

# Income Models of Independent Media in Difficult Contexts

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October 2020



**FREE  
PRESS  
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## COLOFON

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*Special thanks to:*  
The interviewees, for their time and willingness to participate in the research.

Fondation Hironnelle, the European Journalism Center, IREX, MEDAS21 (Michel LeRoy), the Media Development Investment Fund (MDIF), Arab Reporters for Investigative Journalism (ARIJ) and Herman Wasserman (University of Cape Town) for their introductions to potential research respondents and providing feedback on the research concept.

All colleagues at Free Press Unlimited who contributed to this research report.

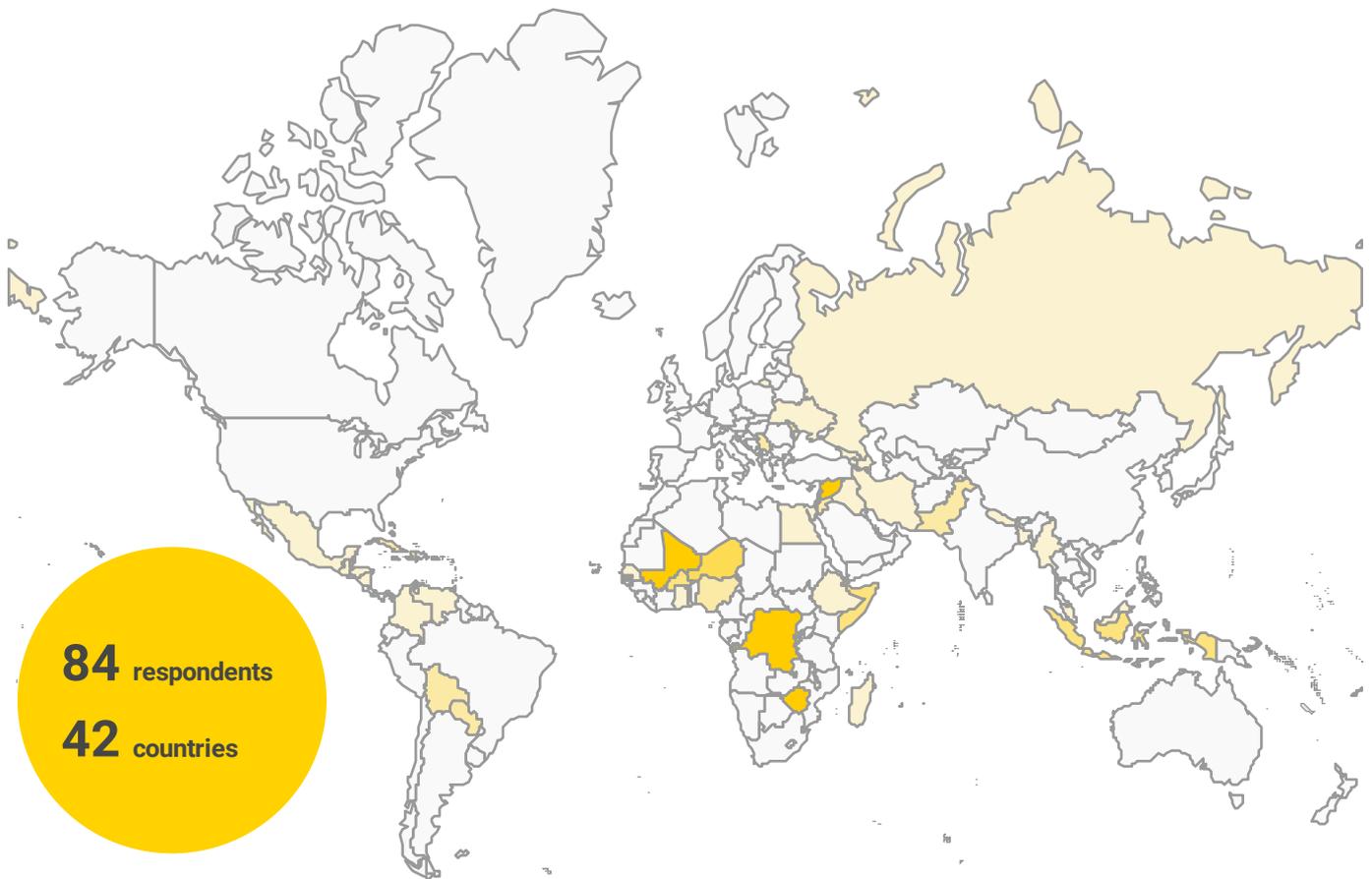
## TABLE OF CONTENTS

Table of contents	2
<b>EXECUTIVE SUMMARY</b>	<b>3</b>
<b>INTRODUCTION</b>	<b>6</b>
<b>CONCEPTUAL FRAMEWORK</b>	<b>8</b>
Donor dependency	8
Diversification of income	11
Context	11
<b>METHODOLOGY</b>	<b>13</b>
Definitions and categories	13
Research process	18
Limitations of this research	21
<b>MEDIA INTERVIEWED</b>	<b>22</b>
<b>FINDINGS</b>	<b>24</b>
Income models	24
Environmental factors	32
The perspection of success	43
<b>CONCLUSION</b>	<b>45</b>

Annex: Interview Questions

# Executive Summary

Struggling to survive, media and media support organisations alike are trying to discover and share trends, tips and tricks that can support media in developing their business models. While the struggle to survive is global, much of the attention in publications focuses on models from Europe or North America. This leaves media in more challenging economic or political environments wondering whether lessons learned and case studies are applicable to them. The current study consists of data collected by interviewing media from exactly these contexts:



# Main findings



## Diversification with age

The media in this research are in a constant process of **diversifying their revenue streams**. Generally speaking, the longer a medium exists, the more income streams a medium has. This shows that diversification of income models takes time and patience.



## Donor funding remains important

Donor funding is a very important source of income, even within diversified income models. Media that do not receive any donor funding are generally either start-ups (less than two years old) or solid, long standing media houses (founded more than 20 years ago) that have a print edition or also broadcast on television.



## Most media generate advertisement income

Advertisement income is also still a very important source of income; a large majority of the media generate some income through advertisement. Even though digital advertising generates much less revenue than print advertisement once did, advertisement income is still a welcome contribution to the annual budget of media.



## Reader revenue in diversified models

Reader revenue is an important upcoming revenue streams in many contexts. However, it hardly ever is the first source of revenue, and generally becomes part of already diversified income models (three revenue streams or more).

## Media in challenging contexts are fragile



Across all the challenging contexts, media struggle to sustain themselves financially. In low income countries, and countries with a very bad press freedom status, growth or income diversification are not easy – almost impossible – to accomplish.

## Reputation and stability are important



Media themselves generally do not link their financial well-being to the diversification of revenue streams. Rather, they value stable and diverse partnerships (with funders) and a trusted relationship with their audience. Success of media is often attributed to a break out moment (such as a prize or a story that went viral) or the quality of the content. Specifically, reputation and visibility are considered very important to a solid medium.

## Digital-only media are more confident



Digital-only media appear to be more robust than other media types; they assess their own financial status more positively in comparison to other media. This seems to indicate that that print media and (community) radio, even those with parallel digital channels, are (unsurprisingly) struggling more. From a media development perspective this is a great concern, since in many contexts audiences can simply not be reached through digital channels (only).

## Conclusion

Across the board, media will be in need for grant funding, as well as support for business model development. Even media in the comparatively less challenging environments will need to continuously update their business models. A lot of flexibility and resilience are required to survive while developing a diversified income model over the course of many years, a long period for which continued grant funding is very often required. Even the media who consider themselves as doing financially relatively well, or better than before, indicate that it remains complex and difficult to generate sufficient revenue. Well-off media can be easily disrupted when one larger partnership ends or the country's economy or press freedom status takes a step back. Providing core funding would allow media to continue their operations as well as appropriating resources to business management.

# Introduction

Free Press Unlimited believes that independent media organisations have a vital function in democracy. They hold powerful actors accountable, and provide reliable information that people can use to make informed choices. But media around the world today struggle to sustain themselves financially. [1] This is particularly the case for independent media organisations that fulfill a public interest mission [2]– and even more so true if they operate in repressive or conflict environments, or in exile. [3] These media are highly dependent on funding from foundations and (government) donors. Most of them do not generate any non-donor (commercial) income. A large majority is unable to commercially monetise their work to a substantive amount, maintaining their donor dependency. [4]

As one of the aspects related to media viability, media business models are a topic of interest to media and media support organisations alike. Considered from the perspective of the immediate sphere of influence of media, the business models of media businesses are among the most tangible aspects of media viability. Many projects and publications therefore focus on finding ‘successful’ business models, allowing media to survive.



*Journalist at work in Erbil, Iraq (credit: Boris van Westering)*

Among the many publications about media business models, a large majority discusses media operating in the economically developed, and often relatively free parts of the world. While these publications bring forth relevant insights and interesting case studies, the question arises how relevant they are to media that function in economically deprived or repressive environments, or worse, both.

This research serves to collect information on media business models from exactly these environments. Its aim is to identify factors – from both the environment and characteristics of the media themselves – that influence the development of a medium’s business model. The focus here lies on income diversification, and the media under study are independent small to medium sized public interest media. Ultimately, the goal of this publication is to support independent media working in challenging environments in their efforts to strengthen their business models. This report contains both general conclusions and cases describing some of the media included in this research.

For this study, Free Press Unlimited has received much support from other organisations and individuals working with media around the world on, among other topics, media viability. We would like to thank specifically Fondation Hironnelle, the European Journalism Center, IREX, MEDAS21 (Michel LeRoy), the Media Development Investment Fund (MDIF), Arab Reporters for Investigative Journalism (ARIJ) and Herman Wasserman (University of Cape Town). They have been supportive in introducing us to potential research respondents and providing feedback on the methodology of the research.

The following section of this report presents a short conceptual framework that further contextualises this study. After that, the methodology is explained. Then, the analysis is presented, with a short summary of conclusions for each subsection. Finally, this report presents its concluding remarks, including suggestions for further research.

# Conceptual framework

The issues affecting the viability of media are complex, and require different interventions, from advocating at the level of governments to educating the public about the importance of reliable information. In other words, work should be done on various levels, and in various ways, to improve media viability world wide. In this report, the focus is on the business models of media, and in particular the income streams of media and how they are affected by the contexts in which media work. The discussions and empirical research done on these topics is outlined below and form the framework on which this research is based.

## Donor dependency

Many public interest media, and especially those operating in complex environments, appear to be highly dependent on funding from foundations and (government) donors. Most of them do not generate any non-donor (commercial) income. A large majority is unable to commercially monetise their work to a substantive amount, hereby maintaining their donor dependency. [5]

The publication 'Fighting for Survival: Media Startups in the Global South' reveals two opposing viewpoints in the media (development) community about donor dependency. One viewpoint considers donor funding unreliable. Donors tend to support media outlets for a short time span: after this, they expect media outlets to be able to sustain themselves financially through other means, or they focus their attention to other – politically defined – pressing issues. The supporters of this viewpoint believe that media outlets need to find revenue streams that allow them to decrease their donor dependency. Opposing this is a more ideological viewpoint. This view posits that independent media organisations with a public interest mission are hard to come by. Therefore, the founders of these outlets should not be expected to also perform well in non-journalistic skills, such as business management or technical savviness.[6] Often, supporters of this latter viewpoint also express the concern that media might be distracted from their core mission while exploring other ways to generate income. Consequently, donor funding is desirable to support media in performing their democratic function in societies.

On the European Journalism Observatory blog, Manuela Preoteasa and Andrei Swartz write: “(...) non-profit and freelance media are not truly financially viable in the longer term. As Stefan Căndea, the co-founder of CRJI explained “if they would be sustainable, then they would be commercial and not non-profit. If they depend on donations, then they are not sustainable”. Some organisations are able to attract large grants or sponsorships, but these cannot be relied upon in the long run. The only way of becoming long-term sustainable is having a long-term commercially viable format. This negates, however, the entire non-profit/independent framework.” [7]



(credit: Marloes van 't Pad Bos)

This quote posits that the non-profit mission of a medium cannot be merged with financial viability. It is unclear which definition of financial viability is used by the writers. What is clear, however, is that they refer to the tension between commercial viability and producing content that speaks to the target audience of the non-profit medium, which is their 'core business'. Media organisations tend to explore new ways of generating revenue, because they are seeking increased financial viability, or because their donor granters wish to see a minimum threshold of commercial income.

On J-Source, Business for Journalism Editor Kelly Toughill writes: “The new thinking is that news organizations should try a bit of everything and see what works. But if you think new business models are just about paying for your existing journalism, get over it.”[8] However, opinions differ whether exploring new business models to pay for your core business is indeed a bad idea or not. On the Wan-Ifra blog, Jean-Luc Breysse (deputy CEO of Le Figaro Group – one of the largest media holdings in France) is quoted saying that the media business is too fragile to stand on its own. His strategy for income diversification is to explore revenue streams that are outside of media, so that they stand independent from the media income streams.[9] Raju Narisetti posits in a different Wan-Ifra blog post that it is well possible for a digital medium to accumulate up to 15 revenue sources and through that build a sustainable and growing media business. [10]

This discussion lays bare an inherent complexity that public interest media organisations face in terms of their business models. Non-profit, or rather public interest media [11], are founded with a mission that serves a public interest. This also allows them to attract donor or foundation funding: these non-commercial granters strive towards a similar goal as the medium. Thus in essence, the organisation is not commercially or economically, but ideologically driven. The ideology or mission is also the main determinant of the medium's target audience. It seeks to fill a gap in the (information) needs of this particular target audience (segment). Thus, contrary to commercial businesses, a public interest medium generally selects its target audience not because it is able to monetise this audience segment but because it believes that this audience has a right to see its information needs fulfilled. It does so regardless of the financial viability of this mission.

Aside from the discussion of donor versus non-donor funding, there is also no consensus about whether organisations receiving donor funding are more or less likely to generate non-donor funding. In *Funding the News*, Nisbet et al write that an accumulation of 'funding investments' allows media to diversify their income sources. This seems to be based on the notion that start-up or seed funding helps outlets to experiment with new revenue streams. [12] However, the *Inflection Point* study found that start-up funding is not a condition for a successful business model.[13] Also, an opposing theory is that media that are used to receive donor funding act more like NGOs than as businesses. The lack of business skill capacity at the managerial layer of many media, that is demonstrated in several studies, can be seen as confirmation of this theory. [14]

The discussion reflected above also surfaces quite some assumptions, some of which have been subject of study in previous publications. One of these assumptions is that income diversification of media business models makes media financially more stable. Another is that income diversification is possible in every context. These assumptions are discussed in more detail below.

# Diversification of income

There are few studies into the diversity of income streams of media. Brian Massey for example, tested the conventional business wisdom that states that more revenue sources is always better. Massey collected data through a survey among independent news sites in the United States. He found that for-profit sites performed better with few revenue streams, and that non-profit sites did not perform better at all with diversity. Also, the for-profit media were mostly dependent on local advertisement income, and non-profits on donations and grants.[15] However, Massey measured performance based on 'for-profit' criteria, assessing whether the media organisation ends a financial year with a break even, budget surplus or budget shortage. In other words, his work is based on the assumption that grant income is equally valuable as non-grant income. Also, other studies suggest the contrary: that more diversity in income streams is beneficial to media organisations.[16]

## Context

Again, most literature about successful business model cases discusses media organisations from the developed economies. There is however one consistent trend of highlighted cases that is also confirmed by the report *Lessons in Innovation*, which takes three cases studies from The Philippines, India and South Africa. In these cases, media outlets have a strong and clear mission to conduct investigative journalism in their countries. They do this with full transparency towards and through engagement with their audience.

This approach appears very successful to build trust among their audience members.[17] In effect the audiences of these media grow. Audience growth is generally monetised through a combination of donor funding, membership models or donations, sponsored content and advertisement, among other revenue streams.[18]



*Conflict reporting in Gaza (credit: Marielle van den Uiter)*

However, there are a few common factors among these case studies that cast a doubt over the transferability of this success. All three countries feature in lists of emerging economies, and all three outlets are digital born with a focus on background analysis or stories. The report *Fragile Finance*, with a focus of media in repressive environments or in exile, does provide a few indications of what does, and what does not work. The findings of the report suggest that there is potential in generating income by pooling media together into a global advertising network. Through this, the media achieve global reach. Another indication from the report points out that audience donations are not an option for media working in these difficult circumstances. Audiences cannot safely donate or simply do not have the resources to afford paying for news.[19] The differing findings in case studies suggest that there might be trends in successful revenue streams depending on the specific context in which a media outlet is operating. This knowledge gap in research so far is particularly interesting to explore further.

# Methodology

Based on the conceptual outline above, this report uses empirical data to answer the following research question:

*Which environmental factors and characteristics of independent, small to medium sized public interest media influence their income model?*

Clearly, this research question contains different terms that require definitions. Also, the question has required a careful research set up to ensure the reliability of the data. The methodology and considerations made in the research process are outlined below.

## Definitions and categories

### Environmental factors

There are plenty environmental factors that influence the possibility for business model development. However, often the emphasis is put on economic and press freedom factors. From the start of the research, there has been a categorisation made in countries based on similarity in these factors, to allow for comparison between these categories.



Bangladesh (BNNRC); rural reporters at work (credit:Free Press Unlimited)

For the level of press freedom, the choice was made to use the World Press Freedom Index, because the index includes different important aspects of media freedom, including the legislative framework, level of abuse and pluralism.[20] While the index has five categories – good / satisfactory / problematic / difficult / very serious – the category “good” was excluded from this research. This choice is based on the fact that the majority of the research on media business models is already based on media from this category.



Woman selling newspaper on the street in Ukraine (credit: Paul Enkelaar)

The choice for an indicator to represent the level of economy in the categorisation is more complicated. There are many different ways of categorising the levels of economy. Often, these categorisations are inconsistent or overlapping. This is the case for, for example, developing countries; sometimes a developing country is also a least developed country, or an emerging economy. As such, countries fall into different categories.

However, exploring new income streams is often considered challenging by media because of the (limited) purchasing power of the audience. In this research, the economic state of a country is therefore categorised using the World Bank income levels. The categorisation by the World Bank contains four levels – high income / upper middle income / lower middle income / low income. In this research, the countries falling in the high income level were not included in the categorisation, for the same reason as countries with a “good” score in the World Press Freedom Index: the majority of the research on media business models is based on countries from this level.

When combining the press freedom with the income level, the result is the following categorisation:

Category	Income level	Press freedom level	In this research
1	Upper Middle Income	Satisfactory	Not included
2	Lower Middle Income	Satisfactory	Limited
3	Low Income	Satisfactory	Limited
4	Upper Middle Income	Problematic	Included
5	Lower Middle Income	Problematic	Included
6	Low Income	Problematic	Included
7	Upper Middle Income	Difficult	Included
8	Lower Middle Income	Difficult	Included
9	Low Income	Difficult	Included
10	Upper Middle Income	Very Serious	Included
11	Lower Middle Income	Very Serious	Limited
12	Low Income	Very Serious	Included

Since we are less interested in the countries that are doing comparatively well, we have excluded the first category. In each of the remaining categories, we have tried to collect data from media from at least three different countries. Unsurprisingly, this has excluded a detailed analysis of category 2 and 3 from this research. Only Cabo Verde and Ghana belong to category 2, and only Burkina Faso belongs to category 3. Nevertheless, we have included some interviewees from countries that do not fall in a categorisation that we want to explore further (Burkina Faso and Ghana), because these media do provide an interesting addition for analysis that is not based on the categorisation.

We were able to interview media from at least three different countries for all remaining categories as planned, except for category 11. However, the number of media interviewed per country was not divided equally in all categories. This does not pose a problem in practically all categories, except for category 9, where the number of interviewees from DRC and Mali skew the image.

*Producing radio in a studio in Mali  
(credit: Free Press Unlimited)*



## Characteristics of media

The focus on this research, when it comes to characteristics of media, is three-folded:

- ◆ **type of media:** radio, digital, print or television – as well as whether the medium uses a single main channel (f.e. radio) or multiple main channels (f.e. print and digital);
- ◆ **age of the medium:** from start-ups (less than two years of age) to mature media (over 20 years of age);
- ◆ **size of the medium:** based on the annual budget and number of staff members, factors which are assessed in combination with the media type and channel (f.e. agile digital only media have much smaller budgets than print media)

These media characteristics are taken into consideration when analysing and comparing the income models of the media in this research.

# Definitions

## **Independent media**

Independent media are media that maintain their editorial independence regardless of the power exerted on them, both by parties that offer direct financial support or that can form a threat to the (financial) situation of the medium.

## **Small to medium-sized media**

Small to medium-sized media is a tricky concept, since everyone uses different standards to define such media, basing it on either annual budget, number of staff members, audience reach, or a combination of these factors. A large majority of the media interviewed in this research has an annual budget of less than one million USD, and/or less than 100 staff members. However, several media are larger than these given indicators. They were not excluded from this research, because considering their media type (partly print, television or short-wave radio) they cannot be considered large sized media comparable in any way to established publishing houses or commercial media.

## **Public interest media**

In this research, public interest media are used to distinguish the media with which media development organisations, such as Free Press Unlimited, partner as opposed to commercial media. Generally, these media have a mission that indicates their importance for the public, and/or for the functioning of a democratic society. In the section “Quality control” below you can find an explanation of how the independence and public interest mission of the media included in this research was assured.

# Research process

## Interview (questions)

A semi-structured interview was used to collect data for this research. The first interviews were carried out face to face, after which the list with questions was adjusted where needed.

The questions list consisted of the following sections:

- demographic data;
- mission of the medium;
- audience (segments) and audience segmentation strategy;
- type of content and formats;
- income model now and in the past;
- income streams through the core audience, and other income streams (often business to business);
- experiments conducted or planned;
- financial status (according to interviewee);
- factors contributing to success (according to interviewee).

There are two important things to note on these questions – that are also relevant when reading the conclusions of this report:

First, the research has aimed from the start to separate income streams that flow naturally from the mediums activities from income streams that are explored purely to generate income. The first type of income is referred to as linked to the core audience, in line with the mission of the medium. This also means that the audience segments targeted and content or formats offered are in line with this mission. Here, you can think of advertisement income, sponsorship, reselling content, reader revenue. The media business does not need to go to great lengths beyond what it would otherwise do. The second type of income is referred to as additional revenue streams; it aims mainly to generate income that supports the subsistence of the media, and generally targets an entire difference customer group with products or content they would not themselves publish through the medium. Here, you can think of communication services for other businesses, or offering training on social media marketing.

The goal of separating these income streams from each other, is to assess whether media often resort to very different activities just to generate income. However, sometimes it is difficult to distinguish between these two types of income. An example is community radio stations, who develop content for local NGOs, but then also air it themselves as service announcements.

Secondly, a question was included to understand how the interviewee assessed the financial status of the medium: is improving, the same, or going downward. Obviously, the answers to these questions are subjective. This was done on purpose, to get more insight into the challenges that media managers face in terms of financial sustainability.

## **Data collection process**

The research participants were recruited as much as possible among the partners of Free Press Unlimited, like-minded media support and development organisations or researchers working on this topic. The interviews were generally conducted by phone, although some were conducted face to face when possible, and for very few respondents, answers were obtained in writing. In either case, when answers were incomplete or unclear, there were follow up conversations or emails written until the interviewer was confident that all questions were answered satisfactory. The interview language was either English, French or Spanish.

## **Data entry process**

In the early phases of the data collection process, the data was entered into a digitized type-form as summary answers on the questions – derived from the interview recordings. Data was initially entered complete. But because of the amount of data, the process was more standardized after approximately 20 interviews. Based on the responses to questions thus far, many questions could be developed into multiple-choice questions purely for data entry reasons. This was accompanied by text boxes where additional notes on the subjects discussed could be added by the interviewer.



*Selling newspapers on the street in Ecuador (credit: Jeppe Schilderr)*

## Quality control

After the data was entered in full by the interviewer, the data was checked by the research lead. The entry would then obtain one of the following three statuses: approved, on hold or not approved. Entries that were on hold were accompanied by clarifying questions, which the interviewer tried to answer based on interview recordings, or by going back to the interviewee. The data would then be checked again, and ultimately receive as final status either approved or not approved.

In total, 92 interviews were conducted for this research. Ultimately, 84 of these were approved for the analysis. The other eight were not considered eligible, which is explained below.

As indicated, this research has focused on obtaining data on business models from a diverse group of media around the world – all independent small to medium sizes public interest media operating in less developed and/or restrictive environments. Because it was difficult to assess at face value whether media indeed are independent, and serve a public interest, the research participants were recruited as much as possible among the partners of Free Press Unlimited, like-minded media support and development organisations or researchers working on this topic. The contact persons at these organisations were also asked to suggest only media that meet these criteria.

In addition to this recruitment process, the interview results have been double checked on information that could indicate breaches of (editorial) independence of the media. As a result of this quality control the data of two interviews were removed from the database. Four interviews out of the 92 were excluded because of incomplete data or lack of clarity in the data. Data of another two interviews were excluded because the media interviewed functioned less as a medium, and more as a news agency.

## Limitations of this research

This research has a few limitations that are important to keep in mind:

1. It was noted by the researchers that some of the people that have introduced us to media to be interviewed, have had the tendency to suggest media with, what they considered, interesting business models. This might reflect in the data;
2. The DRC and Mali community radio stations are over-represented in this research. While this does not really effect the results of the research, it does skew the conclusions for the context which they represent, especially since both countries are in category nine;
3. The research is not based on a representative sample; the results therefore reflect indications and trends rather than hard facts;
4. Inherent to the set up of this research, it includes only media that were still surviving (at the time of the interview). This means that trends are identified for media who have so far been successful in sustaining themselves.

# Media interviewed

The visualisations in this section provide some additional information about the media interviewed for this research.

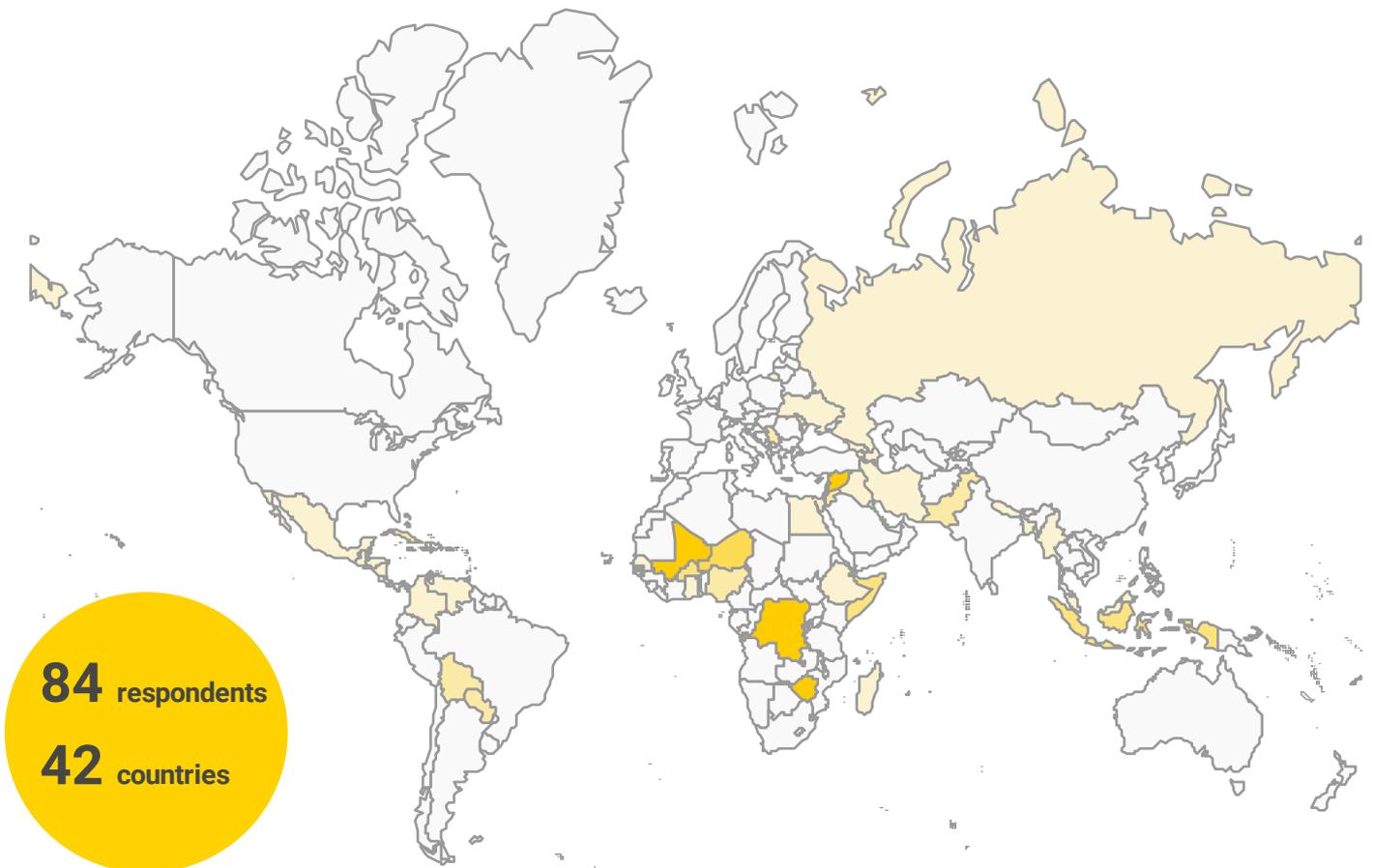


Figure 1: map of the locations of the media interviewed

## Media types

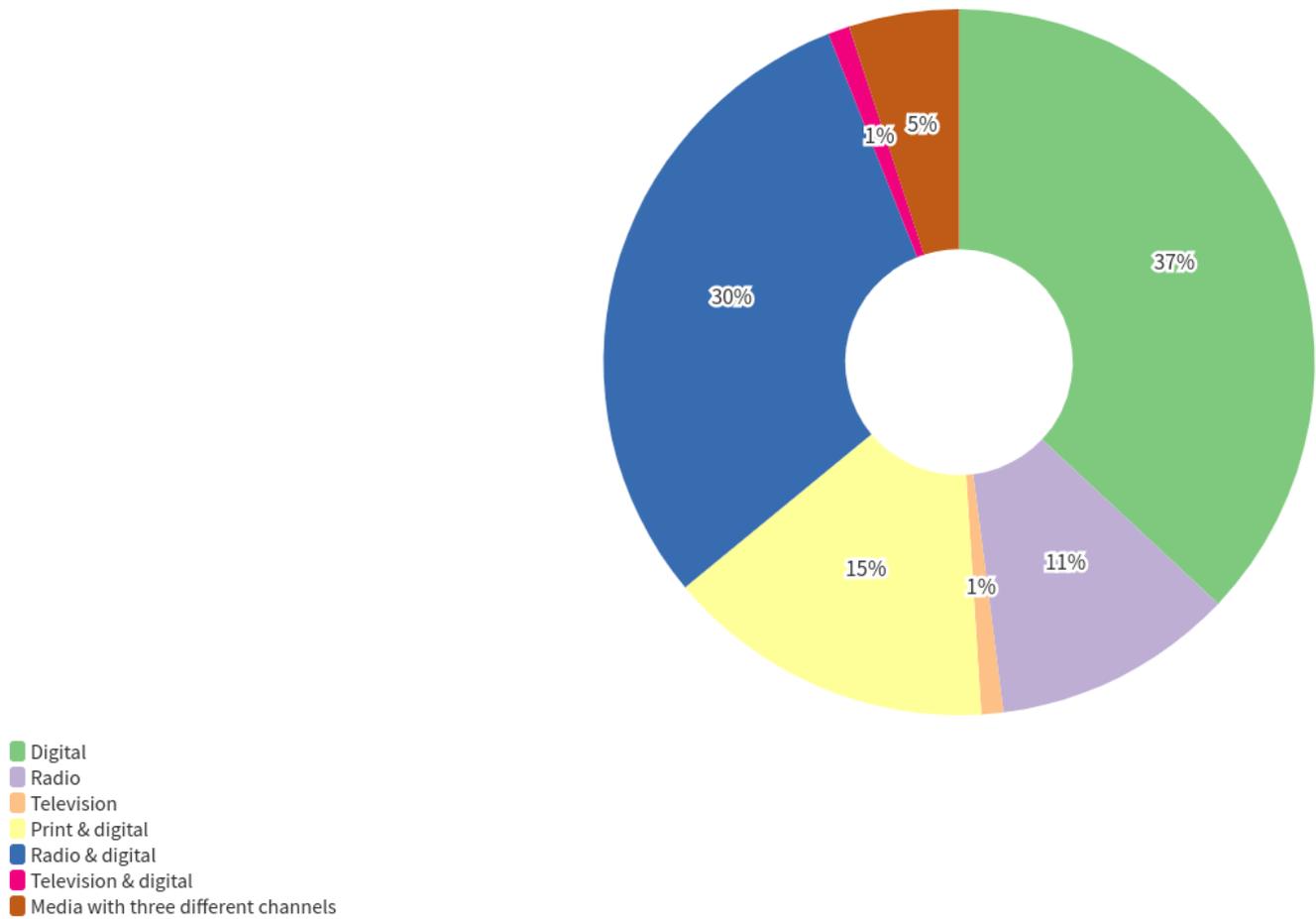


Figure 2: chart of the percentages of media types

# Findings

This chapter presents the findings of this research – based on data collected on 84 media in the 42 countries as indicated on the map above. In the first part of this chapter, the income models of the media in general are discussed. After this, types of media are compared, and the different contexts in which media operate, and their effect on income models are further analysed. Each of these sections start with a summary of the main findings, followed by the sub-question that is the focus of the section:

1. What are trends in income models of media from difficult contexts in general: how diversified are they, and which are the most common sources of income?
2. What is the influence of environmental factors (the income level of audiences and the country's press freedom level) on a medium's income model?

The final part of this chapter describes to which factors the interviewees themselves attribute their perceived level of success.

## Income models

In this sub-section of the findings chapter, the focus is on the following question:

*What are trends in income models of media from difficult contexts in general: how diversified are they, and what are the most common sources of income?*

### Main findings

- ◆ Income models are more and more diversified across the board; media are able to diversify more with age.
- ◆ Both grant funding and advertisement income remain important sources of income.
- ◆ Reader revenue is an important source of income for media with a highly diversified revenue model, and in majority not as the first or second most important sources of income.
- ◆ Especially donations are a potential additional source of income for media.

## Diversification of revenue streams

The media in the research have generally diversified their income model compared to a few years ago. There appears to be a clear correlation between the years of existence of a medium and the number of revenue streams of that medium. Generally speaking, the longer a medium exists, the more revenue streams it has through its core audience segment(s). This indicates that the diversification of media income models takes time and patience.

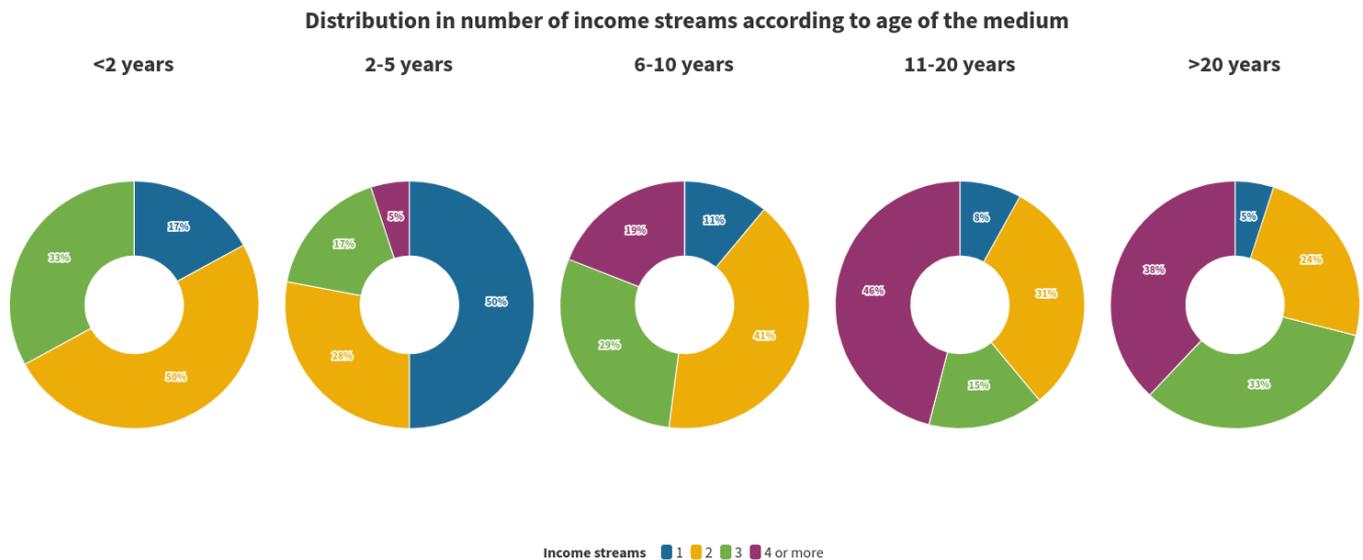


Figure 3: percentage of media per age category and the number of income streams

Generally speaking, the extent to which an income model is diversified does not influence whether the media explore additional sources of revenue through other customer segments (unrelated to the medium's core business). Media with both few and many revenue streams for example use business to business services to strengthen their financial situation. However, what is interesting is the interpretation of sources of such revenue. The argument that media might move too far away from their core businesses by exploring such income sources does not really seem to stick when analysing this further. A large majority of the media provides services to other NGOs or businesses that lie very close to their core businesses, such as developing content or advising on communication/media. Often, it is difficult to really separate these income sources from the core of the medium, because the content is for example suitable to be published on the medium's platform as well, either as core content or as advertisement. Furthermore, the advantage of providing, for example,

consultancy services is that the media are able to turn down a request or offer in case they do not see it fit their time schedule or mission. However, when separating the community radio from other media within the group of media with highly diversified income models, it becomes clear that the non-community radio media rarely use such additional income streams. Instead, these media are particularly noticeable for having an audience differentiation strategy that is clearly linked to monetization. They offer different formats to different audience groups, and are able to attract different types of income through these efforts. These media tend to use very different complementary revenue streams, mainly combining grant funding with advertisement, reader revenue (different forms) and/or sponsorship.

## The importance of grant funding

Grant funding is an important source of income across the board. Media with more diversified revenue models still very often receive grant funding as part of their income model. Generally speaking, not receiving grant funding occurs among two almost opposite types of media; on the one hand the very small, community media (radio) and on the other hand the long-standing and large media businesses.[21] Of the latter group, a majority was originally founded as print media and today they still often have a print edition that, as part of a diversified revenue model, generates revenue (through subscriptions, offline sales and - declining - print advertisement). One of the exceptions to this rule is Canal Revelation from the Democratic Republic Congo (more information in the highlighted section).

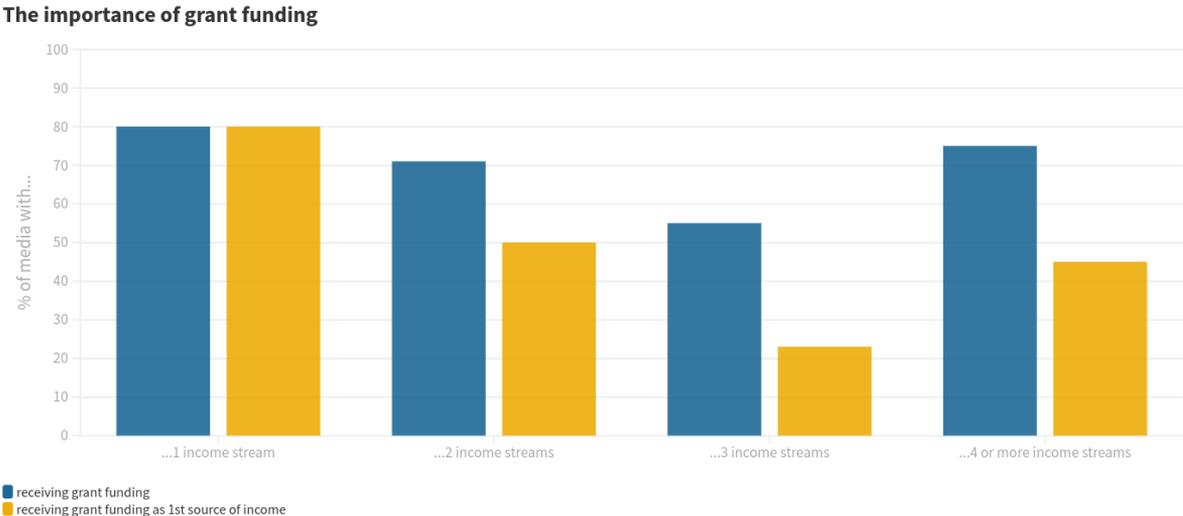


Figure 4: percentage of media per number of income streams receiving grant funding (as first source of income)

## Surviving Without Grant Funding: Canal Revelation Bunia

Founded in 2003, this community radio station from the Democratic Republic of Congo is relatively large sized. Its over 25 staff members work to inform the local community, and youth in specific, about developments in the region, fostering their critical thinking skills and encouraging peaceful co-existence. The radio was able to lay its foundations with community support.

Up until a few years ago, Canal Revelation received grant funding. This was at a time that there was much attention for the region, due to inter-ethnic conflict. However, with the increase of local stability, the NGO funding started to dry up. Luckily, the radio has been able to implement a highly diversified revenue model that has allowed them to survive until this day.

Canal Revelation combines core revenue streams with services that are unrelated to their core business. The most important income sources are the selling of air-time to NGOs and local businesses and institutes for campaigns and ads, which provides 25% of their annual budget. Following this is also the sales of air-time, but for awareness programmes by NGOs and state institutes (13% of the budget). The third most important source of income is renting out land, a studio and an antenna to an international media company and providing security services to this medium (18% of the budget).

In addition, the radio has been able to generate small amounts of revenue from their audience in a few different ways. Local citizens can buy air-time with a short personal message (about births, deaths, etc.). Community members support the radio with small amounts, and partake in the general assembly of the medium. Finally, some audience members provide ad hoc support, in case of for example repairs. Even though support by the community continues, Canal Revelation does see a decline in audience contributions, due to a decrease in their purchasing power.

Despite of all their success in diversifying the income model, the radio's manager indicates that donor funding as part of its annual budget is missed; on overage Canal Revelation has an annual deficit of 18% resulting in an inability to cover all essential costs.

# Reader revenue

From the media interviewed, a picture emerges of how revenue models for the majority of the media in difficult contexts evolve. Media are founded with in-kind contributions (both money injections and time investment) from the founders and (at times) a number of committed staff members. In the course of time, they are able to obtain a grant and start exploring the possibility of generating advertisement income. Advertisement income is very often the first or second source of income for the majority of the media interviewed. While digital advertising does not provide the income that print advertisement did in the past, digital advertising appears to be an important starting point for media to gain commercial income. Often, grant funding and advertisement income are enough for a medium to sustain itself for that moment, but some media do keep in-kind contributions as part of their revenue model for the time being.

Media generating reader revenue

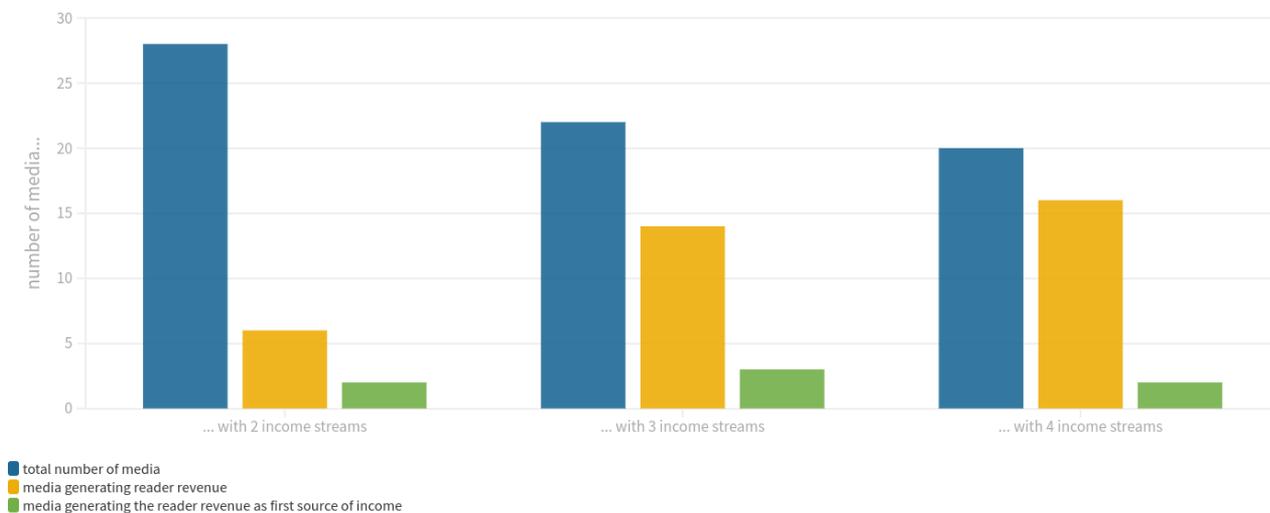
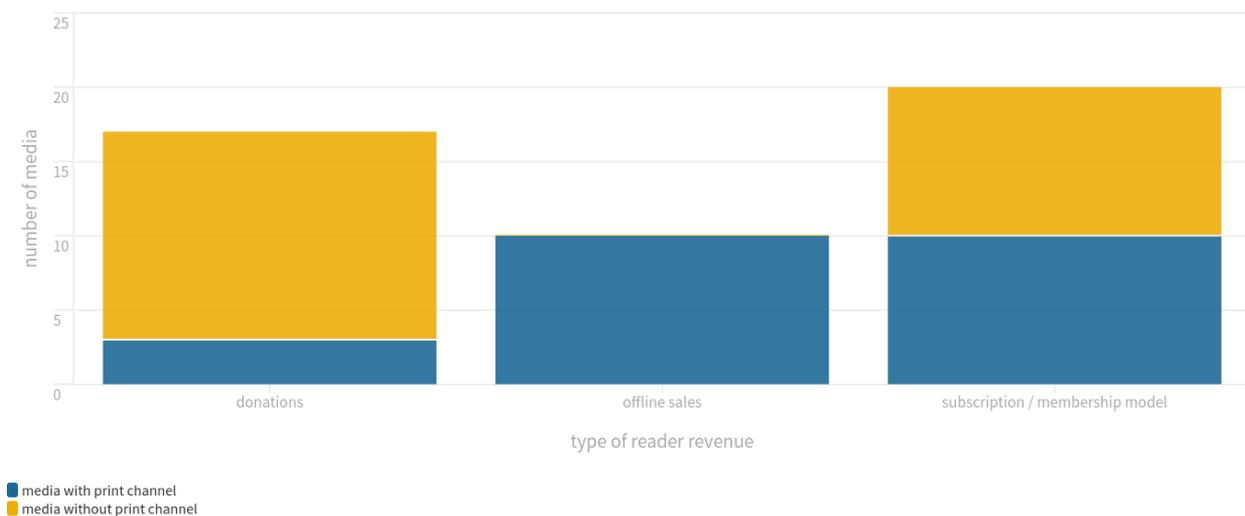


Figure 5: number of media generating reader revenue depending on the number of income streams in the income model

With grant funding and advertisement income as the basis to sustain themselves [22], media then continue to build up more evolved relationships with their audiences. Later, this serves as a basis for generating reader revenue. Reader revenue, predominantly in the form of subscription/membership models or donations, becomes increasingly important in correlation with the age of a medium as well as the number of revenue streams of a medium.

Generally speaking, media become successful in generating reader revenue from when they are older than six (but better yet older than 11) years of age, and already have at least two other core income sources. Especially donations [23] and membership models are potential and successful income streams for media across the board – regardless of the context or media type. More traditional subscription services remain relevant and interesting mainly for long-standing, in large majority print.

**Reader revenue income: print versus non-print media**



*Figure 6: type of reader revenue generated by print versus non-print media*

While it is clear that “reader revenue” is practically always a part of a more diversified revenue model, and rarely the first source of income, the fact that print (plus digital) media are also part of the research group does complicate the analysis. There are comparatively more print+ media that have three, four or four or more revenue streams in their business model. What is clear is that it is easier for print media to have a more diversified revenue model; often sales of the newspaper, subscriptions and/or print advertisement are a standard part of the package. Nevertheless, also among these media there are more and more digital membership models that allow for and require audience engagement. Also, the large print media representation among this group does not explain the importance of donations in diversified media revenue models in general. So, it remains unclear whether print media have a comparative advantage or whether the age and/or relationship with the audience plays an important role here. It would thus be interesting to do further research to understand how this compares between digital-only, originally print and radio.

## Case

### Donations Linked to Membership as First Source of Income: Novaya Gazeta

Novaya Gazeta is a Russian federal newspaper, which was founded in 1993. The newspaper is under threat in its own country: the medium lost 6 of its staff members who were killed because of their work. Novaya Gazeta's investigations has won them many prizes, including the Pulitzer Prize. Currently, the first source of revenue for the newspaper is a mixed model of fundraising and membership, which allows them to generate 20-25% of their annual income through donations from members.

The newspaper first set up its fundraising campaign in September 2018. In this campaign, readers were asked to become a 'co-partner'. In Russian, co-partner also means accomplice, which makes it a play on words: readers were asked to become an accomplice in the mission of Novaya Gazeta to tell the truth. In September 2018, more than five million rubles (about 54,000 euros) were raised, both through offline and online donations. Around 80% of the people donating have become recurrent donors.

The medium was very pleased with the results of the campaign, as they had not anticipated such a success in the first month. Each of the supporters during the campaign received an accessory package from the start. But considering the success, the team started to think about a more extensive package of 'privileges' to express gratitude for the support. Since then, the members (co-partners) receive a monthly newsletter with an update on past and future projects. Also, one special new years edition in 2018, was devoted to the members themselves and featured their pictures and stories. For recurrent donors, a few 'open doors days' were organised. On these events, readers had a tour through the office, viewed a documentary, had a Q&A session with editors and journalists, and could join an informal event.

In the words of the interviewee: "this model works precisely because people who read such independent publications as Novaya Gazeta are primarily active citizens of our country, who, like us, care. They see that we can become their voice and express their opinion. They trust us, so this model works."

In terms of specific reader revenue income streams; as indicated above, donations seem to be a particularly successful income source. In this regard, The Guardian is mentioned often by media as a source of inspiration. Crowdfunding campaigns as one of the strategies to collect donations serve two purposes for many media; to generate some additional income (either unearmarked but more likely for a specific purpose, f.e. investigation) and to understand the audience better. In the latter case, crowdfunding campaigns can provide a lot of information for future donation or subscription and membership models. On the contrary, events are not a successful source for generating income, and specifically not 'reader' revenue for most media. However, events can be an important means to engage with the audience. If as such combined with sponsorship, this can lead to a successful component of a media business model.



***"...this model works precisely because people who read such independent publications as Novaya Gazeta are primarily active citizens of our country, who, like us, care. They see that we can become their voice and express their opinion. They trust us, so this model works."***

Novaya Gazeta

# Environmental factors

In this sub-section of the findings chapter, the focus is on the following question:

*What is the influence of the income level of audiences and the country's press freedom level on a medium's income model?*

## Main findings

- ◆ Media operating in very bad press freedom environments experience most difficulty diversifying their income model and are highly dependent on grant funding;
- ◆ On the contrary, media operating in a low income environments have possibilities to diversify income, but the limited purchasing power of people in these contexts also limits the growth of these media.
- ◆ Media that are most resilient are those that do not find themselves in those extreme ends of the spectrum, operating either in middle income countries or in challenging but not a very bad press freedom context. In category eight, where there is a lower middle income level as well as a difficult press freedom context, these factors seem to strengthen each other, resulting in few possibilities for business model development.
- ◆ It is complicated to separate the characteristics of a media business from environmental factors. These characteristics - in particular the age of the medium and the target audience of the medium – seem also related to the resilience of media. Further research is needed to assess the causality of this connection.

The analysis in this section is based on the categorisation outlined in the methodology chapter.

The categories 4, 5, 7 and 8 represent contexts with middle income levels (both lower and upper) and with press freedom levels that are not very bad. In this sense, the media in these countries operate in challenging, but not the most extreme economic or political contexts. This is also visible when comparing the income and business models of media from these categories to media operating in low income or very bad press freedom environments. However, category 8 media – with both a lower middle income context and a difficult press freedom status – struggle more than media from other contexts. It would be interesting to study how these two environmental factors seem to strengthen each other in their effect on media income models. Media from the categories 5 and 7 stand out in particular in this group. For category 4 media, similar conclusions can be drawn, but the data seem to be partially influenced by the large representation of young media within the research group from this category.

Media from categories 5 and 7 tend to target larger audiences, but do offer various channels, formats and types of content to different segments within these audiences. Very often this audience segmentation strategy is clearly linked to monetization. Also, the media have diversified revenue models and within these models, reader revenue is generally represented. Many generate income through their core audience(s) with at least three income streams. Regardless, grant funding often remains the first or second source of income for a majority of these media, albeit also in a highly diversified form.[24] Advertisement is a second, very common source of income. In terms of reader revenue, especially donations stand out. Media are successful in raising donations in many different forms, including crowdfunding, donation buttons below articles, and through the existence of a large pool of private donors. Aside from donations, subscription and membership models work well for both print and non-digital media in these contexts. Reader revenue thus works well in these categories, especially when taking into account the diversification of the income model and the age of the media, as indicated above.

### Sponsored Conversations: Mutante

A very interesting, and very young (founded in 2018), digital media business is Mutante in Colombia. This medium has been able to build an annual budget of over \$250,000 in the short time it exists. It targets audiences of less than 50 years old, around specific topics of interest, such as gender or the climate.

Different from almost all other media, the goal of Mutante is not to simply inform, but rather to create conversations around topics. They do so by co-creating content with their audiences – ultimately developing in-depth investigative journalism reports.

In the words of Mutante's director:

“We believe in the need to build public agendas from the citizens and organised civil society. With the help of experts and partner organisations, we produce useful information for the mass public that we disseminate through varied and innovative informational formats on multiple channels, promoting public discussion. This makes us pioneers in distribution tactics and collective knowledge building.”

Mutante's success in engaging audiences has not gone unnoticed. The conversations with the audience provide much insight to NGOs and other interest groups. As a result, Mutante managed to receive sponsorship from 8 different organisations in the past year. Partners in these sponsored conversations have been NGOs and universities.

In some cases, Mutante designs conversations in line with the editorial agenda, and after this finds organisations that could have an interest in financing them. In others, organisations have approached Mutante to engage in a partnership. If the latter situation is the case, the medium first assesses whether the topic and goals of the conversation meet audience needs and follows editorial principles. The sponsor also does not have a final say on the content that will be published. Rather, agreements are made only on the general topics and conversation formats.

In addition to the sponsored conversations, Mutante receives grant funding and has recently launched Become Mutant, its membership program based on social conversation and audience involvement. Its mother studio, Camino, also generates income by developing strategies, platforms and content in business to business services.

## Countries outside of the extremes

Categories 4, 5, 7 and 8

### Details about categories 4, 5, 7 and 8

#### Press freedom levels:

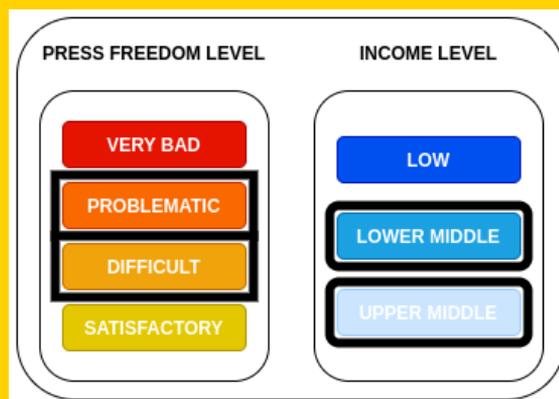
problematic (4 and 5) or difficult (7 and 8).

#### Income levels:

upper middle (4 and 7) or lower middle (5 and 8).

#### Total:

34 media from 24 countries.



#### Category 4:

Eight interviewees, from Armenia, Georgia, Lebanon, Peru and Serbia

Other countries in this category: Albania, Argentina, Bosnia & Herzegovina, Botswana, Brazil, Kosovo, Montenegro, and Paraguay.

#### Category 5:

Eight interviewees, from El Salvador, Moldova, Ukraine, Senegal, Bolivia, and Nicaragua.

Other countries in this category: Bhutan, Comoros, Ivory Coast, Kenya, Kyrgyzstan, Lesotho, Mauritania, Mongolia, and Tunisia.

#### Category 7:

Eight interviewees, from Colombia, Jordan, Mexico, Russia, Venezuela, Guatemala and Malaysia.

Other countries in this category: Algeria, Belarus, Bulgaria, Sri Lanka, Thailand, and Turkey.

#### Category 8:

Ten interviewees, from Bangladesh, Honduras, Myanmar, Pakistan, Nigeria and Indonesia.

Other countries in this category: Cambodia, Cameroon, Congo, India, Morocco, Philippines, Palestine, Zambia, Zimbabwe, Angola.

A striking difference between the media in the categories is the level of innovation. In category 5, which has a problematic press freedom level, many originally print media continue to generate revenue mainly through traditional income streams (offline sales, offline subscriptions). Also, these media tend to offer more traditional formats and content (news, in-depth reports). In category 7, which has a (more) difficult press freedom level (but a better income level), media seem to be more inventive both in terms of revenue streams and content/formats. Aside from donations and subscription or membership models, sponsorships, collaborations and events are featured forms of income among these media. Formats and content made by media in this category are podcasts, the use of satire, publication of special editions, use of audience engagement in the content production process, and the featuring of multimedia and games in publications.

*Sobia Khan working in the studio in Pakistan  
(credit: Said Nazir)*



For media from category 8, as indicated above, the situation is slightly different. Noticeable when looking at the revenue streams is that there are relatively few revenue streams per medium. Only three have one income stream, and only one has four or more revenue streams. The revenue streams for these media present a bit of a scattered picture. Only six out of the ten interviewees represent media that receive donor funding. Nevertheless, for five of these donor funding is the most important or only source of income. The revenue streams that seem to generate most income are the subscription and membership models, as well as advertisement – but neither of these income streams are very common. This group of media however seems to struggle more than others with the decrease of advertisement income, both for print and for digital; four of them specifically mention that this has caused a change in their business model in recent years.

It is interesting to note that there is a similarity between category 4 and 8, that distinguishes them from the media represented in category 5 and 7, which is their target audience(s). Whereas the first group targets more specific, sometimes niche, audience segments, the latter targets often the general public as a whole. When looking into the business models, it appears that the strategy to target a larger audience, and applying an audience segmentation strategy, is more beneficial to the income model of a medium, than targeting specific audience segments.



*Melanio Escobar covering the protests in Venezuela  
(credit: Manual Oropeza)*

Interestingly, many of the older media in all four categories have had a quite drastic change in their revenue streams in the past few years. Since there are quite a few print media among them, one would expect that there was a larger dependency on print advertisement, offline sales and subscriptions before (and that this is declining now due to the decline of print as mainstream media). But, while advertisement was indeed more important before for this group of media, this is not necessarily the case for subscriptions and offline sales. Also, for non-print media the advertisement has become more important, rather than less important. Grant funding has most definitely become more important as well across the board.

## Low income countries

### Categories 6 and 9

#### Details about categories 6 and 9

##### Press freedom levels:

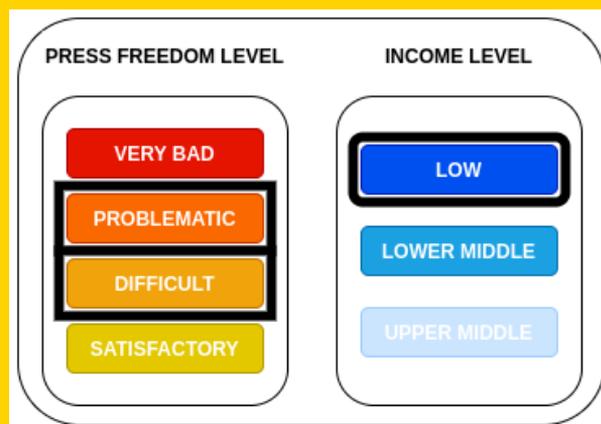
problematic (6) or difficult (9).

##### Income levels:

low (6 and 9).

##### Total:

28 media from eight countries.



##### Category 6:

Nine interviewees, from Madagascar, Nepal, Niger, Togo, and Haiti.

Other countries in this category: Benin, Gambia, Guinea, Guinea-Bissau, Liberia, Malawi, Mozambique, Sierra Leone, and Tanzania

##### Category 9:

19 interviewees, from Democratic Republic Congo, Mali and Ethiopia.

Other countries in this category: Afghanistan, CAR, Chad, Rwanda, South Sudan, Tajikistan, Uganda.

Media from categories 6 and 9 show a very similar picture in their business models. Both represent low income countries, with challenging, but not the worst possible press freedom conditions. Most of the media included in the research are (community) radio, sometimes with an active digital channel as well. Very few of the media are digital only, or print media with digital.

In general, these media appear keen on being able to reach everyone with information, regardless of the language they speak or their literacy rates. In other words, these media are highly ideologically motivated. This is visible in the content they offer, which often includes content on health and education, and in some cases have a clear view towards accountability.

The revenue streams that are important for these media are quite similar. There is a high dependency on grants, collaborations and advertisement. These three streams are most commonly featured as the first or second most important source of income. Collaborations as an income stream for these media, is an income stream that could be described as a mix of sponsoring and service contracts. In general, this means that the radios develop and/or air content about health, rights, education etc. (awareness initiatives) based on their own mission and that of an NGO or government agency. Many have quite a few different partnerships that underlie this income stream.

In general, these collaborations are important for the income of these media, while this is not so much the case for other types of media in other types of context. The explanation for this could be that the actual income generated through these collaborations is a few thousand dollars a year. Dependent on the size of the community media, this is an important revenue stream. However, for larger media, the income generated by such collaborations likely do not weigh in compared to the time and effort that would be spent on these efforts.

The advertisement income generated by these radio tell quite a similar story. Rather than advertisement of local businesses, these advertisements are 'communiques' or announcements of citizens (on an event/occasion, or when something or someone is lost) or government agencies. For some media this revenue source is decreasing, generally because of the increase of mobile phone use by the audience members. In general, the total revenue generated through this source is low.

The community media are generally well grounded in their communities. Many receive in kind support, occasional donations or regular membership fees from community members that are intended to support the work that the medium is doing.

Almost all of the media indicate a change in revenue streams over the past few years. This presents a bit of a mixed picture. Looking at the number of income streams, the media have definitely diversified much more. Whereas a majority had only one source of revenue before, now a majority has two to three sources of revenue through the core audience. When looking in more detail, some media indicate on a positive note that they are developing more partnerships, that they no longer need to inject their own money, and that their reputation/visibility has grown which makes it easier for them to generate income. Also, some of the particularly DRC media indicate that a growth in stabilization and economy has given them some small, but positive advantages. A few others indicate a decline in revenue due to a decrease in donor or church support, and because the local advertisements have become less important.

A majority of the media in this category have additional income streams that often have a lot, but sometimes have less to do with their core business. Many of these media cover events for others, or rent out or provide services based on space or equipment they have anyway. Some however have very unrelated revenue streams, including growing and selling vegetables and running a taxi service.

When taking the digital only media in these categories; these are generally struggling more than the community radios. Often, the only source of income is grant funding. This could be due to the fact that in these low income countries internet is less wide spread and purchasing power low.

# Countries with a very bad press freedom status

Categories 10 and 12

## Details about categories 10 and 12

*Press freedom levels:*

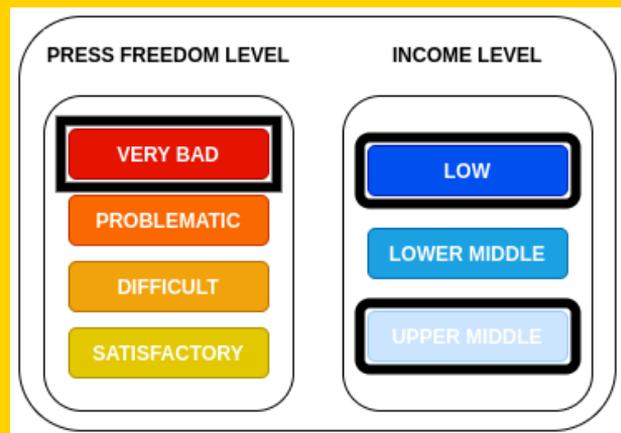
very bad (10 and 12).

*Income levels:*

upper middle income (10) and low (12).

*Total:*

17 media from seven countries.



*Category 10:*

Five interviewees, from Iraq, Azerbaijan, Cuba and Iran.

Other countries in this category: China and Libya.

*Category 12*

12 interviewees, from Syria, Somalia and Burundi.

Other countries in this category: Yemen and Eritrea.

The media described here need to actively work around censorship imposed by the government, where possible from inside the country but very often in exile. Especially the media from category 12 operate in conflict situations – or in contexts recovering from recent conflict. All are digital only media or radio with an additional digital channel (the latter being in the low income countries).

Even though some of the media businesses have existed for over 20 years, there is little revenue stream diversification visible. Most of these media remain heavily dependent on grant funding. Generally, the media have only one or two sources of income through their core audience, and about half chose to generate income through other customer groups, such as producing advertisements, videos or campaign material for other businesses.

Clearly, these media face a particularly challenging situation, and especially category 12 represents the absolute worst-case scenario for media businesses. In the context described here, maintaining operations in itself is an achievement. In this sense, the more resilient media are the ones that are able to continue their existence for more than two years.

## Case

### Public service announcements: ARTA FM

One example of a resilient radio station is ARTA FM. ARTA FM is a partially exiled, multilingual community radio station that broadcasts in the northeast of Syria. The medium has explored – and continues to explore – many different revenue streams to complement their largely grant funded budget. One of the income streams that they have successfully rolled out is public service announcements.

ARTA sells air time to CSO's, NGO's and international aid agencies for their awareness campaigns and public service announcements (PSA's), e.g, about vaccination, schooling, or mines. Generally, these campaigns are also produced by ARTA.

The civil society operating in northeast Syria know that ARTA has a wide reach, big influence and credibility in among the audience. Nevertheless, they often ask about reach and listenership figures, program formats, broadcast schedule, peak times, and how much air time ARTA can offer them at which price. Throughout the past few years, ARTA has gradually learned how to present itself to such 'clients' – to have a strong profile, figures and statistics, example campaigns, impact stories, and price lists.

In 2018, ARTA's revenue from ads and PSA's represented only 0.2% of the total annual revenue. In 2019, this increased to almost 2%. However, this gradual increase was interrupted in late 2019 when the Turkish attack on north Syria disrupted the local market and activities of NGOs.

# The perception of success

As indicated in the methodology chapter above, the media in this research were asked about their financial status. While this is a subjective indicator, both the explanation of the interviewees and the 'demographic' data of the media do provide a bit of insight into how media representatives view the financial situation of their specific medium. Here we can find a few indications that could be interesting for further research.

First of all, increasing diversification of revenue sources does not seem to influence the idea of media that they are more stable in terms of income. Practically all media in this research have more income streams compared to before, but definitely not all of them perceive their financial status more positively. What does seem to influence this feeling of financial stability is the number of grant funders a medium has, as well as a new reader revenue stream that becomes an important source of income.

There is quite a difference between which media types see their financial status declining. (Native) Digital media are, regardless of the context in which they operate, much more optimistic about their financial situation. Again, this is not linked to revenue diversification: many long-standing print and radio businesses have more diversified income models, but are nevertheless not necessarily more positive about their financial status, regardless of the diversification in the income model. Also many of the 'well-off' media do indicate that while their financial status is not declining, they do not consider it stable either, mentioning it is a challenge to keep on top of the income model.

A negative effect on the perception of stability is the loss of a large partnership (from a grant funder or donor), as well as the decline of income streams that were important for a long time (often print advertisement). In addition to such changes in income streams, there are both economic and political factors play a role for those media considering their financial status going downward. Sometimes, changes in the (local or national) economy are mentioned as a cause.

Also, political factors, such as political crises or conflict affect the media. In these cases, this is either because the press freedom situation makes it more difficult for media to operate, or because the economy itself is affected by the political situation. In that sense, it is not always easy or useful to distinguish between political and economic factors affecting media viability.



*ARTA FM producers record radio in the studio (credit: ARTA FM)*

Media that are in the categories 4 and 7, which are upper middle income categories, do, without exception, consider their financial status the same or improving. The same is true for category 5 media, with the exception of media from Bolivia and Nicaragua. This latter fact is also interesting; both countries are in situation where civic space is shrinking. As a result, the scores of these countries on the press freedom scale have plunged quite drastically in the past years. This is particularly the case for Nicaragua, that moved from position 70-75 out of 180 in the years 2014-2016 to position 114 in 2019.[25]

# Conclusion

Media around the world are increasingly diversifying their sources of revenue, especially as they exist for a longer period of time. Their income models almost always contain grant funding; only very small community media or large, long-standing media companies at times do not receive or need grant funding. Generally speaking, highly diversified models are not necessarily a source of stability for media. The number of revenue streams might have increased, but the amount of income generated through each stream has decreased compared to traditional media revenues.

Aside from the decreased revenues per income stream, it is also clear that in some contexts diversifying income models sufficiently is very difficult. For media operating in very bad press freedom environments there simply are very few possibilities to generating commercial revenue in these circumstances. On the contrary, media operating in a low income environment have possibilities to diversify income, but the limited purchasing power of people in these contexts also limits the growth of these media. In effect, media that are most resilient are those that do not find themselves in those extreme ends of the spectrum, operating either in middle income countries or in challenging but not a very bad press freedom context.

The characteristics of a media business – to some extent – influence the possibilities to develop the income model as well. In particular these characteristics are the age of existence of the medium and the target audience of the medium. Further research is needed to assess the impact of environmental factors on these characteristics. However, it is safe to say that more difficult contexts also make it more difficult for media to survive long enough to diversify their revenue and generate reader revenue. Also, in more difficult contexts it is likely more difficult to reach larger audiences due to safety concerns relevant for both media workers and audience members.

But even media in the comparatively less challenging environments will need to continuously update their business models. A lot of flexibility and resilience is required to survive while developing a diversified income model over the course of many years, a long period for which continued grant funding is very often required. Even the media who consider themselves doing financially relatively well, or better than before, indicate that it remains complex and difficult to generate sufficient revenue. Well-off media can be easily disrupted when one larger partnership (with for example a donor or sponsor) ends. This, in addition to crises that can hit countries under analysis quite easily and can cause instability – as has been the case for the media in Bolivia and Nicaragua that are represented in this research – leaves very few media unaffected.

Overall, media will need to receive continued support to innovate their business models, and access stable funding sources. Providing core funding would allow media to continue their operations as well as appropriating resources to business management.

# End notes

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- <sup>2</sup> Cook, C. (2016) "Fragile finance: The revenue models of oppositional news outlets in repressive regimes" in International Communication Gazette, vol: 78 (6), pp: 514-535; Arora, V., Ramakrishnan, N., and L. Fernandez (2015), *Community Radios and Sustainability*, publisher: CEMCA.
- <sup>3</sup> Scott et al (2018).
- <sup>4</sup> Schiffrin, A. (2019) *Fighting for Survival: Media Startups in the Global South*, Colombia University SIPA.
- <sup>5</sup> Ibid.
- <sup>6</sup> Ibid.
- <sup>7</sup> Blog of the EJO: <https://en.ejo.ch/media-economics/romanias-hybrid-media-model>.
- <sup>8</sup> Blog of J-Source: <https://j-source.ca/article/three-rules-for-supporting-journalism-with-multiple-revenue-streams/>.
- <sup>9</sup> Blog of Wan-Ifra: <https://blog.wan-ifra.org/2017/06/09/brand-extension-diversification-are-crucial-figaro-group-deputy-ceo>.
- <sup>10</sup> Blog of Wan-Ifra: <https://blog.wan-ifra.org/2018/08/27/raju-narisetti-multiple-revenue-streams-needed-for-success>.
- <sup>11</sup> Non-profit media are often referred to as the media organisations that fulfil a public interest duty. However, in this research the term public interest media is used, because these media can at times have different types of registration (non-profit, for-profit or dual) depending on the environment in which they operate. Rather, they are deemed public interest media because of their mission.
- <sup>12</sup> Nisbet M., Wihbey J., Kristiansen S., and A. Bajak (2018), *Funding the News: Foundations and Non-profit Media*, Shorenstein Centre on Media, Politics and Public Policy, p. 14.
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- <sup>13</sup> Ramos D., Melendez J., Aroche E., Jaramillo M., Ludtke S., and M. Alvarez (2018), *Inflection Point. Impact, threats and sustainability: a study of Latin American media entrepreneurs*, SembraMedia.
- <sup>14</sup> Bittner, A. (2019), *Digital Journalism and New Business Models*, European Federation of Journalists, p. 16-17; Nisbet et al (2018).
- <sup>15</sup> Massey, B. (2018) 'Testing the revenue diversity argument on independent web-native news ventures', *Digital Journalism*, vol. 6(10), pp.1333-1348.
- <sup>16</sup> Ramos et al (2018).
- <sup>17</sup> Bittner (2019), p.18.
- <sup>18</sup> Posetti J., Simon, F., and N. Shabbir (2019), *Lessons in Innovation: How International News Organisations Combat Disinformation through Mission-Driven Journalism*, Reuters Institute.
- <sup>19</sup> Cook (2016), p. 16 and 24.
- <sup>20</sup> For a full overview of the methodology used in the Press Freedom Index, please consult <https://rsf.org/en/detailed-methodology>.
- <sup>21</sup> These media businesses are founded more than 20 years ago and often have a budget of over \$1 million.
- <sup>22</sup> The time needed to build up trusted relationships with audiences also allows media to diversify within different sources of revenue; obtaining multiple grant contracts and generating income from different types of advertisement.
- <sup>23</sup> Here, the media are specifically able to mobilise their audience to donate to be able to continue their work, or do a specific investigation. The most used forms to gather donations are crowdfunding campaigns and donations requests on the website for media that have digital as their most important channel, and more informal structures for community radio.
- <sup>24</sup> Some media report to having seven different grant funders or more.
- <sup>25</sup> The higher up on the press freedom scale, the more concerning the press freedom situation is in a country. Bolivia moved from position 94 in 2014-2015 to 113 out of 180 in 2019.

# Annex

## Interview Questions

### INTRODUCTION

Thank you for this opportunity to interview you. This interview contributes to a study that is conducted by Free Press Unlimited about financial viability of media outlets. The main goal is to identify which types of revenue sources media around the world tap into to be able to continue delivering content to their primary target audience. Media we are particularly interested in interviewing are those working in difficult circumstances, such as conflict areas, and in economically challenging markets. The information you provide here is in principle confidential and anonymous, unless you agree that the name of your medium can be published. Are you ready to get started?

### QUESTIONS

1. When and why was your medium founded? By whom?
2. Is the reason your organisation was founded in line with the mission the organisation still has today?  
*[if not: what is your organisation's mission?]*
3. Considering this mission, who is your medium's primary target audience?  
*[if multiple: which audience groups are most important to your organisation?]*  
*[if not specifically or clearly mentioned: is this on a local, national, or regional level? in which country is the audience based?]*
4. How are you reaching this audience?(type of medium)  
*[if not digital] Does your medium also have an online existence; through a website or social media?*  
*[if digital] Is your medium digital-born?*
5. What kind of content or products are you offering to your primary target audience?

6. How does your organisation generate income to finance this?

*[Are you generating income through your 'mission-related work'? Or do you do effort to generate income for your main journalistic purpose through ways that do not directly serve their audience?]*

*[if multiple: which are your top 4 revenue sources, in order of 1-4?]*

*[If it includes donor funding: how many donor/foundation funders does your organisation have?]*

*[if it includes advertisement: what kind of advertisement]*

7. Have the revenue streams of your organisations changed in the past years? If so, what were the dominant revenue streams before?

8. Are there specific factors or defining moments that gave your organisation a push, or comparative advantage, that helped you generate income through [... mention important commercial revenue streams above]? / What has helped you generate income aside from donor funding?

*[probe for: collaboration with others, audience engagement, staff members hired, audience research conducted]*

10. Did your organisation try to generate income in other ways in the past? How?

11. Were these other ways of generating income successful? Why (not)?

12. Do you have any plans in terms of business development? For example, trying out new products or new revenue streams?

13. How is the organisation doing financially compared to 1 or 2 years ago?

Could you explain this response?

*[probe for: budget or income changes, staff changes]*

## **GENERAL QUESTIONS ABOUT MEDIUM**

a. What kind of registration does your organisation have?

*[If registered: business, non-profit, mixed, both]*

b. Could you tell me how many staff members your organisation has?

c. Are you willing to share the total annual income in the past year, putting it in the following categories?

< \$10,000

\$10,000 - \$15,000

\$15,000 - \$25,000

\$25,000 - \$50,000

\$50,000 - \$100,000

\$100,000 - \$250,000

\$250,000 - \$500,000

\$500,000 - \$1,000,000

> \$1,000,000

d. Are you willing to share the number of audience members you reached in the past year?

### **CLOSING**

Thank you for taking the time to talk to me.

We are considering highlighting some of the media interviewed for this study as a case study.

Could we approach you for more, or more in-depth information, at a later stage of this study for the purpose of developing a case study?