords**

cultural journalism, digital journalism, media business models, media innovation, paradigmatic innovation

**INTRODUCTION: “DIGITAL RENAISSANCE” AND THE QUESTION “WHAT NOW?”**

“Now that your Internet has ruined news, what now?”, asked Jeff Jarvis (2014) at the beginning of 2014 as a motto to his essay about new relationships, forms and business models for news. Digital journalism is the prime suspect for the climate of change, uncertainty, experiment and potential that the media and journalism are dealing with in a faster rhythm than they can perhaps successfully adapt to. “What now?” has no right answers yet, but in pursuing possible answers, this article considers digital experiments in four journalistic outlets.

The Internet has fundamentally changed media and journalism. It “is not a new entrant in the news ecosystem. It heralded a new ecosystem, full stop” (Anderson, Bell & Shirky, 2012, p. 83). News organizations are no longer in control of the news, amateurs can be reporters, crowds have become influential players, advertising can reach consumers directly, and traditional funding models applied to the digital media are failing. Convergence spreads across numerous strands: the emergence of multimedia groups where there were once just newspapers or a TV channel, with a presence in various communication markets, integrated newsrooms, a mix of functions in journalists’ routines, the use of different languages to create an information unit. Convergence thus affects the way content is produced, consumed and shared.

Whenever the media enter a period of uncertainty such as the present one, where convergence has an impact in every field of media, including their funding model, there is an attempt to innovate to seek sustainability or skip the crisis. Both arts and culture
Santos-Silva, Paradigmatic innovation in European cultural journalism

consumption. I argue that media innovation happens firstly in the paradigm type because it affects all the other areas of innovation, and I name four types of paradigmatic innovation. I encourage future research to consider the need for correlating all the types of innovation when analysing the media landscape to enrich findings.

SEEKING INNOVATION AND SUSTAINABILITY IN THE DIGITAL MEDIA ECOSYSTEM

Entrepreneurship can be defined as the “discovery and exploitation of profitable opportunities” (Shane and Venkataraman, 2000, p. 217), and an essential condition for entrepreneurship in media is innovation. Schumpeter (1934, p. 78) argued that “everyone is an entrepreneur only when he actually carries out new combinations.” He defined innovation as new combinations of existing resources fulfilled by entrepreneurs who had to fight against the prevalence of social inertia, and distinguished between five different types of innovation: new products, new methods of production, new sources of supply, the exploitation of new markets, and new ways to organize business.

Media innovation can include several aspects of the media landscape, from new ways of storytelling to new business models. Briggs (2013, para.8) defines innovation in journalism as “new ways to create a better journalism experience for the reader using digital technology”. Pavlik (2013, p. 183) argues that media innovation lies in four dimensions:

1) creating, delivering and presenting quality news content, (2) engaging the public in an interactive news discourse, (3) employing new methods of reporting optimized for a digital, networked age, and (4) developing new management and organizational strategies for a digital, networked and mobile environment.

García-Avilés et al. (2018, pp. 3-4) define media innovation as “the capacity to changes in products, processes and services through the use of creative skills that allow a problem or need to be identified and resolved in a way that results in the introduction of something new that adds value to customers and thereby fosters the viability of the media organization” (pp. 3-4).

Most proposals to systematize media innovations for research or market purposes (Storsul and Krumsvik, 2013; Dogruel, 2014; Bleyen et al., 2014) are inspired by Francis and Bessant’s four P’s for targeting innovation (2005, p. 172): innovation to introduce or improve products, to introduce or improve processes, to define or re-define the positioning of the firm or products, and to define or re-define the dominant paradigm of the firm. Applied to a media context, innovations can hence include new or improved media

This paper investigates paradigmatic innovation in four European culturally-oriented media companies, and how the paradigmatic innovation has an impact in all other forms of innovation: product, process and positioning (Francis & Bessant, 2005). Paradigmatic innovation can be defined as the field of innovation that includes changes in mindset, values and business models. For example, the digital transition required the media to expand its sources of revenue online (such as branded content), but also to hire new staff (to deal with digital production), or to develop new skills and mindsets.

This article reports from a mixed methods study combining case studies of four media projects, integrating observation, interviews, data collection and web content analysis between 2013 and 2018. One of the goals of this article is to relate the paradigmatic innovation to the positioning that the media are assuming when covering culture, an area that is no longer confined to the arts coverage and that is expanding to new territories, including lifestyle and cultural
changes in a media organization’s basic orientation, value creation and business models — the drive for all the other types of innovation. There are two types of paradigmatic innovation: inner-directed and outer-directed (Francis & Bessant, 2005, p. 176). The first relates to the mental model of the organization, its values and innovative forms of work. The latter refers to business models. The two types can be interrelated. For example, when Gordon Crovitz (2017), the former publisher of The Wall Street Journal, predicts that news publishers will focus more on readers than on advertisers (as a consequence that they generate more revenues from readers), this is a change in the organization’s mindset with repercussions in all aspects of their editorial model. When Jamie Mottram (2017), the former senior director of social content for Gannett, the largest US newspapers publisher as measured by total daily circulation, predicts that most media brands will start selling merchandise in 2018 to create closer connection with their audiences, this is a clear change in their business model. When Jeff Jarvis (2017) argues that media and journalism must be reconceived as a service and proposes a business based on relationships, on knowing people as individuals and members of communities, this describes innovation in paradigm as a whole: “we must shift from media-centric products—our content, our home page, our comments—to public-centric services” (para. 6).

Research related to media management and values in this context have focused on new employment patterns and skills (Weber and Kosterich, 2018), creative work processes (Malmelin and Virta, 2016), and ownership and digital competences (Krumsvik, 2015). Research is still scarce in relation to values and mindset, and research on media business models is very fertile. In fact, “What’s the best business model for digital media?” seems to be the million-dollar question for those who seek to innovate in this area.

Business models specify the logics, products, services, relationships and revenue streams of a company; how customer needs are met and how value is created (Villi & Picard, 2018). Regarding the revenue part of business models, five models have been tested in journalism: (1) the paying model, where content is primarily paid for by users (such as The Times in the UK); (2) the advertising model, supported by advertising (the most common form in print); (3) the freemium model or the metered paywall, integrating both free and premium content or limiting the access to a number of articles (like The New York Times does); (4) the membership model, where regular content is free, but with the option to pay for subscriptions in exchange for benefits (as The Guardian does); (5) the non-profit model, emerging among several new media, especially those who perceive that an editorial
strategy can be integrated into a public service logic, such as investigative journalism or cultural coverage, and where patronage and crowdfunding play an important role. Adding to these are other revenue streams such as micropayments; selling apps, data and other products and services; conferences, talks and other events; consulting and training services; syndication; merchandising and even coffee shops. These are forms of revenue that go beyond the editorial core.

Analysts and insiders (Rosenstiel and Jurkowitz, 2012; Breiner, 2014) suggest that the key to a successful digital business model is to arrive at a mix of revenue streams and engagement with a community of readers and advertisers, allowing a relationship with brands rather than selling ads and clicks. Villi and Picard (2018) similarly argue that the digital transition led the media to invest in a new business model: the audience-first and consumer engagement model, concentrated on developing consumer relationships. In this study, I follow the lead of Villi and Picard (2018, p. 121), who argue that the contemporary business model perspective “involves creating new processes, products, and ways of presenting content, and changing the relationships between consumers and the enterprise”. I hence assume that paradigmatic innovation is the driver for all the other transformations. Importantly, business model innovations also require changes in mindsets and organization, for example acknowledging the need for new skills and staff. Ultimately, understanding entrepreneurial journalism hence implies transcending the boundaries of news organizations (Deuze and Witschge, 2018).

**WHY STUDY PARADIGMATIC INNOVATION IN CULTURAL JOURNALISM?**

In the 20th century, culture became linked to everyday life, as a way of life within the Cultural Studies tradition. Culture includes aesthetic expressions, but it is also integral to commercial and industrial logics. In the digital era, culture additionally becomes collective, virtual, convergent, and participatory (Santos Silva, 2016). We can define cultural journalism as the field of journalism that covers all these dimensions of culture, including the arts, as an evolving concept, alongside culture. Kristensen (2010: 69) places it “in a continuum between art, popular culture, lifestyle and consumption”. Santos Silva (2016, p. 308) defines it as a complex, multidimensional and evolving concept. Because of editorial choices, it can focus on artistic manifestations, the process of culture, cultural and anthropological issues, cultural infrastructures and goods, lifestyle and quality of life, entertainment and leisure, creativity and innovation. Thus, cultural journalism covers potentially all dimensions of culture (...) always connected to their value within society at each moment, with different genres and editorial treatments.

Recent research (Santos Silva, 2018, 2016, 2014; Kammer, 2015; Kristensen and From, 2015; Jaakkola, 2012) concludes that we are witnessing a paradigm shift in culture coverage in a digital environment, challenging traditional boundaries related to cultural themes and scope, angles, genres, sources, experts, content format and delivery, engagement and business models. Previous research also acknowledges the importance of cultural journalism for revenue streams and brand positioning (Faro, 2014; Kristensen, 2010; Santos Silva, 2012). The transformation of culture coverage in the last years and the importance that is gaining in the media are the main reasons for studying media innovation with particular attention to culture. “Many of the issues treated in cultural journalism echo broader sociocultural and socio-political issues of our time”, argue Kristensen (2019, p. 9), especially the increased attention to everyday life issues.

**RESEARCH OBJECTIVE AND METHOD**

This article examines paradigmatic innovation in European cultural journalism, and how the paradig-
Santos-Silva, Paradigmatic innovation in European cultural journalism

were visited and staff members were interviewed (three journalists from The Guardian in August 2013; three journalists from Monocle in August 2013; four journalists from Público in September 2014 and six members from La Fábrica in October 2014). Data were analysed using content analysis of two constructed weeks, using 60 units of coding in the scopes of business models, exploitation of digital tools, editorial strategies and general information, integrated in the four types of innovation mentioned. Between 2017 and 2018, I updated the content analysis using the same coding, variables and time-frame sample with the purpose of studying the evolution of the innovation strategies applied by the four case-studies.

FINDINGS AND DISCUSSION

The Guardian’s innovation: a readers-centric paradigm

The Guardian UK website (http://www.theguardian.com/uk) is one of the most reputable news websites and its selection for this research has to do with the importance given to the Culture section – commercially relevant and on the top of readers’ choices – with several innovative features regarding editorial and business models, and, of course, its digital open journalism approach.

“An ongoing conversation with the reader” was a recurring phrase heard in The Guardian’s newsroom, and journalists seemed aligned with a digital-first strategy. At that time, Alan Rusbridger was still the editor-in-chief (he stepped down in 2015), and the journalists that were interviewed all expressed admiration for him. The physical space reinforces this openness to the reader: the building to where The Guardian and The Observer moved in the winter of 2008 is conducive to creativity. Situated in the Kings Cross area, the seven-floor building is home to cultural events throughout the year. It has two auditoriums, two art galleries, a restaurant, two cafes, a public concert hall and it welcomes Guardian Live Events such as talks or summer book readings, or The Guardian Open Weekends where they literally open their doors to readers. Everywhere there are comfortable sofas and chairs with vibrant colours like yellow and green that contrast with the white walls and desks and grey floor. The staff work in this creative, sort of stylish environment. It was also one of the first media brands to have data journalists and a special projects director, Francesca Panetta, to launch multimedia projects.

There are two specific aspects of The Guardian’s business model. First, it is owned by the Scott Trust, the sole shareholder in the Guardian Media Group, which was created in 1936 to safeguard the journalistic freedom and liberal values of The Guardian. This unique ownership model means that all profits
are reinvested into *The Guardian* to develop its journalism. Second, it is assertively against any paywall on its website because it advocates that journalism is for everyone, is open, and remains truthful to their 200-year-old progressive values.

Does this mean that *The Guardian* does not have to worry about money? “No”, answers Caspar Llewellyn Smith, Head of Culture and also Digital Platforms Editor since 2016. “We are losing less money and that is a good thing. One way is to produce more video content and being at the forefront of what can be done digitally”, he explains, remembering the importance of video for interactive advertising. Core to *The Guardian’s* funding model is time:

We have to worry about it [money], but we can take a long-term view about it. We don’t need to panic about it now. We have to think about how the world will be in five years’ time and organize ourselves for that world.

The long-term view allows us to experiment and do things with multimedia (personal interview with Caspar Llewellyn Smith, 8th August 2013).

*The Guardian’s* current funding model for the digital environment is a mix of revenues, but all of these are related to one principle: engagement with the reader. Engagement is the premise for its membership model, released on 10th September 2014 and presented as a natural result of the relationship that *The Guardian* had been developing with its readers and the kind of public service journalism that it is dedicated to.

In July 2016, there were three types of membership: the supporter (£49/year or £5/month) with access to welcome pack, card and gift, access to live stream, free access to the premium tier of the Guardian app, access to tickets, offers and competitions and regular member e-mails; the partner (£149/year or £15/month), adding to the previous six tickets or four books annually, 48hrs priority booking, no booking fees, 20% discount and the opportunity of bringing a guest to the Guardian events; patron (£599/year or £60/month), adding to all this exclusive behind-the-scenes functions.

Two years later, the focus on the reader is much stronger: it defines the whole paradigm of *The Guardian*. In July 2018, values and benefits of the membership were the same, but anyone could make a recurring commitment (monthly starting at €2 or annually starting at €10) to support *The Guardian* long term or a one-off contribution starting at €1. There was still no paywall for content, although in May 2018 it released premium features for its app for £5.99 a month.

Regarding advertising, besides the traditional banner ads, *The Guardian* takes advantage of multimedia and interactive possibilities in the Culture section. My findings identified several examples of advertising at the beginning of The Guardian videos in The Guardian Film Show feature. For example, the video “Star Trek Into Darkness is light years ahead of the competition” (Gant, 2013) opens with a Skoda ad which finishes with the mention of its partnership with *The Guardian*: “The Guardian Film Show in association with the New View Series from Skoda.”

*The Guardian* also invests in strategic content partnerships. For example, the section Cities (*The Guardian*, 2019a) launched in 2014 had, until the end of our research period (August 2018), the support of the Rockefeller Foundation. These kinds of revenue sources are identified editorially with one of three labels: “Sponsored by”, “Brought to you by” or “Supported by”.

On 13th February 2014, *The Guardian* launched Guardian Labs, its own branded content agency, as an answer to the significant media trend since 2014: sponsored content. One of the first deals was with Unilever, worth £1 million. The content partnership resulted in a subsection of Life & Style, entitled “Live better – Unilever partner zone” with tips and tricks for better living (*The Guardian*, 2015). The project included online, video, print and events. Visa, UPS, HP and Rolex are other examples of brands working in partnership in this format.
Retail also has a strong presence in the Culture section and is integrated within the pieces. For example, a review of a book links us at the end to The Guardian’s Bookshop (The Guardian, 2019b). In the series Guardian Screening Room, it is possible to rent or buy a movie (The Guardian, 2019c). The Guardian Masterclasses (The Guardian, 2019d) also deserve mention, with paid courses in areas such as communication, writing, entrepreneurship, social media or fashion journalism. The Guardian Live Events (The Guardian, 2019d) relatedly offers debates and festivals exclusive for The Guardian members.

This business model seems to be paying off: in October 2017, Guardian News and Media (GNM) announced that revenue from readers had overtaken advertising-income, with 500,000 readers making regular payments, and 80% of those taking digital subscriptions (GNM Press Office, 2017). In April 2018, The Guardian had the financial support from over 900,000 readers, of which 570,000 were regular supporters (GNM Press Office, 2018). GNM has the goal of breakeven in 2019.

I propose to define The Guardian’s innovation paradigm as a reader-centric media paradigm, since every type of innovation has the reader as motive, drive and concept. This paradigm affects the editorial model: as the business model is based on reader support and members, it is natural that the reader assumes a vital role in content. There is an entire section dedicated to members2 where they can share their thoughts on The Guardian’s journalism and live events, talk to the journalists or listen to recordings of events held in collaboration with the members. Findings from Santos Silva (2018) also reflect this: in December 2016, 12 generic editorial formats were identified in the culture section that encourage readers’ contributions, 9% of all pieces analyzed in a constructed week from 2016 to 2018 (n=992) were made with the readers contributions, and in the reviews 18% were written by the readers in a specific field: children’s books.

Monocle’s innovation – an upmarket extended media brand experience paradigm

Monocle (http://www.monocle.com) was launched in 2007 and is one of the most prestigious magazines in the world regarding international affairs, business, culture and design. The magazine has been profitable since 2010. I chose it for its international scope, its broad coverage of culture and its approach to digital: its founder, Tyler Brûlé, has a clear strategy regarding the print and digital version of the magazine. There are no tablet or phone apps for the magazine (barring an app for the Monocle 24 radio station), and the brand is not present on any social media, but Monocle explores multimedia in a very distinct way. Monocle was awarded one of the top ten titles of the year 2011 by Ad Age USA and it is an excellent example of convergence (magazine, radio, shops and merchandising). I propose to call Monocle’s innovation paradigm an upmarket extended media brand paradigm. “Upmarket” because the principle of the brand is not giving away any content for free. As its editor, Andrew Tuck, stresses, all copies of Monocle are paid for, i.e., there are no free copies or any discounts which mean the circulation numbers are equal to the sold numbers.

We don’t give any free copies away to anyone. You would never go to a hotel and find a free copy; you would never get a free copy on an airline unless the airline paid for it. We treat the product with respect from the beginning. We believe journalism costs money and is valuable (personal interview with Andrew Tuck, 6th August 2013).

Besides this, Monocle’s readers have a clearly identified profile: upper class, who travel for business and expect from Monocle a global taste-making brand, from culture to design. Monocle is an “Extended media brand experience” because it is present not only in print, audio and online, but also in areas beyond the editorial core (data from August 2018). In print, it has the monthly
magazine, two seasonal magazines (*The Forecast* and *Escapist*), three seasonal newspapers, a series of books (as the *Monocle’s Guides* and travel guides in collaboration with Berlin publisher Gestalten). Online, it has the 24-hour radio station Monocle 24, the paid digital archive of the *Monocle* magazine, films and newsletters. Beyond the editorial core, it promotes the annual The Quality of Life conference since 2015, has five retail shops (in London, Toronto, Hong Kong, Tokyo and Zürich), besides the online shop (mainly products in partnership with designers and upscale brands), and four coffee shops (in Tokyo, Zurich and London). All the extensions of the brand are carefully thought to express the designed concept of the brand, starting in their own space at Midori House in London. The editorial staff – 55 from around the world – is well nurtured. For example, one Friday per month, a chef goes to the Midori House to cook for everyone, and they regularly have live concerts in the radio studios. They assimilate the *Monocle* values (quality of content, quality of design and a specific lifestyle) and seem proud to incorporate the brand into their lifestyle.

Thus, this upmarket extended media brand paradigm includes a mix of revenue, but three funding models stand out: the co-branded advertising model, the paid model and the retail model.

On *Monocle’s* website, the paywall is more like a subscription wall. We have to buy at least a six-month subscription to the print magazine to get online access. For Tuck, this is a matter of consistency. If the magazine content is paid for in the print version, why would it be free on the website? “It’s just common sense. Why would we generate these stories and invest in editorial content and annoy our core readership by giving it all away for free [online]?”

Digital-only features of the website, such as the daily newsletter or short videos, are the only free content. Print is the “cash cow”, meaning the *Monocle* magazines and supplements represent most of the money. Brûlé acknowledges that the “newsstand” is international because the US is the biggest market regarding subscriptions and newsstands (Lichterman, 2015). A *Monocle* issue costs £6 at a newsstand. We can also buy the magazine through *Monocle’s* website, but previous issues are generally more expensive (about £15 each in general), which reflects the collectible logic *Monocle* wants to imprint. Special issues are even more expensive.

*Monocle*’s other primary source of revenue comes from advertising, both in print and online. However, they focus on real partnerships with brands in the format of single sponsorship of shows (in the case of Monocle 24) and exclusive sponsored content in the case of films, print magazines and websites. The commercial partnership is usually identified as “[name of the brand] x *Monocle*”, like a co-branded experience.

The digital version of the magazine, only accessible to subscribers, does not have any advertising, meaning the print advertising does not extend to digital. However, the rest of the website, which is available to everyone, has the same kind of co-branded experience, native digital, i.e., created exclusively for the website.

The co-branded experience is even more evident in Monocle 24. The radio does not sell ads, but single sponsorship of shows. This was the formula of sustainability for the radio station: “We launched Monocle 24 with two million dollars of revenue because we weren’t selling little ads, we were selling single sponsorship of shows and it was great” (personal interview with Andrew Tuck, 6th August 2013).

In December 2014, six of the 14 shows were single-sponsored: the daily shows *The Globalist* and *The Monocle Daily* were presented “in association with UBS”; the weekly show *The Curator* was “presented by Rolex”. In August 2018, there were 32 radio shows, 12 of which single-sponsored. Monocle 24 has been profitable from the start.

Regarding the subscription model, in September 2016, *Monocle* had three subscription types: one-year premium (£155), one-year (£100) and six-month (£55). All give access to the *Monocle* archive and exclusive content on the website (during the subscrip-
ads that appear on Monocle’s pages are developed creatively by Winkreative.

The editorial model also reflects this premium vision and a cultural view of everything. “In all sections – Affairs, Business, Culture, Design and Edits – there is always a cultural dimension”, explains Sophie Grove, executive editor (personal interview, 6th August 2013). The best practices from around the world in urbanism, cities, fine arts, architecture, food and drink and culture related to upscale taste-making is what makes the quality of life and the nation’s soft power. The most emblematic example is Monocle’s annual ranking of the 25 most liveable cities in the world.

Público’s innovation – a classic metered paywall paradigm

Público (http://www.publico.pt) is one of the most reputable Portuguese daily newspapers. It has invested in global digital positioning of the brand, and it has a clear focus on culture, which is the primary source of revenue. Público has several websites dedicated to cultural themes besides the Culture section of the main website.

During the time frame of my research, Público has experimented with many ways to finance its digital presence, which resulted in some inconsistency in its paradigm. Until November 2013, only a few articles were available for free to readers. Feature stories were usually behind a paywall. At that time, readers could become Público subscribers or just pay for one article (micropayment).

In November 2013, there was a major twist in the digital business model. From that point, readers could read any article, including accessing, for the first time, the digital archive since 2001. There was a catch: they could only read 20 articles per 30 days. To publicize this new business model, Público created a new signature – “Without limits” – and explained this would be needed to invest in quality journalism and to “ensure Público’s sustainability” (Público, 2013). This paid off: in 2014, the brand had 8,313 digital subscriptions, a 94% increase compared to the year before.

By October 2016, there were four types of subscriptions: digital-only, digital plus paper, Ípsilon for tablet and Kindle. An annual digital subscription was €99.99 and a monthly subscription was €9.99. There was also a special digital-only signature for €1.99 for 12 weeks for new subscribers. In 2017, it had 13,985 digital subscriptions, an increase of 14 percent compared to 2016. In July 2018, the digital subscription could be made by semester (€40), by year (€50) or by week (€1.5). There were exclusive conditions to students and corporate, and all subscribers benefit
from a 15% off in Público’s merchandising and special offers. In 2018 they made changes to the metered paywall: anyone could read up to seven articles each month; free registered readers could read 12 (increased to 15 in September).

Público has hence been searching for the best formula to engage readers and seek sustainability. However, these frequent changes could be detrimental to how readers perceive the credibility of Público. The same happened to the culture section naming: it changed from “culture” to “culture-ípsilon” in 2014 (with the fusion of the cultural print supplement and the culture daily digital section), and then back to “culture” in 2018, but when we enter the section the logo that appears in the head section is “İpsilon”.

An innovative approach to the business model was the project Público +, a fund financed by companies with a philanthropic profile for major journalism projects in three key areas: Investigative Reportage, Culture, Science/Environment and Multimedia.

In 2017 and 2018, findings confirmed an increased focus on branded content: in the culture section, “FOX” is the most frequent advertiser with reviews about some of the channel series. However, the blurring boundaries between journalism and advertising, when the content is not well identified as advertising, can be problematic to the media brand. The same happens with the new revenue stream that Público is investing in: the organization of events, such as conferences. Público organized the entire event (such as the Conference Democracy 4.0, promoted by European Commission, in 2018), but also made the complete coverage of the event (in a special section) on the website without informing readers that it was being paid to do it. In both cases, the business model is having a clear negative impact on editorial positioning and independency.

Notodo’s funding model: an experience convergence media brand

La Fábrica (http://www.lafabrica.com) is one of the most relevant organizations in the cultural scene in Spain. It is responsible for the PhotoEspaña event, Notodo Film Fest, Europe’s Festival of Contemporary Culture, Eñe Festival and other relevant projects. In the media area, it has three magazines (Matador, Ojo de Pez and Eñe) and one cultural news website, entitled Notodo (http://www.notodo.com). The website Notodo is the main subject of this research.

Notodo is, according to Alain Queipo, editor-in-chief, sustainable because it is part of the projects network by La Fábrica. If it does not generate a profit, it will be supported by other projects’ revenues. However, Queipo confirms that Notodo makes an “impressive profit”. This financial success has to do with mixing the sources of revenue that La Fábrica has.

Regarding advertising, the strategy is very aggressive. On Notodo’s website and in its newsletters, advertising can be present in the interactive galleries, on the homepage and article pages, and the newsletters sent to readers. There are also editorial sections sponsored by brands and branded content, although the line between what is editorial and advertorial is not clear.

Brand extensions are also part of the funding model. To finance editorial projects, La Fábrica often promotes festivals related to the editorial brand, because it is easier to obtain sponsorships (it creates more visibility). That is the case with the Eñe Festival, which brings readers and revenue to Eñe magazine, and the Jameson Notodo Film Festival, as a brand extension of Notodo. Naming (giving the festival the name of the sponsor) is also frequent. The same logic is behind the internationalization strategy: Photo España Festival is now in Brazil, as a way of expanding the brand and getting more sponsors. La Fábrica’s business model includes cultural consulting for clients and training courses, including a Master’s in Cultural Engineering in association with the European University of Madrid and the Master Photo España in Photography in association with PIC.A Escuela Internacional Alcobendas. At the end of 2013, La Fábrica launched a gallery, a concept store with Spanish designers’ works, a bookstore with La Fábrica’s collec-
more natural path, choosing the one that everybody was taking: going to social media without a defined strategy, giving away all content for free in one step and then charging for all in the next. Findings suggest that a sustainable media funding model must have a real relation to the media’s brand editorial positioning and act as an extension of it. It is essential to create value, not to care only about making money, and to acknowledge that one formula does not suit all.

Regarding RQ1 - how are the media innovating regarding their paradigm, both general and specifically in the culture section? - a common pattern seems to be a mix of revenue sources extending beyond editorial content: merchandising, training, conferences, festivals, cafés and galleries, all contribute to a stronger business model and different paradigmatic innovations. There are no fire-proof models, but the key is to be coherent. For example, if The Guardian advocates open journalism, it makes sense to have a membership model, supported by an engagement strategy, rather than a paywall. If Monocle does not give away any free print copies, it makes no sense to give the magazine’s content away for free on the website.

The Notodo/La Fábrica strategy is an interesting one, in the way that it promotes cultural events that enhance their editorial projects, and how it focuses on training and consulting services; a strategy that is similar to Monocle (with creative agency Winkreative) and The Guardian Labs.

The end-goal is to be sustainable, and two of these four case studies are effective in this: Monocle and Notodo are profitable. Although not profitable yet, The Guardian is achieving better results. Público is still struggling and perhaps needs to be more coherent in its paradigm.

In all the four cases, findings show that they are all innovating in the business model using different strategies related to their paradigm: The Guardian is investing in a readers-centric logic; Monocle in an upmarket extended media brand experience; Público in a classic metered paywall; La Fábrica in a convergence media brand experience. Although this study does not enable me to objectively identify changes in mindsets and the values, it showed that the staff and the cultural organization of the four case-studies are committed to the business model. These are findings that are not particularly concerned with the culture section, but to the overall media brand.

Regarding the RQ2 - how does the paradigmatic innovation affect the overall editorial positioning, including cultural scope and coverage, product and processes? - I conclude that there is a clear relation between the editorial positioning of the media brands in a digital environment and the ways they get funded. In all the four cases, findings show that the values, the business model and the mindset de-
termine the way they distribute their stories, engage with the reader, and position themselves in the media industry. For example, Público’s increasing focus on branded content and conference organization and coverage at demand can have an impact on the editorial independence. Particularly regarding the culture coverage, the paradigmatic innovation also influences their editorial strategy. In the case of La Fábrica, the focus on the niche culture must be potentiated with cultural events that act as promotion to the respective editorial products. The Guardian has strategic culture subsections, like the children’s books, that promote the engagement with the reader and the retail revenues. Monocle launched an online radio focused on cultural programs because it saw a market opportunity. Paradigmatic innovation hence affects all the other fields of innovation and it is their driver, so the media must have this in mind to address the challenges of future digital scenarios.

Dora Santos-Silva
Invited Professor, NOVA University of Lisbon
dorasantossilva@fcsh.unl.pt

NOTES
1. Since 2013, The Guardian has also US, Australia and International versions.
2. https://www.theguardian.com/membership (last access 8th September 2018).

REFERENCES
Anderson, C. W., Bell, E., and Shirky, C. (2012). Post-Industrial Journalism: Adapting to the Present. Columbia. Retrieved from http://towcenter.org/wp-content/uploads/2012/11/TOWCenter-Post_Industrial_Journalism.pdf
Bleyen, V., Lindmark, S., Ranaivoson, H., Ballon, P. (2014). A typology of media innovations: Insights from an exploratory study. The Journal of Media Innovations, 1(2014), 28–51. DOI: https://doi.org/10.5617/jmi.v1i1.800
Breiner, J. (2014). 12 revenue sources for digital news organizations. News Entrepreneurs. Retrieved August 21, 2014, from http://newsentrepreneurs.blogspot.pt/2014/05/11-revenue-sources-for-digital-news.html
Briggs, M. (2013). What Makes Journalism ‘Innovative’? Lessons from This Year’s Scripps Howard Awards. Poynter. Retrieved November, 17, 2017, from http://www.poynter.org/latest-news/top-stories/207335/what-makes-journalism-innovative-lessons-from-this-years-scripps-howards-awards/
Crovitz, L. G. (2017). Serving readers over advertisers. Nieman Lab – Predictions for Journalism 2018. Retrieved July 16, 2018, from http://www.niemanlab.org/2017/12/serving-readers-over-advertisers/
Deuze, M., and Witschge, T. (2018). Beyond journalism: Theorizing the transformation of journalism. Journalism, 19(2), 165-181. https://doi.org/10.1177/1464884916688550
Dogruel, L. (2015). Innovation research in media management and economics: An integrative framework. Journal of Media Business Studies, 12(3), 153–167. https://doi.org/10.1080/16522354.2015.1069478
Dogruel, L. (2014). What is so Special about Media Innovations? A Characterization of the Field. The Journal of Media Innovations, 1(2014), 52–69. https://doi.org/10.5617/jmi.v1i1.665
Francis, D., & Bessant, J. (2005). Targeting innovation and implications for capability development. Technovation, 25(3), 171–183. https://doi.org/10.1016/j.technovation.2004.03.004
Gant, C. (2013, May 15). Star Trek Into Darkness is light years ahead of the competition. Retrieved December 15, 2019, from http://www.theguardian.com/film/filmblog/2013/may/15/star-trek-into-darkness-british-box-office
García-Avilés, J. A., Carvajal-Prieto, M., Arias, F., & Lara-González, A. D. (2018). How journalists innovate in the newsroom. Proposing a model of the diffusion of innovations in media outlets. The Journal of Media Innovations, 5(1), 1–16. https://doi.org/10.5617/JOMI.V5I1.3968
GNM Press Office (2017). Guardian Reaches Milestone of 500,000 Regular Paying Supporters. The Guardian. Retrieved July, 21, 2018, from https://www.theguardian.com/gnm-press-office/2017/oct/26/guardian-reaches-milestone-of-500000-regular-paying-supporters.

GNM Press Office (2018). Guardian Media Group Plc (GMG) Results for the Financial Year Ended 1 April 2018. The Guardian. Retrieved July, 21, 2018, from https://www.theguardian.com/gnm-press-office/2018/jul/24/ guardian-media-group-plc-gmg-results-for-the-financial-year-ended-1-april-2018.

Jaakkola, M. (2012). Promoting Aesthetic Tourism. Journalism Practice 6(4), 482–96. doi:10.1080/17512786.2012.667284

Jarvis, J. (2017). If I Ran a Newspaper.... Medium. Retrieved July, 21, 2018, from https://medium.com/whither-news/if-i-ran-a-newspaper-220a065d2232

Jarvis, J. (2014). What now for news I. Medium. Retrieved July, 21, 2018, from https://medium.com/whither-news/no-mas-mass-media-e7ed95079a43

Kammer, A. (2015). Post-Industrial Cultural Criticism. Journalism Practice 9(6), 872–89. doi:10.1080/17512786.2015.1051371.

Kristensen, N. N. (2019). Cultural journalism—Journalism about culture. Sociology Compass, 13(6). doi:10.1111/soc4.12701

Kristensen, N. N. (2010). The historical transformation of cultural journalism. Northern Lights, 8(1), 69–92. doi:10.1386/nl.8.69

Kristensen, N., and From, U. (2015). Cultural Journalism and Cultural Critique in a Changing Media Landscape. Journalism Practice 9(6), 760–72. doi:10.1080/17512786.2015.1051357

Krumsvik, A. H., Milan, S., Bhroin, N. N., & Storsul, T. (2018). Making (Sense of) Media Innovations. In M. Deuze & M. Prenger (Eds.), Making media: production, practices and professions (pp. 193–205). Amsterdam: Amsterdam University Press.

Krumsvik, A. H. (2015). Newspaper Ownership and the Prioritization of Digital Competences. Digital Journalism 3(5), 777–90. doi:10.1080/21670811.2014.941234

Lichterman, J. (2015). How Tyler Brûlé has extended Monocle beyond simply a magazine for the jet set. Retrieved March 12, 2015, from http://www.niemanlab.org/2015/03/how-tyler-brule-has-extended-monocle-beyond-simply-a-magazine-for-the-jet-set/

Malmelin, N., and Virta, S. (2016). Managing Creativity in Change: Motivations and Constraints of Creative Work in a Media Organisation. Journalism Practice 10(8), 1041–54. doi:10.1080/17512786.2015.1074864

Motttram, J. (2017). From Pageviews to T-Shirts. Nieman Lab. Retrieved July, 21, 2018, from http://www.niemanlab.org/2017/12/from-pageviews-to-t-shirts/

Pavlik, J. V. (2013). Innovation and the Future of Journalism. Digital Journalism 1(2), 181–93. doi:10.1080/21670811.2012.756666

Público. (2013). O PÚBLICO sem limites e com novas regras. Retrieved November 14, 2013, from http://www.publico.pt/portugal/noticia/o-publico-sem-limites-e-com-novas-regras-1614225

Rosenstiel, T., & Jurkowitz, M. (2012). The Search for a New Business Model - An in-depth look at how newspapers are faring trying to build digital revenue. Washington: Pew Research Center - Project for Excellence in Journalism. Retrieved July, 21, 2018, from http://www.journalism.org/2012/03/05/search-new-business-model/

Santos Silva, D. (2018). Digitally Empowered - New Patterns of Sourcing and Expertise in Cultural Journalism and Criticism. Journalism Practice 13(5), 592-601. https://doi.org/10.1080/17512786.2018.1507682

Santos Silva, D. (2016). Cultural Journalism in a Digital Environment: New Models, Practices and Possibilities. Doctoral Thesis. Nova University of Lisbon, UT Austin | Portugal CoLab. Retrieved July, 23, 2018, from https://run.unl.pt/handle/10362/17022
Santos Silva, D. (2014). A Nova Dimensão Performativa do Jornalismo Cultural: Contributos Do Roteiro e Da Review. In Cultura Na Primeira Página. O Lugar da Cultura no Jornalismo Contemporâneo., 39–51. Lisboa: Mariposa Azual.
Santos Silva, D. (2012). Cultura e Jornalismo Cultural - Tendências e Desafios No Contexto Das Indústrias Culturais e Criativas. Lisboa: Media XXI.
Schumpeter, Joseph A. (1934/2012). The Theory of Economic Development - An Inquiry into Profits, Capital, Credit, Interest, and the Business Cycle. New Jersey: Transaction Publishers.
Shane, S. & Venkataraman, S. (2000). The Promise of Entrepreneurship as a Field of Research. The Academy of Management Review 25(1), 217–26. https://doi.org/10.2307/2592721
Storsul, T., & Krumsvik, A. H. (2013). What is Media Innovation? In Media Innovations. A Multidisciplinary Study of Change (pp. 13–26). Gothenburg: Nordicom.
The Guardian (2019a). Cities. Retrieved December 15, 2019, from http://www.theguardian.com/cities
The Guardian (2019b). The Guardian Bookshop. Retrieved December 15, 2019, from http://bookshop.theguardian.com/
The Guardian (2019c). Guardian Screening Room. Retrieved December 15, 2019, from https://www.theguardian.com/film/series/guardian-screening-room
The Guardian (2019d). Guardian Masterclasses. Retrieved December 15, 2019, from https://www.theguardian.com/guardian-masterclasses/all
The Guardian (2015). Live Better. Retrieved January 15, 2015, from http://www.theguardian.com/live-better-unilever
Villi, M., & Picard, R.G. (2018). Transformation and Innovation of Media Business Models. In M. Deuze & M. Prenger (Eds.), Making media: production, practices and professions (pp. 121–132). Amsterdam: Amsterdam University Press.
Weber, M. S., and Kosterich, A. (2018). Managing a 21st-Century Newsroom Workforce: A Case Study of NYC News Media. Columbia. Retrieved July, 21, 2019, from https://www.cjr.org/tow_center_reports/managing-a-newsroom-workforce-nyc-case-study.php