How magazines could remain competitive in the transition from print to digital media

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Abstract

During the past decades, the world has seen a fast development in information technology. This has led to significant changes in many different industries including the media industry. The transformation is in progress and is unceasingly changing the game rules for media companies. Many magazines are struggling in the new competitive media landscape since existing business models in the print industry are hard to apply to the digital industry. In order for magazines to remain competitive they need to develop their revenue models and adjust to the new game rules in the industry.

This thesis is focused on how magazines could develop their businesses in order to remain competitive in the transition from print to digital media. The research methods used were semi-structured interviews and a survey. The interviews were conducted with seven different media experts in order to find possible directions for Swedish magazines in general. The survey was aimed exclusively to the entertainment magazine Nöjesguiden in order to decide what additional revenue models fit them best.

The results from the interviews implicate that magazines should continuously evaluate their print business using a holistic perspective, adopt long-term perspectives, initiate cost cutting in the print business and put the cost savings into investments for the future. In addition, they should have four main areas of focus in the digital business – strategy, content, target group and data. Strategy relates to focusing on the digital business, being innovative and trying new things. The results also show that it is beneficial to separate the old business from the new since the old business is linked to outdated industry structures. Regarding content, the direction should be either very broad or very niched. Thereto, magazines should focus on unique content, which refers to content that is not available elsewhere by other content providers. In addition, magazines should evaluate what makes their content unique. This is closely related to the target group, which is going to become more important in the future media climate. For magazines, getting to know their specific target group and focusing on improving the brand recognition are going to be advantageous factors in being competitive in the digital media climate. In conclusion, magazines should use data to continuously evaluate their business and use that knowledge to improve their offer. The results from the survey shows that the best new revenue model for Nöjesguiden at the moment is events.

Key-words: Business model innovation, revenue model, magazine industry, print media, digital media
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1 Introduction

The introductory chapter gives a brief introduction to the dynamics of the media industry followed by the problem formulation, purpose, research questions, delimitations and definitions. Finally, an outline of the paper is presented.

During the past decades, the world has seen a rapid development in information technology. This has led to significant changes both in the way society works and in the media landscape as a whole (Weibull and Wadbring, 2014). The transformation of the media industry is in progress and is continuously reforming the game rules for media companies. The shift to digital media has resulted in an overall globalization of the media market (Chrisman, 2013). The industry is no longer enclosed to geographical constraints since services are reachable to almost anyone with an Internet connection. The digitalization has offered new possibilities where the consumer has almost instant access to media channels, and the possibility of sharing content through different social networks (Kaplan and Haenlein, 2010). That has among other things resulted in a new behavior among the customers, where media is consumed in multiple different platforms and media channels. This differs from the traditional print environment where customers read one single newspaper or magazine at a time. The Internet technologies have therefore changed the reading habits of customers (Koutsaitikis, Nanas and Vavalis, 2013).

The traditional media market is following a two-fold market model. What this means is that a media company does not only serve the audiences in providing content, but also serves the advertising industry in offering advertising space. Both stakeholder groups, readers and advertisers, depend on how many participants are present on the other side (Rochet and Tirol, 2006). The two stakeholder groups are distinct, which means they are acting on different markets. However, they are dependent on each other (Evans and Schamalensee, 2007). A magazine has to gratify both stakeholder sides in order to survive. From the advertisers’ perspective, the appeal of a magazine depends on the number of readers on the other side. From the readers’ perspective, the number and style of the advertisers in a sense influence the perception of the product, even though the connection is not as self-evident as in the reverse direction (Hartley et al, 2015). The interaction between the two networks generates the underlying dynamics of the media industry (Picard, 2009). In the new media climate, digital technologies have offered media audiences new tools that have enhanced the ability to create, comment on and distribute media content (Benkler, 2006; Bruns 2008; Shirky 2008, cited in Hartley et al, 2015). This has led to problems for many traditional media organizations, since they are not used to coping with increasingly active audiences (Küng, Picard and Towsn, 2008). This has resulted in an increased competition, since actors traditionally outside of the media market are entering the market. As an example, IT companies are moving towards the media industry, which normally have efficient practices for coping with active audiences (Hartley et al, 2013).
Traditional newspapers and magazines are struggling, since print media is declining in favor for digital media (Weibull and Wadbring, 2014). The declining patterns of print consumption and circulation has resulted in a decrease of advertising revenues, which in turn has resulted in the closedown of a great deal of newspapers and magazines around the world (Siles, Boczkowski and Pablo, 2012). Thus, the transition to the Web has undermined the industry’s recognized sources of financial stability and contributed to the economic problems many newspapers and magazines are facing (Siles, Boczkowski and Pablo 2012).

Almost all statistics attest that the transition to digital technologies will keep proceeding (Bartland, 2013; Siles, Boczkowski and Pablo, 2012; Sundin 2013). In the future, more and more newspapers will be forced to exceed into the digital climate, whereas traditional print magazines will keep declining both in subscriptions and advertising investments (Sundin, 2013). In order for companies to succeed in this environment, they need to develop new revenue models focused on the digital business (Giles, 2010; Kaye and Quinn, 2010; Picard, 2006b, Pickard et al, 2009). This thesis is focused on how magazines could develop their revenue models in order to remain competitive in the transition from print to digital media. The research described in this thesis, is following a two-fold methodology. The first part is aiming at finding new potential paths for magazines in general. In order to achieve this goal, interviews with a number of experts in the media industry have been carried out. The purpose has been to create a list of directions that could help magazines to outweigh the loss of print advertising revenues. The second part of the research is aimed at the entertainment magazine Nöjesguiden, with the goal of deciding what potential revenue models fit them best. In order to achieve this goal, a survey has been made and distributed through their website.

1.1 Problem Formulation

Authors have claimed that newspaper and magazine organizations have espoused inadequate and obsolete business models for the present media context (Meyer 2009; Picard 2001, 2002, cited in Siles Ignazio and Boczkowski 2012). A common explanation among researchers regarding the struggle of traditional media is that it has been hard to apply traditional revenue models of readers and advertisers into the digital landscape (Krumsvik 2012, cited in Bartland 2013). One of the reasons for that is, consumers are adopting new reader habits in the new digital environment (Koutsaftikis, Nanas and Vavalis, 2013) where multiple content sources are used in parallel. That means that the media usage is going from a vertical model in the print business where consumers typically keep to one or few magazines, to a more pluralistic and horizontal model in the digital business where readers are consuming content from multiple platforms simultaneously (Koutsaftikis, Nanas and Vavalis, 2013).

In order for magazines to be successful in the digital climate, they need to adjust or extend their revenue models and find new business opportunities that fit the digital market. Authors agree on alternative business models have to be developed in order to catch up with the changes in the market (Giles, 2010; Kaye and Quinn 2010; Picard 2006b, Pickard et al, 2009, cited in Siles, Ignazio and Boczkowski 2012). Picard (2006) claims that one of the most important tasks for media companies at the moment is to create economic value. New revenue sources from different platforms need to complement the traditional sources of revenue in order to survive in the future market (Melesko, 2011).
There has been suggested actions (Giles, 2010; Kaye and Quinn 2010; Picard 2006b, Pickard et al, 2009) presented on how to act in the changing media industry. However, recent research almost exclusively relates to newspapers and other parts of the industry, whereas a lot less research has been aimed at the magazine market. Furthermore, there is reason to continuously revise potential revenue models, since the industry is rapidly changing and new conditions on the market arise gradually.

1.2 Purpose

The purpose of the study is to evaluate how magazines can develop their businesses to remain competitive in the transition phase from print to digital media. More specifically, the aim is to present a summary of what mindset and areas of focus are important to succeed in the digital landscape and what revenue models are coupled with those attributes.

1.3 Research questions

Main research questions

*How can magazines develop their revenue models in order to remain competitive in the transition phase from print to digital media?*

*What revenue models are relevant for Nöjesguiden, based on their existing product offerings?*

The first research question is aimed at the magazine industry in general, whereas the second question is aimed at Nöjesguiden specifically.

Nöjesguiden

Nöjesguiden was founded 1982 and is a culture and entertainment magazine covering theatre, music, literature, concerts and food among other things. It is the oldest and largest entertainment magazine in Sweden financed by advertisements, and the print version is distributed for free in the three largest cities of Sweden eleven times per year. Beside the print business, the company has a website where news, reviews and blogs are updated continuously. The core target group is culture-aware people between 18 to 45 years of age (Nöjesguiden, 2015). Nöjesguiden is part of the climate where technology is disrupting the media industry. This has resulted in a decline of print magazine readers and print revenues in favor of an increase of online activity. The company has expressed an aim of adding new revenue models in order to broaden their customer offer online, and adjust to the new game rules the industry is facing.

1.4 Delimitations

This study has been part of the course ME200X – Degree Project in Industrial Economics and Management at the Royal Institute of Technology. The course comprise of 30 credits and covers a full time workload for 20 weeks of studies, which has been performed during the spring term 2015. During the work, both interviews and a survey have been conducted. Due to the short timeframe, the work was delimited to 7 interviews and a survey aimed specifically at Nöjesguiden.
There are many different companies represented in the media industry working with differing types of media. This study will be focused on publishers of magazines i.e. papers that are published less frequently than newspapers. Thereto, it is aimed at magazines that contain editorial content and have journalism as its core business. Furthermore, the study is delimited to magazines that both contain a print product and a digital product.

The research is thereto aimed at the Swedish market. Even though the media market is getting more globalized, the conditions on different markets might still differ. However, some examples from other markets are mentioned in order to find interesting things happening outside of the Swedish market.

There are many interrelated factors and conditions forcing the changes of the media industry such as technical, social, economic, legal and political elements. The two last-mentioned will not be included in this research, due to the short time frame. Furthermore, business model innovation includes many different elements. Even though many of these will be touched upon in this report, the main focus is on revenue models rather than business models. A definition of a business and revenue model will follow in the section 1.5 Definitions.

One of the traditional revenue models for free magazines is the advertising model. The two main traditional types of advertising are display and classified advertising. Display advertisements are normally containing color, graphics and pictures, whereas classified advertisements are typically text-based and grouped into classification such as automobiles and real estates (Business Dictionary, 2015). Display and classified advertising are big sources of revenues and still outstrips many other sources of revenue by a large margin (Macnamara, 2010). However, since this research is aimed at developing and finding new possible revenue models, the traditional advertising models such as display and classified advertising will not be evaluated in this research. On the contrary, advertising in new platforms and collaboration models such as native advertising will be touched upon. Native advertising is defined in section 1.5 Definitions.

1.5 Definitions

Newspapers and magazines
There are several different definitions regarding newspapers and magazines. In this paper, a newspaper will be defined as a publication issued in the time span daily to weekly (Business Dictionary, 2015), whereas magazines are defined as publications issued less frequently than weekly (Cambridge Dictionary, 2015). In an online environment, these definitions are blurred, since both newspapers and magazines typically launch new material continuously. However, since this research is aimed at companies containing both a print and an online business, it is still possible to categorize the publications as either newspapers or magazines.

Business and revenue model
There are various different definitions of business and revenue models. There is confusion in terminology, since business model, strategy, business concept; economic model and revenue model is frequently used interchangeably (Morris, Schindehutte, Allen, 2004). In this thesis, a business model will be defined according to Financial Times’ definition (2015, sec. 1):

“This describes the method and means by which a company tries to capture value from its business. A business model may be based on many different aspects of a company, such as how it makes, distributes, prices or advertises its products.” - Financial Times Lexikon
A revenue model will be defined as a subset of a business model, solely focused on how a company creates revenue streams. Collins Dictionary (2015, sec. 1) defines a revenue stream as:

“an amount of money coming in to a business or organization from a particular source” - Collins Dictionary

**Paywall**

A paywall is a digital structure that divides free content from paid content on a website (Sjøvaag, 2015). The function of the paywall is therefore to shift between an advertising model and a subscription model (Pickard and Williams 2014, cited in Sjøvaag 2015). As an example, many Swedish newspapers such as Aftonbladet lock certain kind of content behind a paywall.

**Content repurposing**

Investopedia (2015, sec. 1) defines repurposing as “the use of something for a purpose other than its original intended use. Repurposing an item can be done by modifying it to fit a new use, or by using the item as is in a new way.” Applied to Nöjesguiden, this could mean to take an old successful and relevant article, divide it into sections and add pictures to present on their website.

**Native advertising**

Altimeter Group (2013, p. 3), an independent research and strategy consulting company on disruptive technology trends, define native advertising as “.... a form of converged media that combines paid and owned media into a form of commercial messaging that is fully integrated into, and often unique to, a specific delivery platform”. In the context of magazines, this could be an article framed as editorial content on the website, but is actually presented by an external actor aiming at increasing the interest for, or selling a product or service.

**Crowdfunding**

Oxford Dictionaries (2015, sec. 1) defines crowdfunding as “the practice of funding a project or venture by raising money from a large number of people who each contribute a relatively small amount, typically via the Internet.”
1.6 Outline of the thesis

Figure 1: Outline of the thesis

- **INTRODUCTION**
  - Problem formulation
  - Purpose
  - Research questions
  - Delimitations

- **LITERATURE REVIEW**
  - Innovation theory
  - The Swedish media market
  - Managing the new media environment

- **METHODS**
  - Pre-study
  - Literature review
  - Interviews
  - Survey

- **RESULTS**
  - Results from interviews
  - Choosing revenue models for the survey
  - Results from survey

- **DISCUSSION**
  - Industry dynamics
  - The print business
  - Nöjesguiden
  - Qualities

- **CONCLUSIONS**
  - Research question
  - Future studies

Definitions
Outline
2 Literature Review

In this chapter, four different innovation theories are presented followed by a description of the Swedish newspaper and magazine industries. Subsequently, a review of literature focused on business and revenue models will be reviewed. In the last section, the magazine industry will be put in the context of the innovation theories.

2.1 Innovation theories

To better understand the dynamics of the magazine industry, it is crucial to know what typically happens in an industry in times of innovation and disruption. The theories presented below are relating to innovation, and will act as a framework for analyzing the dynamics of the magazine industry and how to act accordingly to meet industry reformations.

Disruptive Innovation

Christensen’s (1997, Christensen and Raynor, 2003) theory of disruptive innovation provides a framework to understand the course of events in an industry under disruption. Most new innovations start from a low performance, which is gradually improved. Christensen (1997) categorizes these innovations as sustaining, which can both be radical or incremental in nature. What they all have in common is that they improve the performance of established products and that they align with dimensions that traditionally have been valued in the market. Most technological improvements in any given industry are sustaining in character (Christensen and Raynor 2003). At times, disruptive innovations are arising. These are innovations that result in lower product performance, at least in a short-term perspective. Disruptive innovations offer a new unique value proposition that the ones formerly available do not provide. As the performance increases, more customers find the new innovation appealing (Christensen, 1997). Generally, disruptive innovations initially underperform established products or services in the already established market, but have factors that a new set of customers demand. As the performance increases, more and more customers from the old existing solution gain understanding of the new innovation. This creates a paradigm shift as the disruptive innovation at some point surpasses the old technology (Christensen and Raynor, 2003). Products based on disruptive technologies are normally simpler, smaller, cheaper and more convenient to use, according to Christensen (1997). The concept of disruptive innovation is visualized in figure 2.
The concept of disruptive innovation can also be applied to business and revenue models. When customers become mindful about what jobs they need to get done, they will buy the product that achieves that job as effectively, handily and inexpensively as possible (Christensen and Raynor, 2003). That means companies can find business models that operate at low margins in the low end of the market, given that they get the desired job done. Christensen and Raynor (2003) suggest that a disruptive business model that proves to generate decent profits at the low end of the market can easily be applied to higher-performance products and services up-market. By contrast, it is a lot more unlikely that an up-market business model can be applied to the low end. The ideal customer for a disruptive product is someone who is currently users of a mainstream product and is not interested in improved quality or performance. These customers might accept a product upgrade, but are not willing to pay a premium price. The key to success in the low end of the market is to come up with a business model that can show acceptable margins to discount prices, which is required to conquer such markets (Christensen and Raynor, 2003).

Normally, the only time when mainstream companies have succeeded in establishing a well-timed position in a disruptive innovation, is when they have established an autonomous organization working independently from the current core business (Christensen, 1997). One of the reasons is current capabilities are defined and fine-tuned in the light of the characteristics of the value networks in which the company and staff have traditionally operated. Very often, new and different capabilities are required to compete in new markets enabled by disruptive technologies. Most managers are good at managing incremental innovations since the lion’s share of innovations are sustaining in character. When handling disruptive innovations, however, market researchers and business planners are almost always failing, since they are grounded in structures relating to the old business (Christensen 1997).

Disruptive innovations typically enable the emergence of new markets (Christensen, 1997). The companies that enter these markets at an early stage have significant first-mover advantages over later entrants. And nevertheless, as the early entrants come through and grow larger, it gradually becomes more and more difficult for them to enter even newer markets that are emerging, since the company structures are developed to fit the previous market. As a result, as successful organizations become larger, new emerging markets based on disruptive innovations are less and less destined to be future sources of growth (Christensen and Raynor, 2003).

Products or services that do not appear valuable today might actually be just that tomorrow. Consequently, keeping a close contact to customers might be good for sustaining innovations,
but may provide misleading data for disruptive innovations, according to Christensen (1997). Most companies stretch disruptive technologies to fit current mainstream customers, which normally cause them to fail. A more successful approach has been to aim for a new market that value the characteristics of the new disruptive technology. Disruptive technology should rather be framed as a marketing challenge than a technological challenge, according to Christensen (1997). Failure and repetitive learning are therefore essential in the search for success in disruptive technologies. Organizations need to take clearly different postures depending on what technologies to address (Christensen and Raynor, 2003). Disruptive innovations normally imply substantial first-mover advantages whereas sustaining situations normally do not (Christensen, 1997). However, this is not always true as pointed out by some authors (Tellis and Golder, 2001; Lieberman and Montgomery, 1998; Suarez and Lanzolla, 2005; Cottrell and Sick 2002; Stalter, 2002; cited in Kopel and Löffler, 2008).

The evidence is fairly strong that organizations improving their products with frequent incremental changes perform about as well as organizations taking big industry-leading technological leaps (Christensen, 1997).

Even though the concept of disruptive innovation is normally beneficial to understand what happens in an industry, it is important to know that there can still be exceptions to the model. Yu and Hung (2010) claim that the research in the field is scattered and conflicted, and is still not comprehensive enough. As an example, Govindarjan and Kopalle (2006, cited in Yu and Hung, 2010) say there can also exist high-end disruption that is not covered by Christensen’s theory. Cellular phones is one example of that, since they initially had higher prices and was initially accepted by corporate executives that desired improved product performance. This suggests that it is important to understand that there can be exceptions to the low-end disruptions explained by Christensen (1997) when looking at industries under disruption.

**The Abernathy/Utterback-model**

There are other theories that can help to understand the dynamics of an industry that is disrupted by technology. As an example, William Abernathy and James M. Utterback (1975, 1996) have explained a model of product and process innovation that explains the change over time within an industry.
As can be seen in figure 3, the rate of product innovation in an industry or a product is highest during the early years. This phase is called the ‘fluid phase’ in which a lot of experimentation is taking place among competitors. During this period of high product innovation, not a lot of attention is given to company processes since no standardized design has emerged yet (Abernathy and Utterback, 1975). When this happens, the fluid phase typically transcend into a ‘transitional phase’ characterized by a decline in product innovation in favor of a speed-up in process innovation (Utterback, 1996). In this stage, a standardized design has normally emerged, which means the importance of improving processes is becoming more important (Abernathy and Utterback, 1975) The variety and high experimentation seen in the ‘fluid phase’ begins to result in standard designs that have either proven themselves as satisfiers of user needs, or they have been selected in the light of legal or regulatory constraints. Some industries then move into the ‘specific phase’ in which both product and process innovation dwindle (Utterback, 1996).

Industries experiencing the “specific phase” are typically focused on cost, volume and capacity with a small number of product and process innovations appearing in incremental steps (Utterback, 1996). However, the rates of major innovation can naturally differ depending on what industry is analyzed. Cusumano, Suarez and Kahl (2007) claim that many models including the Abernathy/Utterback-model have ignored services, since the models are almost exclusively aimed at products and processes. Nevertheless, in a digital environment, the definitions of products and services are often blurred and the model still offers a good understanding of industry life cycles.
Dominant Design

Utterback and Abernathy (1975) introduced the concept of dominant design and how it affects the character of innovation and competition within an industry. A dominant design is a specific path in an industry that gets established over other rival design paths. The dominant design typically takes shape of a product concatenated from separate technological innovations previously presented in prior products (Utterback, 1996). A dominant design covers the necessities of many categories of users of a certain product, even though it might have trouble competing with customized designs aimed at one particular user category. A dominant design does not have to be a product with the most extreme technical advantages either (Utterback, 1996). It is a “...satisfier of many in terms of the interplay of technical possibilities and market choices, instead of an optimizer for a few.” (Utterback, 1996, p. 25) Utterback and Suarez (1993) mean that a dominant design emerges through a combination of technical potential, timing collateral assets and other circumstances. Further, the authors argue that once a degree of standardization is accepted, major innovations from players within the industry are less and less expected. Instead, most innovations are presented by new entrants, which will in turn increase competition within the industry. This aligns with Anderson and Tushman (1990) that suggest that the emergence of a dominant design decreases variation and contingency in product properties and makes relationships with suppliers and customers more stable. In relation to the Abernathy/Utterback model, at some point during the fluid phase a dominant design or platform typically emerges (Utterback and Suarez, 1993; Eisenmann, Parker and Van Alstyne, 2006; Suarez, 2004). Before that happens, technological uncertainty can lead early entrants to bet on technological paths that are incompatible with the dominant design, which is unfavorable (Bohlmann, Golder and Mitra, 2002). Murmann and Frenken (2005) say that the concept of dominant design is useful, but also add that the model does not cover market structures. The authors claim that in order to become more distinct in research, both technological change and market structure should be considered (Murmann and Frenken, 2005). What this suggest, is that it can be beneficial to look at the present conditions in the market when analyzing an industry with a basis in the dominant design concept.

Diffusion of innovations

The diffusion of new innovations in a market can be explained through the diffusion of innovation concept described by Rogers (1983). Rogers (1983) divide customers into five different categories showed in a normal frequency distribution curve (see Figure 4). The five different categories are (1) innovators, (2) early adopters, (3) early majority, (4) late majority and (5) laggards. The innovators hold an important role in the diffusion process, since they launch new ideas from outside of the system’s normal limits into the social system (Rogers, 1983). Early adopters are more integrated in the social system than innovators, and are the individuals typically consulted before testing new ideas. This adopter category has a role of decreasing uncertainty related to new ideas, since they themselves adopt and spread it further into their network. The early majority often interacts with their peers but doesn’t hold leader positions (Rogers, 1983). They naturally adopt ideas just before the average user of the social system. Next adopter category contains the late majority who may adopt the idea because of economic necessities or by increased network pressure. Lastly, laggards are traditionalists which whom many are isolated in the social system (Rogers, 1983). Adoption of new media is linked to age, income, education and gender (Carey and Elton 2010). As an example, generally younger and middle-aged groups are more expected to adapt new innovations than elderly people.
Even though the diffusion of innovation concept is relevant, it must be added that Rogers is making rough generalizations (MacVaugh and Schiavone, 2010). That means the categories can potentially vary, depending on what technology it is applied to, what the conditions in the market looks like and what time frame is used. In addition, there is reason to believe that the reality is a bit more complex than the model is suggesting. However, in an article aimed at discussing limits to different diffusion of innovation models, Roger’s model is still categorized as a useful framework for describing both adoption and non-adopter of new technology (MacVaugh and Schiavone, 2010).

Figure 4. Innovation Adopter Categorization (blue) and market share (yellow). Modified version (Rogers, 1995)

2.2 The Swedish media industry

The Swedish media market is like media markets all over the world part of a comprehensive and fast-changing transformation process. Behind the change is the development of technology, which has influenced the production, distribution, and consumption of media (Sundin, 2013). In turn, this has forced media companies to adapt to a new reality (Weibull and Wadbring, 2014). The transition to digital media has enabled companies to produce and distribute texts, sound and images to lower costs, which has in turn enabled new entrants to present themselves in the market. At the same time, the audience, especially the younger ones, has abandoned print media in favor of internet-based media content (Sundin, 2013). The changing conditions in the market have put the media companies before a strong transformation pressure. Many companies have progressed into media companies producing different kinds of content and consequently compete more and more above the traditional industry boundaries (Sundin, 2013).
In the changing media environment, the audience has showed an unchanged interest of media at large both in journalism and entertainment (Sundin 2013). However, the usage is moving to digital platforms and all data indicates that this transition will continue. Below is a presentation of the media usage in Sweden between 2000 and 2014.

**Figure 5**: Part of population 9-79 years of age who uses media an average day 2000-2014 (%) (Nordicom – Sveriges Mediebarometer, 2010-2014)

*Figure 5* shows a clear transition of the usage of different media an average day. Both physical newspapers and magazines are declining and at the same time digital media is increasing (Nordicom, 2010-2014). *Figure 6* presents the time spent on different media for the same time period. The graph amplifies the clear image that less people spend time on print media.
The profit margins for newspapers and magazines solely financed by advertisements have declined since non-media related companies have increased their share of the total advertising revenues (Sundin, 2013). As an example, the daily press in Sweden lost its number one position as the largest advertiser to the Internet in 2012 (Sundin, 2013). Another problem is, many of the investments in the digital environment goes to tech companies such as Google and Facebook and consequently to actors outside of the traditional media industry (Sundin 2013) The statistics in table 1 indicate that print advertising investments are in heavy decline in favor of digital investments.


<table>
<thead>
<tr>
<th></th>
<th>Investments 2008 (MSEK)</th>
<th>Investments 2014 (MSEK)</th>
<th>Change 2008-2010 (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Daily newspapers</td>
<td>8816</td>
<td>5385</td>
<td>-39</td>
</tr>
<tr>
<td>Magazines</td>
<td>2521</td>
<td>1389</td>
<td>-45</td>
</tr>
<tr>
<td>Internet</td>
<td>4822</td>
<td>9293</td>
<td>93</td>
</tr>
<tr>
<td>Mobile marketing</td>
<td>38</td>
<td>1433</td>
<td>3771</td>
</tr>
</tbody>
</table>

The advertising investments on the Internet almost doubled between 2008 and 2014 and totaled of over 9 billion SEK in 2014. In the same period, the magazine industry has decreased its advertising investments with 45% from 2521 MSEK to 1389 MSEK. The mobile marketing investments have increased heavily and have overstepped the magazine investments in 2014. As a whole, the magazine industry is not experiencing a crisis regarding media usage but rather in how to get paid for media.
In the last couple of years, a shift has also been seen within digital media where more and more desktop traffic moves to handheld and mobile technologies. That has contributed to new user patterns, forcing media companies to adjust content to fit new formats (Westlund 2013, cited in Sjøvaag 2014). This view is supported by statistics presented by Nordicom, covering the supply of technical media devices in the age group 9-79 years of age.

Figure 7: The supply of media technical devices in Sweden, 9-79 years of age 2010-2013 (%) Translation: Persondator: Desktop, Surfplatta: Tablet (Nordicom, 2015)

In summary, the total media usage in Sweden is increasing (Sundin, 2013). Above all because of the drastic increase of digital media where Internet is the key engine. At the same time, both print newspapers and magazines are declining in advertising investments. Advertising on the Internet is drastically increasing, but a large share of the investments goes to companies outside of the media industry.

2.3 Managing the new media environment

Different solutions have been presented to address the problems the media industry is facing. Some authors consider closure or downsizing of newspapers as one way of adjusting to new market conditions (Siles, Ignazio and Boczkowski, 2012), i.e. cost reduction. A more far-reaching solution to the crisis is to develop new, alternative business models, diverging from conservative models almost entirely based on advertising revenues (Giles, 2010; Kaye and Quinn, 2010; Picard 2006b, Pickard et al, 2009, cited in Siles, Ignazio and Boczkowski, 2012). Media companies will struggle in balancing traditional and online work, as long as advertising revenues are falling faster in traditional media than digital advertising revenues are rising (Pew 2012, cited in Sjøvaag 2014).

The overall trend concerning revenue models is a shift from simple models with few distinct revenue streams to more complex models with multiple revenue streams (Bartland 2013). Holm et al (2013) goes along with this notion, explaining that companies are aiming at innovating or replacing their traditional business model focusing on one single distribution channel with several different digital distribution channels. Gustafsson (2009) shares this view and suggests that it is unnecessary to find a universal solution for all companies. Since papers have different pre-conditions, it is better for companies to find several revenue models in parallel that suits the company in question.
In addition, Gustafsson (2009) means companies should learn from history where the paper came first, and then came the revenue models.

In an interview made by Nieman Reports (Nieman Reports, 34:26-35:00), Christensen means that the perception from within the newspaper and magazine industry is a problem. In the following statement he addresses newspapers and magazines:

“I think, as a general rule, most of us are in markets that are booming. They [newspapers and magazines] are not in decline. It’s just their way of thinking about the industry that is in decline. And if they are thoughtful whether there are jobs out there that we could address, as a general rule, most of us are awashed in opportunities” - Clayton Christensen

What Christensen suggests, is that it is useful for media companies to change their viewpoint towards the industry with all its problems, and instead look at the possibilities going forward. Holm, Güntzel and Ulhøi (2013) agrees with this notion saying that the rapid spread of online and mobile technologies have created many openings for publishers. Moreover, it is important to look at what customers want and address those desires. Sundin (2013) suggests that the great challenge for media companies is not only to adapt to the audience’s new behavior, but also to find new business models generating revenues from new kinds of distribution alternatives when the consumers are abandoning the traditional ones. Many authors (Jones 2009, Nguyen 2008, Usher 2010, Xiong, 2009, cited in Siles, Ignazio and Boczkowski 2012) share this view, suggesting that companies need to fully embrace the Internet and other communication technologies. Analysts label digital media as a chance for companies to innovate their creation processes, and in turn reduce high production costs related to the print business (Gilmor 2004, cited in Siles, Ignazio and Boczkowski 2012). Moreover, it is important to look at what customers want and address those desires (Sundin, 2013).

In 2012, Christensen, Allworth and Skok (2012) applied Christensen’s research of disruptive innovation to the media industry with the intention of analyzing new possible path to survival and success. The authors elaborate on Christensen’s ‘jobs to be done’ concept that means, it is advantageous to understand why the customers read a certain paper. Is it because they need to kill five minutes on the bus or because they are interested in a particular article? According to the authors, new opportunities can appear when managers change their traditional perspective on their company’s role in the community. It is also important for managers to take an entrepreneurial approach in order to be successful in the new media climate. According to the authors, consulting services, event activities and content repurposing are three possible ways of adding new revenue streams to companies.

Technology has more or less made it possible for everyone to become a journalist, but most people do not have the skills or tools to gratify the reader. Producers of editorial content can take advantage of this need in helping other companies with social media, setting up websites or produce professional advertisements. If collaborations are initiated with local businesses, this will bring organizations closer to their community and promote new relationships. In addition, new revenues can be added to traditional advertising models. On the contrary, it is important to perform such activities in a way that does not affect the editorial integrity of the organization. News organizations have a position that is normally suitable to host events and bringing people with shared interests together. Possible ways of capitalizing on these events are admissions fees and corporate sponsorships (Christensen, Allworth and Skok, 2012) News organizations normally focus on a short-term perspective.
But since digital content never disappears, companies can repurpose, repackage and resell content in different formats and contexts. In that way, value can be created beyond short-term news cycles. (Christensen, Allworth and Skok, 2012)

A case study (Barland 2013, 100) aimed at the successful Norwegian media company Schibsted Media Group, shows a revenue model built on utilizing journalism to achieve digital traffic. The traffic is used as a marketing channel to expose additional digital services provided by the company. In a traditional business model, the ad space is sold to external advertisers. In this model, the media company is instead promoting services that it owns and operates. Alternatively, the services could be organized within a group of connected media. The essence of the concept is thus a two-fold market model where journalistic content is produced in the newsroom, whereas the business departments of media outlets get access to advertising space in order to promote their services (Barland 2013). Schibsted now has significant revenues from commercial digital services where journalism act as traffic engine to construct customer relations and in turn develop digital businesses (Barland 2013).

Another development on the Scandinavian market is the involvement of entrepreneurship in innovating the media business. In Norway, the media ownership group Amedia has founded a unit called Vekst, to invest in and develop innovative media services. In Sweden, the biggest media company Bonnier has established a similar strategy - a concept called Accelerator, which is a tool connecting the company to entrepreneurs and upcoming ideas and projects (Barland, 2013). In this way, media companies are coming closer to entrepreneurial thinking, which is substantial in times of innovation. Certainly, many magazines do not have the funds needed to initiate ownership groups. However, they could initiate collaborations with entrepreneurs to come closer to innovative minds.

A case study made in Finland (Thurman and Myllylahti, 2009) examines how papers react to the closedown of print products in favor of solely focusing on digital distribution. The study shows that companies can certainly save a lot of money through laying down their print business. On the other hand, the losses can be considerable, since readers are unwilling to pay for content online and that value of advertising space on the Web is significantly less than the print business. On the contrary, for many companies producing news, brand recognition is still often tied to the print product. Therefore, there is reason to believe that this shift has to take place gradually in order for companies to have time to build online brand recognition (Sjøvaag 2014). Macnamara (2010) adds that while cost cutting is one necessary element of profitability, it does not compose a business model. In addition, cutting costs typically reduces funding for research and development, which is not sustainable in an environment when new ideas are needed. Krumsvik (2006, cited in Sjøvaag 2014), argue that companies need to integrate actions based on innovation, knowledge and adaptability to survive and deliver in the alterable media climate.

**Business and revenue models**

Johnson, Christensen and Kagermann (2008) suggest that a business model should be categorized into four elements: customer value proposition, profit formula, key resources and key processes. Further, the authors claim that the core of a prosperous business model is its revenue model and profit formula and suggest a strategy in three steps to find a viable business model. The first step is to think about what ways there are to get a job done for the customers.
The second step is to build a model that will fulfill the job at a profit and the third step is to evaluate how much change is needed in the present business model to capture the new opportunity (Johnson, Christensen and Kagermann, 2008). Osterwalder and Pigneur (2010) categorize a business model into nine different building blocks covering the four areas of customers, offer, infrastructure and financial viability. One of the building blocks is ‘revenue streams’, which represents “the cash a company generates from each Customer Segment” (Osterwalder and Pigneur, 2010, p 30. A company must answer the question of what values different customers are willing to pay for. If companies can successfully answer that question, they can start generating one or more revenue streams from different customer segments (Osterwalder and Pigneur, 2010).

There are a number of different alternative business and revenue models under study and discussion in the media industry. MacNamara (2010) has analyzed and presented a number of different alternative revenue models relating to the media industry. Even though the rundown is five years old, many of the models are still relevant for the magazine industry. The author claims that no consensus or widespread understanding has emerged on any alternative revenue model, which still applies to the current situation. In the process of finding new models, both market acceptance and economic feasibility must be delicately balanced. In his analysis, MacNamara has preferentially focused on paywalls. The conclusions drawn indicate that paywalls could provide additional revenue streams for high value premium content. However, it is not seen as a widely applicable revenue model. The author is mentioning a number of models that needs further analysis and research, including advertising in new platforms, sales commissions, partnerships, diversification into consumer products, content repurposing and data. The models described by MacNamara (2010) are presented below.

**Advertising in new platforms**
Even though advertising is a revenue model relating to traditional media, it is evolving and new formats of advertising can engage media users in new ways. As an example, new formats have the benefit of being able to use ‘rich media’ such as sound and graphics and are also applicable to new platforms such as podcasts and web-TV.

**Sales commissions**
A number of successful consulting firms have suggested sales commissions can be a potential source of revenue for media companies. The model means media companies are getting sales commissions when a product or service advertised in their network is being rented out or sold.

**Collaboration / Partnerships**
Collaborations and partnerships can be made on many different levels, including sponsorships, product placements and bundled product arrangements.

**Consumer products**
A number of newspapers and magazines have already produced media related products such as books, but could be widened to other products as well. Macnamara (2010) draws a parallel to music bands and sporting clubs, who have succeeded in selling consumer products off the back of a strong brand.

**Content repurposing**
Newspapers and magazines that have existed for a longer period of time hold a vast amount of information and photos. This can be sold for historical or personal use, or repurposed.
Data
Since many media companies are collecting more and more data on their users, new opportunities such as selling intelligence and use data for internal use are emerging. Macnamara (2010) claim that data might be the most valuable product of media companies, since it can develop into new revenue streams and diversification beyond traditional advertising.

2.4 Contextualization

To decide what abilities and revenue models will possibly work for the magazine industry, it is important to know how the industry works. In this chapter, four different innovation theories have been presented - the concepts of disruptive innovation (Christensen, 1997), the Abernathy/Utterback-model (Abernathy and Utterback, 1975; Utterback, 1996), dominant design (Abernathy and Utterback, 1975) and the diffusion of innovation (Rogers, 1995). Even though the models are not unchallenged (Murmann and Frenken, 2005; MacVaugh and Schiavone, 2010; Yu and Hung, 2010), they are a good starting-point to understand the dynamics of an industry. The models are applicable to the magazine industry and can help to gain knowledge and insights in what typically happens in industries under disruption and during times of innovation. According to Christensen, Allworth and Skok (2012), the concept of disruptive innovation can be applied to the magazine industry in order to understand what is important to focus on in times of disruption. The reason is that when magazines understand the dynamics of the industry, they can counteract and change their mindsets and processes to fit the new environment (Christensen, Allworth and Skok, 2012). The disruptive technology has changed the conditions in the magazine market and led to problems for traditional actors, with aligns with what is described by Christensen (1997) in the principles of disruptive innovation. However, it is important to remember that the print business was in decline before new technical innovations were present, as stated by Melesko (2011). This signals that it is not only technology disruption that is the source of the problems magazines are facing, but also a change in behavior among the readers based on other factors.

Many authors (Jones 2009, Nguyen 2008, Usher 2010, Xiong, 2009, Siles, Ignazio and Boczkowski 2012, Sundin 2013, Christensen, Allworth and Skok 2012) stress the importance of focusing on the digital business in the new media environment, and also stress the importance of seeing the possibilities the new digital climate is offering (Christensen, Allworth and Skok, 2012). The print magazine business has been disrupted by innovations in online and mobile technology and has offered many possibilities for publishers to find new business openings online. However, according to Christensen (1997), there are few companies from within an industry having the mindset and capabilities of succeeding in a disruptive environment. Normally, new innovations are emerging from new entrants and actors outside of the initial industry, while incumbents are typically having problems to catch up. However, Christensen (1997) say that companies can counteract in separating the business based on the new technology from the traditional business, which applied to the magazine market would mean separating the print business from the digital business. However, since many magazines are publishing the same content online as in their print products, this might not always be possible. On the other hand, one potential way of resolving this issue is having different co-workers on a management level working with the two different businesses.
The Abernathy/Utterback model together with the dominant concept shows that many product innovations typically take place from the initial stage of an industry until a dominant design emerges (Akiike, 2013). The transition from print to digital media, many new ideas and the struggle of finding revenue models all signals that the digital magazine industry is in the early stage of the fluid phase relating to the Abernathy/Utterback-model, which also typically means that no dominant design is present. Relating to the digital magazine industry, no clear dominant design has emerged, since magazines are still struggling in finding a standardized and feasible product or revenue model digitally. According to the model, new entrants in the industry present most innovations (Utterback, 1996), which is also the case in the magazine industry. Since many authors (Bartland 2013, Gustafsson 2009, Holm et al, 2013) think a combination of revenue models is needed for magazines in the future, there is reason to believe that several dominant designs will emerge depending on the orientation of the magazine. Until dominant designs emerge, it is beneficial for magazines to understand that some paths might be disadvantageous if they are not aligning with the future dominant designs, as also stated by Bohlmann, Golder and Mitra (2002).

According to Utterback (1996), a lot of experimentation is taking place during the fluid phase, which is clearly the case in the magazine industry. However, the print magazine business is showing a lot of features relating to the specific phase where both the product and process innovation are reduced and more focus is put into cost and volume. This means, the print and digital magazine business could be labeled as two different industries, where the former is in decline and the latter is in the beginning of its life cycle. Even though both are built on journalism as the core, the industry dynamics and conditions look very different. This fact also challenges companies since they need to manage two differing industry conditions at the same time. In Figure 9, the digital and print businesses are marked at different positions on the timeline.

Figure 9. The Dynamics of Innovation, Modified version (Utterback, 1996)

This also suggests that different capabilities are needed in the differing environments. This can be tied to the diffusion of innovation theory described by Rogers (1983). Since the two industries are in different positions in their life cycles, there is reason to believe that they are in fact addressing different sets of customer. Many young readers are beginning to solely read magazines digitally, whereas the majority of print readers are older and not as mobile in moving to new platforms as some of the experts also mentioned.
This means, the digital business is preferentially addressing early adopters and the early majority of the new business. At the same time, the average target group of print magazines is more conservative and is probably domiciled in the late majority or the late laggards categories, since the earlier category groups have already moved to new platforms. Even though this is a simplification of reality, and there is surely a great deal of exceptions to this theory, it can help magazines to understand that they are in fact addressing different target groups. The target groups are highlighted in Figure 10.

Figure 10. Innovation Adopter Categorization (blue) and market share (yellow). Modified version (Rogers, 1995)

Seen in the context of disruptive technology, innovations in the two different industries are typically resident in different innovation definitions. New innovations aimed at a new and less commanding target group have the possibility of being disruptive, whereas incremental steps and adjustments aimed at the current target group are normally sustaining in character (Christensen 1997, Christensen and Gaynor 2003). In the magazine industry, the innovation frequency is low or non-existing regarding the print product. On the contrary, there is a high innovation activity in the digital business where magazines are looking for new possible ways of getting paid. So far, most business model adjustments made from within the industry are rather sustaining than disruptive, since no model or concept have revolutionized the industry. However, in the advertising business, tech companies like Google and Facebook have disrupted the industry in offering advertisements based on data and intelligence.
2.5 Summary of Literature Review

In this chapter, four innovation theories have been presented - the concepts of disruptive innovation, the Abernathy/Utterback-model, dominant design and the diffusion of innovation. Further, statistics have been presented showing how the media climate is changing on the Swedish market. Both the media usage and the advertising investments regarding the print business are decreasing in favor of digital media that is rapidly increasing. In addition, the statistics showed that mobile devices and mobile advertising have grown drastically during the last years. Lastly, literature has been presented showing that magazines need to develop new revenue models to outweigh the decline of print revenues. A number of potential different models were also presented.
3 Methods

In this chapter, the methods used in the research are described. The two primary methods used in this study, has been expert interviews and a survey aimed at the readers of Nöjesguiden. These will be discussed in detail below.

3.1 Pre-study

The process started off with a pre-study to gain initial information about the media industry and Nöjesguiden in particular. According to Collis and Hussey (2014), it is beneficial to read publications as soon as possible, to find plausible gaps and deficiencies that can indicate opportunities for further research. In addition, a book about the Swedish media market was reviewed initially to get a deeper understanding about the conditions on the Swedish media market. To learn more about Nöjesguiden, internal documents were reviewed in combination with the performance of unstructured interviews with employees representing different departments such as sales, marketing and editorial work. The interviewees were proposed by the instructor at Nöjesguiden as strategic, to understand the conditions of the company as fast as possible. The unstructured interviews were not prepared in advance, but instead open questions were evolving during the course of the interviews. Open questions are useful for exploring and gather broad information about a subject (Collis and Hussey, 2014). These interviews were not part of the empirical data collection, but instead conducted to gain an introductory knowledge about the company and how it relates to the media industry. The introductory phase gave a substantial base that facilitated the research design.

The preliminary research questions, purpose and problem formulation were designed at an early stage and inspired by the instructor at Nöjesguiden. The initial direction gave a rough starting-point for what literature to be read. Gradually, when performing the unstructured interviews and reading about the media industry, more and more insights were gained indicating what subjects to focus on next and what informational gaps were present in literature. The interviewees in the unstructured interviews had different experiences and approach angles towards the media industry, and therefore provided beneficial knowledge relating to different parts of the industry such as technical aspects, marketing aspects and financial aspects. After each interview, the problem formulation and research questions were revised continuously, since more information about the conditions on the media industry was gained bit by bit. Collis and Hussey (2014) mean that refining and modifying the problem and corresponding research questions to the theoretical context is a natural part of the research. The research questions had a more general approach in the beginning and were recasted gradually during the process in order to become more specific. An iterative approach was consequently used, where the literature review and the data collection influenced the orientation of the research by degrees. Srivastava and Hopwood (2009) argue that iterations in the research process are advantageous, since it can help out in refining the focus and understandings. The writing process was made in parallel with the literature review, data collection and analyzing process.
3.2 Literature Review

The literature review was the base of the research and provided a theoretical framework that acted as a base for analyzing the findings. A literature review helps to guide the research and to evaluate the existing body of knowledge (Collis and Hussey 2014). The reviewing of the literature persisted during the entire study and was essential to gain a line of argument in analyzing collected data. Reviewing the literature is not only providing knowledge about the subject, but also gives insight about how other researchers have performed their studies (Collis and Hussey 2014). Most of the data was found on scholarly databases. The two most frequently used were Primo provided by the Royal Institute of Technology and Google Scholar. The contact persons at the Royal Institute of Technology and at Nöjesguiden also suggested some literature. Later in the process, some of the interviewees also suggested literature that they thought was relevant to the research.

In an early stage, the main body of the literature was aimed at finding a relevant theoretical base. In this phase, the search was focused to theories such as innovation and disruptive technologies to find a suited ground-point for analysis. Literature about the media industry was reviewed in parallel, so that the underlying theories matched the purpose and problem formulation of the research. Later in the process, the orientation also became more specific in focusing on articles relating to the newspaper and magazine industry, in the extent they could be found. In the later stages, many relevant articles were found in going through the reference lists of other articles. In this way, the search process was narrowed down to be more and more specific to the purpose of this particular research.

In the primary data collection process, a two-fold method was used containing both a qualitative and a quantitative data collection. Qualitative data normally result in findings with a high degree of validity, but deficient reliability. In contrast, quantitative data are associated with findings with a high degree of reliability, but defective validity (Colin and Hussey, 2012). A combination of these two methods, are therefore beneficial to gain both a high degree of validity and reliability. More specifically, the data collection methods being used were expert interviews and a survey. These will be further discussed in the following sections.

3.3 Interviews

One of two primary methods for collecting data was conducting semi-structured interviews, which represented the qualitative part of the data collection. According to Esterby-Smith, Thorpe and Jackson, (2012, cited in Collis and Hussey, 2014) say that semi-structured interviews are appropriate when it is important to understand the sets of concepts or ideas used by the interviewees as a basis for his or her beliefs. The researcher prepares a number of questions that encourage the interviewees to talk about the main topics of interest and then develop questions during the course of the interviews (Collis and Hussey, 2014). The reason for choosing semi-structured interviews in this research was to have a determined set of questions that all interviewees could answer in order to have a body of subjects that could act as a ground point for analysis. In addition, the semi-structured interviews offered a possibility of asking more about interesting subjects that came up during the interviews. This would not have been possible if only closed questions were asked during the interviews. The basic idea with the interviews was to collect insights about how the interviewees experience the media market in general and the magazine market in particular.

More specifically, the aim was to gain an understanding about the dynamics of the media market, current and future trends and different revenue models potentially interesting for the
magazine industry. This knowledge, together with the theory and literature review, could then create a list of potential business models relevant to magazines based on the conditions of the industry. To achieve this goal, the aim was to find a broad set of experts covering the main body of the industry. Seven experts with different approach angles towards the media industry were chosen and contacted.

The interviewees represent different parts of the media industry and have varied points of attack towards it. What they have in common is they all have an extended knowledge about the media industry and its problems and opportunities. A backup list with six additional experts was also created if any of the approached experts did not want to participate. Five of the initially contemplated persons wanted to participate. In addition, the interviewees suggested two other experts and they were therefore contacted. This summed up to a total of seven expert interviews. A list of the participating interviewees is presented below.

Stefan Lundell, founder and owner, Breakit
Jonas Ohlsson, Media Researcher, Nordicom
Matti Zemack, Chief Digital Officer, Bonnier Growth Media
Staffan Sundin, Professor emeritus of Media and Communication Science, Luleå University of Technology
Martin Nisser, Business Developer, Mittmedia
Annette Johansson, Lector in Industrial Marketing, Jönköping University
Olle Lidbom, Media Analyst, Onyx AB

A further presentation of the interviewees can be found in Appendix B.

The interviews were constructed with an initial section of classification questions to collect information about the interviewee. Regarding the actual interview questions, Collis and Hussey (2014) claim that it is often beneficial to move from the general to the specific, since that order feels logical. With this reference, the interviews were initiated with a set of general questions about the media industry and its characteristics. It is important to understand the industry dynamics in order to know what revenue models are relevant for the future. This set of questions was also asked to evaluate if the image presented in the literature was still true today. Thereafter, the interviewees were asked a set of questions about current and future trends and the last section was focused on potentially interesting revenue models. In conclusion, the interviewees were asked to comment on a number of revenue models discussed in literature. Before the interviews, the questions were tested in a trial, where a person from the media industry was also asked to review the questions.

Five of the interviews were conducted face-to-face and two with Skype. The initial aim was to conduct all interviews face-to-face, but time constraints and the fact that the interviewees had their base in different cities forced two of the interviews to be held online. The reason for preferring face-to-face interviews was to gain the advantage of collecting comprehensive data such as observations of the environment (Collis and Hussey 2014). In the correspondence with the interviewees prior to the interviews, the participants had the opportunity to choose time and place, to increase the chances of participation. Four of the face-to-face interviews were held in Stockholm and one in Jönköping and the final two using Skype. The duration of the interviews were 60 minutes, except the one with Stefan Lundell, which was 30 minutes. The reason for this was Lundell has newly founded a new business and was therefore having a time limitation.
Before the interview, the interviewees were asked if they approved of the interviews being recorded and notes taken during the interview. The recordings acted as support if the notes were not comprehensive enough to write a summary. In addition, they were useful in finding relevant quotes when analyzing the results. After each interview, a time slot of at least two hours was reserved to spend time elaborating on the notes when the observations were still recent in memory. All interviews were conducted in Swedish since that was the native tongue of all interviewees. After the interviews, a summary was written and sent to the interviewees for feedback. The summaries were made through collecting relevant quotes that was subsequently compiled into a brief (see Appendix B). The summaries were written in English since the final report was to be written in English. There was a risk in translating the results, since important colors of the language could disappear and reduce validity. However, the interviewees were sent a summary of the findings for feedback and confirmation in English. According to Colin and Hussey (2014), this is an efficient way of improving validity of the findings. The summary could have been written in Swedish and sent to the interviewees, but then the translation would have happened after the confirmation and feedback from the interviewees, which would have decreased validity further. All interviewees except one sent back their reviews of the summaries. Two of them had minor adjustments that they wanted to be made, whereas the others were satisfied with the briefs and the translations.

The analysis of the interviews followed four steps described by Colin and Hussey (2014).

1. Comprehending
2. Synthesizing
3. Theorizing
4. Recontextualizing

*Comprehending* relates to acquiring a full understanding of the study topic before the data collection begins. *Synthesizing* is the extraction of themes and concepts from the research to form a pattern. This phase is where data is reduced and filtered into something substantial. This was made through conventional content analysis where different themes were extracted from the data (Hsieh and Shannon, 2005). The analysis was initiated with listening through the audio recordings and going through the notes to get an introductive overview of collected data. Thereafter, each interview was listened to repeatedly to extract key concepts and quotes relevant for the study. The reason for doing this was to reduce the data to a manageable amount for analysis, as described by Collis and Hussey (2014). In addition, disaggregating the text into smaller components was advantageous to increase the understanding of what was communicated and how, as also mentioned by Collis and Hussey (2014). The key thoughts of each interview was sent as a summary to be reviewed by the interviewee in order to control the statements and give them the opportunity of adding additional information. The key thoughts of each interview were thereafter compared with the results from the other interviews to find a gross list of key concepts or themes.

All key concepts were highlighted in the text and thereafter compared with other concepts in order to find connections. Thereafter, the summaries were reviewed with a base point in the research questions in order to find answers. Every concept was categorized as one single theme, in order to avoid ambiguity in the results. During this phase, two other students were asked to categorize the themes separately to make sure concepts were categorized as the right theme. If two or more reviewers categorized a concept into different themes, a discussion was initiated in order to decide what theme was most relevant.
This was followed by the theorizing phase, which relates to giving the data structure. This was done by matching the extracted data with existing theory and earlier findings selected by the literature review in order to address the research questions and give context to the data. In summary, the contextualizing phase relates to applying the data to a general context that included creating a compiled list of themes based in the literature review, earlier findings and interview results. The list consequently was the input to the second data collection method described below.

### 3.4 Survey

The second primary method for collecting data was a survey, which represented the quantitative part of the data collection. According to Collis and Hussey (2014), the aim with a survey is to find out what a think or feel in order to address and answer the research questions posed. The survey was aimed at the online readers at Nöjesguiden, and distributed through their website. Magazines typically have two sets of customers as mentioned before - readers and advertisers. Nöjesguiden wanted to address their core target group of online readers, and therefore the survey was aimed at them. Since Nöjesguiden wanted to address their core online target group, a decision was also made not to include readers of the print product. The reason for choosing a survey was to gain insight of what attitude the readers of Nöjesguiden had to a number of different revenue models in order to decide what additional revenue models fit the company best. Since most authors agree on the digital business being the most important to focus on in the transition from print to digital media, the online readers was more relevant to address than the readers of the print product. As described in literature, readers of print products are normally more traditional than the online readers. In relation to the ‘diffusion of innovation’-theory described in 2.1 Innovation theories, there is reason to believe that the online readers belong to the earlier adopter categories and is therefore more relevant to address during times of innovation.

The survey was presented at Nöjesguiden website and distributed through the survey tool Polldaddy. The visitors of the website were invited to click on a link to start the survey. This type of survey distribution method does not use an ordinary sampling procedure, which means that a respondent is able to complete the survey more than once (Betlehem and Biffignandi, 2012). This means that the method risk to lead to responses that lacks representativity in the desired target group and that the results might not be generalizable to the whole target population (Betlehem and Biffignandi, 2012). To address this problem, the survey was initiated with three classification questions aimed at gender, age and visitor frequency to see that the respondents were part of the desired target group. Another risk of this method is self-selection bias. The respondents of the survey choose to participate themselves, and this suggest that it is typically more frequent and engaged visitors to the website answering the questions (Grandcolas, Rettie and Marusenko, 2013). On the contrary, Nöjesguiden has expressed their wish of addressing the most motivated core online target group, which are typically the ones answering such a survey (Grandcolas, Rettie and Marusenko, 2013).

Further, there is a risk of distributing a survey on a website, since the online traffic might fluctuate and that certain visitors might visit the site to find certain content at a certain times. To address this risk, the survey was present during a 10-day period.

In earlier research performed by Nöjesguiden and according to online analytics tools, Nöjesguiden has a target group population of about 80000 visitors on a monthly basis (Nöjesguiden, 2015). After the 10-day period when the survey was online, 108 responses had been collected, which was lower than desired.
One possible reason for the lack of participation could be questionnaire fatigue, which refers to the reluctance to respond because of too many prior survey inquiries (Collis and Hussey, 2014). Nöjesguiden uses surveys frequently and this could therefor have affected the participation negatively. Another possible reason for low participation could be that the Nöjesguiden website had a lower number of visitors than normal during this particular 10-day period. It is however not clear why the visitor frequency was lower than normal. With a low participation, the probability that respondents differ from those who do not respond is higher, which means that the survey suffer the risk of not providing results reflecting the target population (Passmore et al, 2002). In turn, this means that the results are not as generalizable as they would have been with more samples (Collis and Hussey, 2014). On the other hand, the reason for conducting the survey was to find possible revenue models relevant for Nöjesguiden and the results can still signal what revenue models are more important than others.

The survey was designed with a base-point in the design proposed by Collis and Hussey (2014). Since the method of distribution was decided beforehand, the design was however somewhat adjusted. The adjustment consisted of moving the selection of distribution method that is normally decided later in the process. The process is presented below:

1. Selection of distribution method
2. Design of questions and instructions
3. Design of accompanying letter
4. Iterating of tests with a small sample
5. Conduct tests for validity and reliability

After choosing the method of distribution, the survey questions were designed. From the analysis of the interviews, a number of variables had been detected which was relevant to use as input for the survey. The variables was chosen in collaboration with Nöjesguiden to fit their internal qualities and objectives. The survey was initiated with three classification questions, and followed by ten questions aimed at the variables under study. A 5-point rating scale was used, where the respondents could choose from 1 = Strongly Negative, 2 = Negative, 3 = Neutral, 4 = Positive, 5 = Strongly Positive. Early in the process, a 6-point rating scale was used, in order to force the respondents to choose sides between positive and negative. However, Nöjesguiden normally uses a 5-point scale when making surveys, and therefor preferred a similar categorization for this study. After designing the questions and the accompanying letter, the questions were iterated three times using a sample of 5 respondents. Testing the questions beforehand was beneficial, since some respondents thought a couple of questions were not completely easy to understand. When the survey was done, it was distributed through Nöjesguiden website. During the analysis of the results, the validity and reliability of the results were addressed. The survey can be found in Appendix C.

Since the survey was exclusively aimed at Nöjesguiden, no advanced statistical methods were used in the analysis process. In addition, 108 responses were collected which is not a favorable sample size for statistical analyses. However, the aim of the survey was to evaluate the attitude towards a number of different revenue models relevant for Nöjesguiden. The aim of the survey was consequently not to be able to draw general conclusions about the magazine industry. With the base in the findings from the interviews, five different revenue models were chosen for the survey. The process of choosing different revenue models was made in collaboration with the instructor at Nöjesguiden. The analysis was made through calculating mean and median values for the survey questions.
In addition, mean values were calculated categorized by how frequent the visitors were. These scores were then analyzed with the basis in Nöjesguiden’s internal qualities and the results from the interviews.

### 3.5 Validity, reliability and generalizability

**Interviews**

Validity is the extent to which the study measures what is intended i.e. that the results reflect the phenomena under study (Collis and Hussey, 2014). Interviews normally result in findings with a high degree of validity. By contrast, qualitative studies typically imply lower reliability, which refers to the indifference if the research was repeated (Collis and Hussey, 2014). The semi-structured interviews were conducted with experts from the media field, which implicate that they are well suited to address the phenomena under study. However, the reliability for interviews is lower since the results are dependent on what backgrounds the interviewees have (Collis and Hussey, 2014). This means that the results might have been different if other experts were chosen. To address this problem, experts from different backgrounds and roles in the media industry were chosen. To raise the validity and reliability further, all interviewees were sent a summary of the interviews in order to prevent skewed results. According to Colin and Hussey (2014), this is an efficient way of improving the credibility of the findings. Lastly, the delimitation to seven interviews might have affected the validity, reliability and generalizability of the results. By having a small number of experts, there is a risk that the respondent’s opinions are not aligned with other experts within the industry. This consequently means that the results are also less generalizable than they would with a larger sample size.

**Survey**

Quantitative data are normally associated with findings with a high degree of reliability, but defective validity (Colin and Hussey, 2012). This means that there is a risk that the phenomena under study is not properly addressed even though the results are likely to be similar if the research was repeated. The survey was distributed through the website of Nöjesguiden, which means anyone who wanted to could fill out the survey. This distribution method involves a risk that the respondents are not representative to the desired target group (Betlehem and Biffignandi, 2012). The distribution method could therefore affect validity, reliability and the generalizability of the results negatively. To address this problem, three classification questions were included in the survey to confirm that the respondents were in the desired target group. 108 people responded to the survey, which was lower than expected. With a low response rate, there is an obvious risk that the validity, reliability and generalizability is lower than with a higher participation. When it comes to generalizability, the survey was aimed at Nöjesguiden and is therefore not appropriate to draw general conclusions about the magazine industry. Since magazines have different sets of customers and content, there is reason to believe that the results would be completely different if aimed at another magazine. However, the objective with the survey was to collect results relevant for Nöjesguiden and not for the entire magazine industry.
3.6 Summary of methods

The data collection methods used in this research was both semi-structured interviews and a survey. The interviews were aimed at the magazine industry in general, whereas the survey was aimed at Nöjesguiden specifically. Figure 11 shows a visualization of the whole method process.

Figure 11: The method process
4 Results

In this chapter, results from the interviews will be presented initially. Thereafter, a short discussion will follow regarding what revenue models are relevant for the survey aimed at Nöjesguiden. In conclusion, the results from the survey will be presented.

4.1 Results from interviews

As an introduction to the results, all experts agree on companies need to be innovative in order to develop existing revenue models. In addition, several interviewees say that multiple revenue models are probably needed in the future to outweigh the decline of print activities even though it is not always unproblematic to adapt many revenue models at the same time. One expert means that too many concurrent models can cause problems since it will be hard to administrate. Beyond these fundamental directions for magazines, five different themes were extracted from the seven interviews, explaining what is important for magazines to focus on to be competitive in the new media climate. Most of the themes are intimately related but are categorized into different themes in order to create a better overview of the subject. The interviewees’ answers are grouped in the following six themes:

- Content
- Target group
- Data / Analysis
- Strategy
- Print product features

The themes are presented separately below accompanied with quotes.

Content

Relating to content, most experts believe that it is becoming more important to focus on the orientation of the content online than it is in the print environment. Therefore, content is extracted as one of the five themes. The majority of the experts agree on unique and high-quality content are being important factors in the future to succeed.

“Relating to incomes, it is possible that consumers will pay more for information important to them in the future. For media companies, this means that in order for consumers to pay, they have to provide unique content.” - Staffan Sundin, Professor emeritus of Media and Communication Science, Luleå University of Technology

“The big question right now, is how to get paid for content. In the future, content will survive and win. It is all about providing high-quality content that drives traffic and keeps the consumer interested.” - Stefan Lundell, owner and founder, Breakit

The interviewees claim that companies should be either very broad and generic or very niched and specialized when it comes to content.
“For publishers to succeed, they need to be news-driven. They also need to be very broad or very niched, there is no business in the middle.” - Stefan Lundell, owner and founder, Breakit

“The content is being “atomized” and that trend is happening almost everywhere. The podcast Serial is an example of that, offering a piece of a larger context. LinkedIn is another example in offering around 7 different applications depending on what profile the user is and what his or hers objectives are.” – Matti Zemack, Chief Digital Officer, Bonnier Growth Media

“When Jeff Bezos bough the Washington Post, he said that they shouldn’t write mid-long mediocre content. Instead, they should write short bad things and really good and important long-haul content. Netflix is doing the same thing in investing in cheap mediocre content on one side and doing extreme investments in original high-quality content on the other side” - Olle Lidbom, Media Analyst, Onyx AB

A few interviewees also mention that media is becoming more approachable.

“Another interesting trend happening now is the move from text to images. Or rather, companies transform into media that does not require the consumers’ full attention.” - Matti Zemack, Chief Digital Officer, Bonnier Growth Media

**Target group**

The majority of the experts stress the importance of having a clear target group that the companies know well. The reason for the target group being extracted as a theme is that several experts agree on that the target group is becoming more important in the digital environment. The reason is that it is easier to get paid for content and get better returns on the investments if the target group is clear.

“One leading quality is companies need to consider their readers (and viewers) as customers to become more market driven” - Olle Lidbom

“One of the most crucial things for any company is to know their target group. If a magazine has a close relation with its readers, it will be so much easier to customize the content and actually get them to pay for it.” - Anette Johansson, Lector in Industrial Marketing, Jönköping University

“When the target group is present, it is possible to earn money through other things than just banner advertising and such. Some companies will still be able to get good revenues from banner advertising. Potential additional revenue streams could be accomplished through recruiting, events, premium products, deep analyses and through building up databases with data that can later be sold.” - Stefan Lundell, owner and founder, Breakit
Data / analysis

Most experts claim the importance of data as an integral and self-evident part of the future magazine industry. Some experts believe data in itself could be a revenue model in selling intelligence and analyses, whereas others claim it might be more beneficial for magazines to take advantage of the intelligence themselves. However, all experts continuously mention data and analysis as an obvious part of the future and therefore it was extracted as a theme.

“When companies start to analyze their offer, they can start providing something that their customers desire” - Olle Lidbom, Media Analyst, Onyx AB

“The present advertising model based on clicks is a poor model, since it is based on the customers clicking themselves away from the website. More relevant KPIs [key performance indicators] in this matter is how long and advertisement was visible or models based on eye-tracking and such.” - Matti Zemack, Chief Digital Officer, Bonnier Growth Media

“In the newspaper and magazine business, there is a clear distinction between different actors. On one side, there are strictly online-based actors such as Google and Amazon. On the other side, there are traditional companies such as Dagens Nyheter and New York Times. In the middle, however, there is an interesting set of companies combining the new algorithmic philosophy with the traditional journalistic content. The middle-way is the future of the newspaper and magazine business, since it is made for human beings.” - Matti Zemack, Chief Digital Officer, Bonnier Growth Media

Strategy

When it comes to strategy, most of the experts highlight the importance of focusing on the digital business over the print business as the core. Moreover, several experts accentuate the need for long-term plans and strategies. Since most experts have addressed the area and stressed the importance of focusing on the digital business and long-sightedness, strategy was extracted as a theme from the interviews.

“Many companies still put too much effort in the traditional business and will suffer problems because of that. It is important to put an overstated effort into the digital business” - Martin Nisser, Business Developer, Mittmedia

“Many companies have delivered big profits, but few have long-term plans and strategies. Some companies have lacked the long-term perspective. (--) A stable balance sheet is substantial for two main reasons - being able to invest into the future and being able to ride out a couple of bad quarters or years.” - Olle Lidbom, Media Analyst, Onyx AB

Most experts label cost cutting as important. However, some of the experts alert that it is important to evaluate the effects of cost cutting before it is initiated.

“It is possible to cut costs to a certain limit, but not to the extent where it reduces quality. It is crucial for newspapers and magazines to evaluate the effects of cutbacks” - Staffan Sundin, Professor emeritus of Media and Communication Science, Luleå University of Technology
A few experts also mention the objective of the cost cutting.

“Cost-cutting is necessary for most companies and can offer companies to focus on what is truly important. In this way, they can sharpen their processes and find out what works and what does not. At one point, though, the limit is reached. Therefore, companies need to put cost-cutting and quality in relation to evaluate what is feasible and what is not” - Anette Johansson, Lector in Industrial Marketing, Jönköping University

“The most important aspect is what companies are doing with their cost-cutting activities. If a company move their cost-savings to investments for the future, it is definitely good. The model of Mittmedia ‘print for profit, profit for growth’ is a solid philosophy” - Olle Lidbom, Media Analyst, Onyx AB

Print product features

All experts agree on print products will keep declining. However, the majority of the experts see a future for products with a clear niche since some features of print products are hard to convert to a digital environment. Since several experts have mentioned these factors, print product features was extracted as a theme.

“The market for broad print products will continue declining, but the demand for more exclusive products with a clear niche will probably perform better.” - Jonas Ohlsson, Media Researcher, Nordicom

“Regarding print magazines, the ones with a clear niche will perform best. The clearer the niche, the better they will perform” - Anette Johansson, Lector in Industrial Marketing, Jönköping University

The experts also mention other advantages of the print product.

“A lot of research support the print paper and magazine as sustaining products, since many consumers still want the experience of holding a paper - the tactile experience. It has a beginning and an end and consumers want to review the paper quality for example. The static product still has a future, though the orientation of the content might change.” - Anette Johansson, Lector in Industrial Marketing, Jönköping University

“There is a reason for newspapers and magazines to preserve their physical product, but only as a flyer. It is like a physical banner that people can touch. The decline of advertising revenues must be evaluated against the importance of the physical product seen from a brand perspective. (-) The print product should be seen as a trademark engine.” - Matti Zemack, Chief Digital Officer, Bonnier Growth Media
Revenue models

Nine different potential revenue models for magazines were extracted from the literature (described in 2.3 Managing the new media environment). The experts were asked to comment on these models. In addition, four other models were mentioned in the interviews (E-store, education, native advertising and crowdsourcing) and added to the initial nine, summing up to a total of thirteen revenue models. The results are presented below.

Advertising in new platforms such as podcast, web-TV
The expert opinions are slightly negative since consumers do not like ads that bother them, the competition is hard and the solution is shortsighted. However, some experts label the model as interesting as long as the new platforms has a similar production process as the core business of the company in question. One example of that is producing podcasts, which is not far away from the core of magazines. As a whole, the experts think this might generate some revenues, but not work as a standalone concept.

Collaborations / Partnerships
The experts are generally positive to initiate collaborations and partnerships, since it is possible to coordinate processes and create additional value to the customers. The most important aspects that are emphasized by the experts are, it has to create value for both parties and the companies have to be non-competing. In addition, some experts alert that it might not be a quick-fix solution, since company cultures must match and collaborations beneficial to both parties can be hard to accomplish in practice. Several examples of interesting or successful examples were mentioned during the interviews. One is the collaboration between Dagens Nyheter and Klarna. The interesting thing about this collaboration is the fact that two companies combine their different core businesses in a smart way. Dagens Nyheter is great at journalism and Klarna is great at micro payments. Another interesting example is collaboration between a magazine aimed at young women called Veckorevyn and SCA, a leading global hygiene and forest company. They launched a website together helping young women to get delicate questions answered among other things.

Commission on advertised products
The experts have differing opinions regarding commission models. Some say it might be an interesting future model, but with a question in how much revenue it can provide. Other experts refer to ethical considerations in how it can affect the credibility of a company. One expert think it is probably a part of the future, and refers to how fast a certain model of jeans can be sold out because a certain blogger has mentioned them in a blog post. As a whole, the view is rather negative and commission is not viewed as a model that could generate many revenue streams.

Consumer products / Merchandise
The experts are slightly positive to consumer products, since it is not only a revenue model but also a good way of strengthening the brand. However, a few experts mention the fact that the company enters a new market as a problem and that the market is moody. Several experts mention that this is already great business for some media or media-related companies. As an example, Aftonbladet has made great money in selling different products over the years – James Bond-movies for example. Another example is the game Angry Birds who according to an expert probably has all of its revenues coming from merchandise today.

Content repurposing
The experts have differing opinions about this model. All experts agree on the idea of reusing content being interesting and that is has a lot of potential. However, many experts say it might
not be the very solution for afflicted media companies since it is hard to find a feasible revenue model connected to it. However, if companies can find the right way of packaging content, it might become a better model. One expert also claims that it is foolish of companies not to re-use their content.

**Consultant services**

The experts are at variance regarding consultant services. A few experts say it is not suited for media companies and a few say it is perfect for media companies. A couple of experts also mention the risk of losing credibility in adopting this model. One example mentioned during the interviews was Spoon who is owned by Bonnier Growth Media. The company offers journalistic services to other companies with great success.

**Crowdfunding**

Several experts describe crowdfunding as an interesting revenue model. However, it is not clear how this model actually works in practice and a few experts mention that companies have tried similar models earlier that have failed. In addition, one expert say it is not completely clear whether this is a funding model or a revenue model. On the other hand, a few experts mean that if a company or an individual has a strong brand, this might be a good way of creating revenue streams.

**Education**

Several experts see education as a good way of adding new revenues to the current streams. In offering education, companies can take advantage of their core competences in other areas. It is important, however, that courses are a natural extension of the magazine’s orientation. One example that was brought up during the interviews was a Dutch magazine pointed at knitting a needle, which initiated collaborations with an extension university. In this way, they could use the teachers of that university and provide sowing patterns and such with the company brand name. Another example is the home decoration magazine Sköna hem that offers courses in wallpaper decoration.

**Events**

All experts agree on events as a very interesting and feasible revenue model. The main reasons for that is the physical experience is an exciting experience in contrast to the digital environment, it does not rival with the core business, it is good for brand establishment and companies can strengthen their bond to their target group in meeting them directly. For events to work successfully as a revenue model, several experts claim it should be an extension of the core business. Another positive thing about events is customers are already used to the model. In addition, the events can be promoted in other media networks, which is beneficial. The only drawback mentioned in the interviews is, it can take a lot of effort and is not something companies can do on the fly. It takes a lot of planning and hard work.

**E-store**

The experts see this as an interesting model, as long as the products are aligned with the rest of a company’s offer. The experts mention a number of successful e-stores in the industry, such as the gardening site Odla.nu selling seeds and plants and the fashion magazine Harper’s Bazaar selling fashion products. When talking about e-stores a couple of experts mentioned that selling non-physical products such as education, courses and events is probably most important.

**Data**

All experts think data is highly important and that it could create revenue streams. However, most of the experts do not see data as an obvious revenue model in itself, but rather something
companies should take advantage of internally in analyzing their business. Several experts think intelligence will primarily be used for making the services or products better and in turn help the customer. Some companies can succeed in selling data, but most companies would probably benefit of using it themselves.

**Native advertising**
Most experts view this model as attractive since it can offer additional value to the consumer. However, several experts see a risk adopting native advertising, because of the risk of losing credibility. However, one expert mentions that as long as the customers do not pay for the content, they might be forgiving with native advertising. Other experts say that credibility is not an issue at all, given that the company is fully open with the objective and the originator.

**Paywalls**
The experts’ opinions differ regarding paywalls. Some say it is not a durable model for the future and some say it might work if the payment structures are made a lot easier than today. Micro payment is one example of a paywall that some experts say could work with the condition that it is very easy to make the payment. Even though paywalls could provide some revenue streams, the majority of the experts do not see this as a main source of income.
4.2 Choosing revenue models for the survey

Thirteen different revenue models were covered during the interviews. In collaboration with the instructor at Nöjesguiden, five of the models were part of the survey. Below is a motivation of the choices of revenue models. A further discussion about the revenue models is found in the section Discussion 5.4 Revenue models.

Table 2: Motivation of revenue models for the survey

<table>
<thead>
<tr>
<th>Revenue model</th>
<th>Part of survey</th>
<th>Motivation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paywall</td>
<td>X</td>
<td>Paywalls are not relevant at the moment since Nöjesguiden is a free magazine. However, Nöjesguiden wants to see if customers are willing to register their e-mail address to get premium content.</td>
</tr>
<tr>
<td>Advertising in new platforms</td>
<td></td>
<td>Nöjesguiden are currently initiating advertising in web-TV and podcasts and already have collaborations under way.</td>
</tr>
<tr>
<td>Collaborations</td>
<td></td>
<td>Nöjesguiden is already working with a number of collaborators in different areas, and is also initiating new ones at the moment.</td>
</tr>
<tr>
<td>Commission on advertised products</td>
<td></td>
<td>In collaboration with the instructor at Nöjesguiden, this model is not covered in the survey. There are models that suit Nöjesguiden better.</td>
</tr>
<tr>
<td>Consumer products</td>
<td>X</td>
<td>Labeled as very interesting by most experts. Since Nöjesguiden has strong brand recognition, it is highly relevant for them.</td>
</tr>
<tr>
<td>Content repurposing</td>
<td></td>
<td>This is an interesting model, but is not perfectly suitable for Nöjesguiden since the content is free. It can certainly generate additional visitors, but does not fuel revenue streams by itself.</td>
</tr>
<tr>
<td>Native advertising</td>
<td>X</td>
<td>Native advertising could be integrated on the website and add additional value to the content. Thus, it is interesting to evaluate the customer’s perception of the concept.</td>
</tr>
<tr>
<td>Events</td>
<td>X</td>
<td>Nöjesguiden is already working with event activities. Therefore, it is interesting to find out the customers perceptions and their willing to pay for them.</td>
</tr>
<tr>
<td>E-store</td>
<td></td>
<td>Nöjesguiden has had an e-store earlier. Even though the sales were satisfying, it meant too much administrative and distributional work. Hence, this is not a part of the survey.</td>
</tr>
<tr>
<td>Data</td>
<td></td>
<td>Highly interesting for internal use. However, the revenue model is related to data is rather a business-to-business model. Since the readers are addressed in this survey, it is not relevant.</td>
</tr>
<tr>
<td>Education</td>
<td></td>
<td>Labeled as interesting, but since it is related to events it is not covered in the survey. Cultivated entertainment and culture events are better suited for Nöjesguiden.</td>
</tr>
<tr>
<td>Crowdfunding</td>
<td>X</td>
<td>There are different opinions regarding this model. Nöjesguiden is interested in seeing if their readers are willing to crowd-source articles of particular interest. Therefore, it is covered in the survey.</td>
</tr>
</tbody>
</table>
4.3 Results from survey

The survey was distributed through the website of Nöjesguiden. 108 answers were collected, which was significantly lower than the initial aim. The survey was initiated with three classification questions compiled in Table 3.

Results from classification questions

The survey was initiated with three classification questions. This was important in order to address the risk of collecting responses from people that were not part of the desired target group. However, the results from the classification questions show that the vast majority of the respondents are in the desired target group. 94% of the respondents are between 18 and 44 years of age, and 97% are visiting the website at least once a month, which indicate that the survey has reached the desired target group. This also aligns with the self-selection bias, which means that frequent and engaged visitors are more inclined to answer a self-selection survey.

Table 3: Results from classification questions

<table>
<thead>
<tr>
<th></th>
<th>Male</th>
<th>Female</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>61%</td>
<td>34%</td>
<td>5%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Age</th>
<th>Under 18</th>
<th>18-24</th>
<th>25-34</th>
<th>35-44</th>
<th>Over 45</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 18</td>
<td>0%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>18-24</td>
<td>28%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>25-34</td>
<td>57%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>35-44</td>
<td>9%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Over 45</td>
<td>6%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Visiting frequency</th>
<th>At least once per day</th>
<th>At least once per week</th>
<th>At least once per month</th>
<th>At least once per year</th>
<th>Less than once per year</th>
</tr>
</thead>
<tbody>
<tr>
<td>27%</td>
<td>56%</td>
<td>14%</td>
<td>3%</td>
<td>0%</td>
<td></td>
</tr>
</tbody>
</table>
Mean and median values of survey answers

Five different revenue models were covered in the survey. In addition, two questions (question 1 and 2) aimed at current advertising were included. The revenue models covered was

- Native advertising (Question 3)
- Consumer products (Question 4 and 5)
- Events (Question 6 and 7)
- Paywalls (Question 8)
- Crowdfunding (Question 9)

A 5-point rating scale was used, where the respondents could choose from 1 = Strongly Negative, 2 = Negative, 3 = Neutral, 4 = Positive, 5 = Strongly Positive, consequently with a midpoint of 3. In Table 4 the mean and median value of each question are presented. The question with the highest mean value was the attitude towards events with a score of 3,86, whereas the attitude towards paying for an article together with others scored lowest with a mean value of 2,41.

Table 4: Mean and Median of survey answers

<table>
<thead>
<tr>
<th>Question</th>
<th>Mean</th>
<th>Median</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. What is your general attitude towards advertising online?</td>
<td>2,70</td>
<td>3</td>
</tr>
<tr>
<td>2. What is your attitude towards the advertising on Nöjesguiden.se?</td>
<td>2,73</td>
<td>3</td>
</tr>
<tr>
<td>3. What is your attitude towards websites who have editorial content that is created together with a collaborator?</td>
<td>2,54</td>
<td>3</td>
</tr>
<tr>
<td>4. What is your attitude towards products that include the brand of Nöjesguiden?</td>
<td>3,19</td>
<td>3</td>
</tr>
<tr>
<td>5. What is your attitude towards paying for products that include the brand of Nöjesguiden?</td>
<td>2,54</td>
<td>3</td>
</tr>
<tr>
<td>6. What is your attitude towards events organized by Nöjesguiden?</td>
<td>3,86</td>
<td>4</td>
</tr>
<tr>
<td>7. What is your attitude towards paying for events organized by Nöjesguiden?</td>
<td>3,21</td>
<td>3</td>
</tr>
<tr>
<td>8. What is your attitude towards leaving your e-mail address in exchange of being offered premium content?</td>
<td>2,92</td>
<td>3</td>
</tr>
<tr>
<td>9. What is your attitude towards paying for an article with a topic that you find particularly interesting together with others?</td>
<td>2,41</td>
<td>2</td>
</tr>
</tbody>
</table>
Mean values categorized by visitor frequency

The mean values for the questions are presented in Table 5, categorized by the visitor frequency. The ‘at least once per year’ and ‘less frequently than once per year’ categories were removed because of too few responses. There is a tendency in the results that the most frequent visitors are generally more positive than the others.

Table 5: Mean values categorized by visitor frequency

<table>
<thead>
<tr>
<th></th>
<th>Visitor frequency At least once per day</th>
<th>Visitor frequency At least once per week</th>
<th>Visitor frequency At least once per month</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. What is your general attitude towards advertising online?</td>
<td>2.62</td>
<td>2.80</td>
<td>2.47</td>
</tr>
<tr>
<td>2. What is your attitude towards the advertising on Nöjesguiden.se?</td>
<td>2.62</td>
<td>2.83</td>
<td>2.73</td>
</tr>
<tr>
<td>3. What is your attitude towards websites who have editorial content that is created together with a collaborator?</td>
<td>2.76</td>
<td>2.45</td>
<td>2.27</td>
</tr>
<tr>
<td>4. What is your attitude towards products that include the brand of Nöjesguiden?</td>
<td>3.41</td>
<td>3.20</td>
<td>2.80</td>
</tr>
<tr>
<td>5. What is your attitude towards paying for products that include the brand of Nöjesguiden?</td>
<td>2.55</td>
<td>2.55</td>
<td>2.53</td>
</tr>
<tr>
<td>6. What is your attitude towards events organized by Nöjesguiden?</td>
<td>4.28</td>
<td>3.71</td>
<td>4.00</td>
</tr>
<tr>
<td>7. What is your attitude towards paying for events organized by Nöjesguiden?</td>
<td>3.52</td>
<td>3.10</td>
<td>3.27</td>
</tr>
<tr>
<td>8. What is your attitude towards leaving your e-mail address in exchange of being offered premium content?</td>
<td>3.28</td>
<td>2.83</td>
<td>2.53</td>
</tr>
<tr>
<td>9. What is your attitude towards paying for an article with a topic that you find particularly interesting together with others?</td>
<td>2.24</td>
<td>2.55</td>
<td>2.20</td>
</tr>
</tbody>
</table>
Comments from open question

After the main survey question, an open question was presented where the respondents were asked if they thought Nöjesguiden should do something in the future that they are not doing today. Most comments are aimed at events or the orientation of the content. The results relevant for this thesis are presented in Table 6.

Table 6: Respondent comments from the survey

<table>
<thead>
<tr>
<th>Is there anything you think Nöjesguiden should do in the future that they are not doing today?</th>
</tr>
</thead>
<tbody>
<tr>
<td>“Correct me If I’m wrong, but this survey seems to be about if you should start charging for Nöjesguiden one way or the other. I’m relatively new to your site so don’t listen to me. But I think the quality on your articles (and in some cases even the length of them) has to grow for you to succeed.”</td>
</tr>
<tr>
<td>“Work more local in Gothenburg, as you are doing today but even more!”</td>
</tr>
<tr>
<td>“More events” I love your events + I like when the content is financed by advertisers, it is so good!”</td>
</tr>
<tr>
<td>“To be completely honest the magazine is a lot worse since the politics started to take so much space. I would prefer that you focused on entertainment.”</td>
</tr>
<tr>
<td>“Continue writing more steep articles about politics and contemporary pop culture”</td>
</tr>
<tr>
<td>“Events with themes might be fun =)”</td>
</tr>
<tr>
<td>“Focus on entertainment matters. Ockham ’s, you know!”</td>
</tr>
<tr>
<td>“Don’t be so political”</td>
</tr>
<tr>
<td>“Organize more events!”</td>
</tr>
<tr>
<td>“I want to add that I would rather see advertisements on online magazines than paying for it. Sponsored articles are also okay, but it has to be clear that it is sponsored.”</td>
</tr>
<tr>
<td>“Make old articles from the print papers available online.”</td>
</tr>
</tbody>
</table>
4.4 Summary of Results

In this chapter, results from semi-structured interviews and a survey aimed at the customers of Nöjesguiden have been presented. Five themes were extracted from the interviews, defining what is important for magazines to focus on in the transition from print to digital media. The six themes were:

- Content
- Target group
- Data / Analysis
- Strategy
- Print product features

Further, comments on thirteen different revenue models were compiled and presented. The models that were touched upon was advertising in new platforms, collaborations, commission on advertised products, consumer products, content repurposing, consultant services, crowdfunding education, events, e-store, data, native advertising and paywalls. Five of these were addressed in the survey aimed at Nöjesguiden, namely events, native advertising, paywalls, consumer products and crowdfunding. The attitude towards events showed the highest both mean and median scores, whereas crowdfunding had the lowest both mean and median score. In addition, the results showed that the most frequent visitors were generally more positive than the rest of the respondents.
5 Discussion

In this chapter, the results from the interviews will be discussed initially. Thereafter, the results from the survey aimed at Nöjesguiden will be addressed.

5.1 Discussion of themes

In the interviews, all experts agreed on companies need to be innovative and try new ideas in order to find new business paths. Thereto, five different themes were extracted. Each of those themes is discussed in this section.

Content

Regarding the orientation of content, the experts are somewhat united in the view that it should be either very broad and generic or very niched. This is also related to the quality of the content mentioned by some experts, referring to either short “bad” articles or longer more deepdrawing articles, whereas the middle-way is not preferable. This background, in combination with the importance of being news-driven, suggests that magazines should either produce fast news-driven content where the value is being first covering the story, and/or profound articles on a special subject where the value is a high-quality rundown of a subject. Being second or third on a story, presenting a mediocre coverage is consequently not a successful direction for magazines. This also relates to the ‘jobs to be done’ concept by Christensen (2012) where the two different orientations get different jobs done for the customers. One expert also mention that media is generally becoming more approachable and does not require the consumers’ full attention. The expert brings up the Dagens Nyheter website as an example, and suggests that they could preferably show a number of images with an instagram title of the latest breaking news. In relation to the ‘jobs to be done’ concept, if the aim of the visitor were to get a quick briefing of the latest news, that design would get the job done.

The experts labeled producing and choosing the right content as important for magazines. Several experts also emphasize the importance of providing unique content. The experts mean that there are many different ways of being unique, such as creating local content. Several experts also mean that companies’ failures of implementing paywalls are due to the content not being unique enough. When customers realize that they have to pay for an article, they go elsewhere to a place where they can find it for free. However, if that particular content is only present on that particular platform, the tendency to pay increases. To draw an example from another part of the industry as also mentioned by a couple of experts, sports rights typically work this way. A company buys the exclusive rights to a specific sports league or event and consequently forces the customer to pay to be able to watch it. It might be harder to get exclusive rights to a story as a magazine, simply because anyone who wants to cover a certain subject can write a story and publish it. However, there surely is ways of providing unique content. As an example, magazines can try getting exclusive interviews with popular people. The magazine Icon got an exclusive interview with the Youtube filmmaker Felix “Pewdiepie” Kjellberg in 2014, which was the only interview he did during that year (Göteborgsposten, 2015).
If someone wanted to read an up-to-date interview with “Pewdiepie”, they could only find it in that magazine. Another way of being unique could be to provide an article or interview at the right time. In the sports rights example, the most important selling point is that it is live. There is probably no problem finding a summary on Internet for free a week after the game or event, but the customers’ job to be done is seeing it live. There is reason to believe that this can be applied to the magazine industry, where an interview with a music artist will probably attract more readers just after winning the Eurovision Song Contest. Therefore, it might be advantageous for companies to think beforehand what is unique and what job an article is trying to get done for the customers.

**Target group**

All experts think the target group is going to become more important in the future. With that in mind, all additional revenue models that strengthen the bond between the publisher and the customers are potentially interesting, as long as they are related to the core business and have its origin in present capacities in the company. One expert accentuates how crucial it is for companies getting to know their target group. In doing that, it will be much easier to customize the content and actually get them to pay for it. Another expert agrees, and claim that when the target group is present, there are many possibilities of getting paid in other ways than advertising. This is also related to the importance of having a strong brand. Many experts mention the brand is becoming more and more important for media companies. In order to get paid in other ways than advertising, it is beneficial to have a strong brand. If companies have a strong brand and a clear target group, it will be much easier to initiate event and education activities, selling products or find other revenue streams.

One of the experts says one of the main reasons that the industry is changing, is because everyone can be a content provider. That has shifted the power from media companies to social platforms. That suggests that the personal brand is going to become more important, since well-known people can reach their particular target group of followers on different kinds of social platforms. This aligns with another expert who says the personal brand might become more important in the future. To take an example from outside the magazine industry, Ellen DeGeneres posted a ‘selfie’ during the Academy Awards in February 2014 with a phone from Samsung who were the main sponsor of the event. The selfie was re-tweeted 37 million times, compared to 43 million TV viewers. Publicis CEO Maurice Levy estimated the media value of the tweet to between $800 million and one billion dollars (Einav, 2015). This example is extreme but it signals how forceful a strong target group and a network of followers can be. In relation to the media industry, there is a possibility that certain journalists are going to become more important and more valuable than others, and consequently diminish the company brand. This can already be seen in some contexts where certain chroniclers or bloggers attract heavy traffic, which in turn also attract larger advertising investments. This means, the journalists that attract the most activity is probably also the most valuable for the company from a business perspective. One key aspect mentioned by one of the expert, is companies should denote their readers as customers to become more market driven. The previous discussion implies that magazines should also introduce a market driven approach towards their editorial staff. For a magazine online, that could for example mean highlighting the journalists that attract the most customer activity.
Data / Analysis

Most experts argue that data is going to become more and more important for magazines in the future. The majority of the experts say data should preferably be used to evaluate the business and continuously make the offer better. Some experts also label data as an interesting revenue model, since intelligence or analyses of a specific target group can be sold externally. One expert claim that the future of magazines is a model where traditional editorial content is combined with an algorithmic philosophy based on data and intelligence. The same expert added that this model is made for human beings. What that suggests, is that content provided on those platforms is targeted to meet the jobs to be done for the customers. Christensen, Allworth and Skok (2012) claim that it is beneficial to understand why the customers visit a certain magazine. In collecting and analyzing data, these answers can be answered and consequently, the magazine can offer exactly what the customer is looking for. For certain, customers have different jobs to get done, which means they are looking for different content. This also align with Osterwalder and Pigneur (2010) who claims that it is crucial to answer the question of what values different customers are willing to pay for. However, in analyzing and categorizing different target group categories, the magazines can begin to understand what content is matched to which target group. The orientation of the content must naturally be established in the particular niche the magazine has. Several experts have stressed the importance of creating a specific niche, and data offers the perfect opportunity of doing that. This could also be a way for magazines to find new possible content directions. If a magazine sees that certain content in the outskirts of the core niche continuously generate a lot of activity, that direction might be a potential future direction.

One expert believes that the present advertising model based on clicks is unfavorable, since it is predicated on customers clicking themselves away from the website. In addition, the expert mean that it is necessary to introduce new KPIs such as how long and advertisement was visible. This notion is highly valid, since a click-based model does not consider if an article is short press telegram or a comprised article. If magazines would adapt a model based on time, high-quality content could possibly generate more interest and in turn more advertising investments. In addition, this notion supports other advertising models such as native advertising as well suited. The reason is, native advertisements are embedded in the editorial content, and therefor the customers do not click themselves away from the website.

Strategy

Several interviewees suggest that an overstated effort should be put into the digital business. Sjøvaag (2014) also add that this shift has to take place gradually for companies to have time to build online brand recognition. In the context of revenue models, this means trying to squeeze out as much advertising revenues as possible from the print business, and at the same time put an overstated focus in how to make money in the new media landscape. Relating to Christensen (1996), creating an independent organization for the new business is one of the best ways of restraining a company from being blindfolded by old structures. According to this notion, companies should not only focus on the digital business over the print business, but also separate the businesses from each other in the way it could be done. However, for small magazines with the same editorial staff for both print and digital products, this might not always be unproblematic to achieve. On the other hand, if magazines begin to focus on the digital business as their core business, they will be able to change their mindset, question old structures and revenue models, and hopefully become more innovative as a result. In addition, most experts believe that multiple revenue models in parallel are needed in the future.
This notion aligns with several authors (Bartland 2013, Holm et al 2013) who agree that more complex combinations of models are probably the best fit for most companies. However, one expert means that too many concurrent models can cause problems since it will be hard to administrate. This take suggests that it is beneficial for magazines to carefully choose what models fit them best and that they should not initiate multiple new models at the same time. A better direction is to try new models one by one and evaluate revenue streams towards the revenues gained.

When it comes to cutting costs, most experts agree on those activities being beneficial to sharpen processes and being forced to evaluate the business. Some experts refer to the risk of cutting in quality and several experts suggest that cost cutting should preferably be aimed at administrative services rather than content creation. One expert also adds that it is important what companies do with their cost savings and suggests that the best solution is to invest in new potential businesses. Krumsvik (2006) also cover this topic and argues that cost cutting typically reduces funding for research and development. Cutting in these functions might not be the best solution for magazines when searching for new ideas and revenue models. Thurman and Myllylahti (2009) claim that companies can save a lot in laying down their print business, but the losses can be considerable since not enough revenue models are present digitally.

One of the experts suggest that there are two main reasons for a strong balance sheet in the new media climate - having funds to invest in the future and being able to live through a period of rough times. In relation to the importance of being innovative and trying new things, funds are needed to be able to try new ideas. Failure and iterative learning are essential in the search for disruptive innovations according to Christensen (1997). Trying and failing, until companies succeed cost money though, and therefore it is crucial for companies to ground their innovative strategies in current financial conditions. That suggest companies should look over the financial conditions, make long-term plans and choose potential ideas and attached revenue models grounded in present qualities in the company, however not grounded in old structures. If a magazine for example has a strained financial situation, it might not be strategic to try a new idea that is built on a long-term effort.

Many experts clarify that a long-term perspective is needed in the transition phase from print to digital media. When making plans for the future, it is important to have a long-term plan and continuously revise it to match current industry conditions. One expert also addresses the differences between how traditional magazines and new entrants are funded. Typically, new entrants are funded by venture capitalists or investment companies, which means they have the possibility of investing for the future and prevail in times of trouble. Even though it might be hard for magazines to change their ownership structures, the phenomenon indicates that traditional actors need to work towards strengthening their balance sheets in order to compete with new entrants.

### Print product features

Several experts, say physical features such as paper quality and appearance are important when it comes to print products. Many customers still want the experience of holding a physical product, which has a beginning and an end and which could be reviewed in design and paper quality. Several experts say print magazines still have a future even though the orientation of the content might change.
On the contrary, a couple of experts do not supply a gentle approach towards print magazines in the future, meaning there is a breakpoint where physical products are going to become unessential for publishers. In this matter, there is reason to look at different time perspectives. In a shorter time perspective, most experts say that the print product is important since it is still providing the majority of most magazine’s revenues even though the business is declining. In the long-term perspective, however, there is no consensus among the experts whether the print product will die a slow death or rally from the chasm. The experts who believe the magazine has a future in the long-term perspective mean that it has to create a clear niche and focus on premium content in order for customers to pay for it. Regardless of attitude towards the future of the print industry, the majority of the experts are emphasizing the importance of finding new revenue models in the digital landscape to outweigh the loss of print advertising revenues.

One of the experts argues that the print business must be evaluated against the importance of the print product seen from a brand perspective. That suggests, for some magazines it might be beneficial to have a physical product even though it is not generating any profits. However, that naturally implies that the magazine has to make the profits elsewhere, fueled by the increased brand recognition the physical product is offering. Briefly put, the physical product is present as an advertising banner. That view concurs with Sjøvaag (2014) who claims that brand recognition is often tied to the print product. One of the jobs done by a physical paper is being a physical banner important for the trademark as also mentioned by one of the experts. This is especially true for freely distributed magazines visible in newsstands, as is the case for Nöjesguiden. Relating to that context, one of the experts said that magazines do not necessarily have to be either as frequent or as comprehensive to fulfill its job as a trademark engine.

### 5.2 Revenue models

During the interviews, thirteen different revenue models were discussed. The experts had differing opinions regarding most models. There was a certain tendency that the experts had differing opinions depending on their background. As an example, the experts from the academic world mentioned integrity and credibility problems a lot more often than the experts working for commercial companies. In addition, the academics also secured their viewpoints in research and examples to a larger extent. By contrast, the experts working in the industry were slightly more imaginative when talking about future trends.

The revenue model that most experts labeled as relevant and well matched to the magazine industry was events, given that the magazine has a strong brand. This aligns with Christensen, Allworth and Skok (2012) who mean that many media companies are suited to host events and bringing people with shared interests together. Potential revenue streams related to the model can for example be admissions fees or corporate sponsorships (Christensen, Allworth and Skok, 2012). The interviewees also mentioned that this is already proven a good model, since several magazines have already performed events with success. The experts say that events offer the possibility of strengthening the bond to the customers and does not rival with the core business. Since encouraging the target group is one of the focus areas labeled as important by the experts, events is a highly relevant revenue model for magazines, given that they have a content direction well suited for events. As an example, Nöjesguiden is aimed at entertainment and culture, which means there are tons of opportunities creating relevant events related to music, fashion or food.
Education is also a model that many experts classify as a possible way of adding new revenue streams, and like events it is important to have a strong brand and high credibility to be able to gain attraction. One way of slowly moving towards education activities could be to start producing pedagogical content in the magazine. This could be aimed at how to grow plants for a gardening magazine or providing recipes for a cooking magazine. With the help from online analytics tools, there are possibilities for the magazines to see if there is an interest for pedagogical content. If there is, providing courses could be a future business direction.

Regarding consumer products, most experts are slightly positive since it can enhance the brand. However, some experts say there is a risk in the magazine entering a new market with new competitors and new work tasks as an effect. This could nevertheless be a potential revenue model for magazines. Macnamara (2010) mentioned the link to music bands and sport clubs, who make a lot of money on their merchandise. Even though magazines might not normally have as strong of brands as music bands and sporting clubs, it might be an interesting revenue model for magazines with a strong brand. A drawback with consumer products is the business will possibly need resources that are not present in the core business. One way of solving this is to initiate collaborations with companies having the particular product as its core business. In that way, they can enter the product market without having the required qualities internally. If a magazine is working frequently with events, this could also be a good platform to sell consumer products. Another closely related revenue model is e-stores. The experts mention a number of successful e-stores in the industry, such as the gardening site Odla.nu selling seeds and plants and the fashion magazine Harper’s Bazaar selling fashion products. As with consumer products in general, this model could be interesting for magazines as long as the products sold are relevant in connection with the content niche. When talking about e-stores a couple of experts mentioned that selling non-physical products such as education, courses and events is probably most important. If a company initiates event or education activities, the e-store could consequently be a relevant platform to sell it. However, the e-store is not a revenue model in itself, but rather connected to consumer products, events or education.

Collaboration and partnership are wide concepts and could mean many different things. Macnamara (2010) mentioned sponsorships, product placements and bundled product arrangements as three examples of collaborations. The experts are generally positive to the revenue model since it is possible to coordinate processes and create additional value to the customers. However, the experts stress the importance of creating value for both parties. Christensen, Allworth and Skok (2012) also label this model as interesting and add that it might be beneficial to initiate collaborations with local businesses to get closer to the target group. On the other hand, the authors also point out that it must be done in a way that does not affect the editorial integrity. As described by Bartland (2013), Schibsted has initiated a model where advertising space is used to promote media outlets from companies within their network. A possible direction for magazines could be to create networks of collaborations in the same way Schibsted has done. If the magazine has a good stream of visitors to their website, collaborators and joint events can be promoted through advertising space online. This also has a clear connection to content and the target group, where it is probably a lot easier to initiate collaborations if the magazine has a clear niche in content and consequently a well-defined target group.
Since the magazine industry is changeable and new ideas are needed, some media groups have initiated departments involving startups and entrepreneurship (Bartland, 2013). This could also be a possible path for magazines, in starting collaborations with interesting startups that could be beneficial for both parties. In that way, magazines can get closer to innovative minds and new ideas. Christensen, Allworth and Skok (2012) have stressed the importance for managers to change their traditional perspectives, and working with entrepreneurs could be one way of achieving that objective.

All experts agree on data being highly important in the media climate. However, most experts agree on the data being more important for companies internally than creating a business model. One example that was brought up during the interviews is the magazine Mediavärlden who are selling media analysis briefs with great success. Another example is the magazine Resumé who charge quite a lot for their newsletter. However, what these two examples have in common is they are both making analyses of the media industry. That means there are many companies potentially benefitting from buying those services. It might be harder for magazines with other orientations to make a revenue model out of data, but with the right conditions and target group it is definitely possible. As an example, it might be interesting for a producer of hunting gear to buy an analysis from a hunting magazine based on their readers. This model might fit some companies perfectly whereas it might be better for other magazines to solely use the data internally.

Regarding paywalls, the majority of the experts are doubtful that it could provide more than a fraction of the total revenues for a magazine. Several experts also mention that many big Swedish newspapers have tried different paywalls without wide success. However, many companies still try to find a solution that will work. One expert mentions the collaboration between the micro payment company Klarna and the newspaper Dagens Nyheter. What the expert categorizes as extra promising with this collaboration is two companies from different industries are collaborating on their own terms and with their specific core qualities. Klarna is a leader in micro payments and Dagens Nyheter is one of the biggest newspapers in Sweden. Another expert adds that micropayments is potentially interesting, given that the payment structure is getting easier. What the majority of the experts agree on is the subscription model does not seem to be the most promising model.

Commission on advertised products was mentioned as a possible revenue model in literature (Macnamara 2010). The experts have different opinions about the model, where a few experts do not believe in it whereas one expert says it is very interesting. The expert with the positive view refers to how fast a product can sell out if a popular blogger promotes it in a blog post. This signals that the model could be relevant for a magazine with highly influential journalists in combination with content and a target group relevant suitable for the product advertised. Another model with differing opinions is content repurposing. Most experts believe that the concept is interesting but it is hard to know exactly how the revenue streams should be generated. Macnamara (2010) says content can be sold for historical or personal use, or repurposed. This might not be the perfect revenue model for most magazines. However, repurposing content is still a beneficial way of saving internal capacity. A parallel can be drawn to television, where movies are sometimes split up and showed as a series. One example of that was the Millenium trilogy that was firstly cut as movies, but was later cut into a series aired on the television network SVT (SVT, 2015, par. 1). If magazines can reuse old popular articles that are still relevant and in demand, repurposing content could be seen as a cost saving, since repurposing the content will probably take fewer resources than producing a new article from a zero position.
Consultant services is also a model where the experts have unequal perspectives. Some experts refer to the risk of losing credibility as one of the drawbacks with the revenue model. One interesting example that came up during the interviews was the company Spoon, who offers journalistic services to other companies with great success. However, the company is rather a marketing company than an editor in its traditional meaning. Offering consultant services is presumably relevant for the media industry but might not be as perfect for magazines. However, most experts view native advertising as pertinent for magazines, even though some experts refer to credibility as a problem. One valid aspect mentioned by one of the experts, was the credibility issue could be solved in being completely open with objective and the originator. As mentioned earlier, a benefit with the native advertising model is the fact that the advertisements are embedded in the editorial content, which means the customers do not click themselves away from the website.

The last model discussed in the interviews was crowdfunding. Several experts describe crowdfunding as an interesting revenue model, even though one expert is uncertain whether this should be categorized as a funding model or revenue model. There is reason to believe that it is important to have a strong personal brand to be able to fund an article or reportage. One intriguing example brought up by a few experts was the Blankspot project, initiated by the journalist Martin Schibbye among others. The project is aimed at creating a platform for foreign journalism financed by the citizens (Blankspot Project, 2015) and has currently collected over one million SEK (Funded by Me, 2015, sec. 1). One of the reasons for the project getting funds is probably because Martin Schibbye became well known after he and his colleague Johan Persson was imprisoned in Ethiopia. There might be a possibility for magazines to get new revenue streams from crowdfunding if they have strong brand recognition. However, there is also a risk of creating confusion among the customers if a magazine both collects money through crowdfunding and at the same time are having other revenue or funding models.

5.3 Nöjesguiden

108 responses were collected from the survey. The classification questions showed that the vast majority of the respondents were in the desired target group. 94% of the respondents were between 18 and 44 years of age, and 97% were visiting the website at least once a month, which indicate that the respondents are within the desired target group. This also aligns with the self-selection bias, which means that frequent and engaged visitors are more inclined to answer the survey. When looking at the respondent’s results in general, both the mean and the median values are close to the midpoint of the scale for most questions. That means that it can be hard to draw any conclusions, since the respondents normally stay close to neutral in their attitude towards different revenue models. In addition, since the responses are few, there is reason to be careful with drawing too confident conclusions from the data. On the other hand, the data can provide a useful indication for Nöjesguiden about what revenue models are better suited for them than others.

The first two questions of the survey was not aimed at a specific revenue model, but was part of the survey to collect the general opinion about advertising on the internet and the current advertising at Nöjesguiden. The results show that the respondents are slightly more positive to advertising in Nöjesguiden than the attitude towards advertising online in general, which is intriguing for Nöjesguiden to know. When it comes to the revenue models, it is obvious that the attitude towards events score significantly higher than the other models.
A mean value of 3.86 (question 6) regarding events and 3.21 (question 7) regarding paying for events also show that this could create revenues through admission fees. Nöjesguiden is already working with events from time to time. There is consequently a possibility that the respondents are more positive to events than the other models because of their previous experience and knowledge about the events organized by Nöjesguiden. However, the results indicate that it might be beneficial for the magazine to develop the direction further. In addition, some of the comments from the open question were addressing events in positive wording. Christensen, Allworth and Skok (2012) claim that many media companies are well suited to host events. With connection to the qualities needed to host events, Nöjesguiden is well suited. They already have an organization with event experience; they have a clear target group and content niche and also strong brand recognition. This means, they can add revenue streams without having to acquire knowledge externally. Since the magazine is working with entertainment and culture, there are many possible events that could be arranged.

When looking at the mean values for different visitor frequency categories, the most frequent visitors are the most positive towards events (See Table 5, questions 6, 7). Even though the sample size is small and it is important to interpret the results with caution, the pattern is also evident in the other questions. The general tendency regarding the visitor frequency categories is that the daily visitors are more positive towards the different variables under study. In the extension, that also suggests that the most active customers in the desired target group are the most important for Nöjesguiden from a revenue perspective. This pattern is not a spectacular finding, but nevertheless significant to know. This also aligns with the results from the interviews that show how important it is to create a clear niche in order to reach the right target group and in turn be able to charge for products or services.

When it comes to the attitude towards consumer products (question 4 and question 5), the respondents are slightly above the midpoint of the scale with a mean value of 3.19. However, the attitude towards paying for the products is far below the midpoint with a mean of 2.54. The results indicate that there might be a reason for the magazine to initiate consumer products for marketing reasons, but might be harder to create revenue streams through charging for them. That also suggests that if they initiate consumer products, it is important to evaluate how much value it adds in the bigger context. To draw a parallel to the retrenchment of the print business, it is important to evaluate the consumer products from a brand perspective. It is necessary to add that the questions were aimed at the general attitude towards products branded with Nöjesguiden. If the survey questions were aimed at specific product categories, the responses might have been completely different. This means there might be consumer products out there that would suit Nöjesguiden perfectly. However, events seem like a more obvious direction for the magazine. Since most respondents are more positive to events organized by Nöjesguiden, it could be beneficial to link consumer products to events somehow if launched. When it comes to internal qualities, the magazine might also lack the internal knowledge needed to create and distribute consumer products. This could be possibly achieved with collaborations however.

Since Nöjesguiden is a free magazine, paywalls are not an obvious path for the company. However, the instructor at Nöjesguiden thought it might be interesting to see if the customers are willing to register their e-mail addresses and get premium content in return. The registration of addresses does not make a revenue model in itself, since no revenue streams are directly linked to the registration. However, if the customers are willing to engage in a premium service, revenue streams could be generated in other ways.
The mean score of the attitude towards registering was 2,92 (question 8), and in other words below the midpoint of the scale. The mean score shows that this might not be a perfect solution for Nöjesguiden. However, this could possibly be tied to events where the respondents have a more positive attitude. There might be an opportunity of having a premium service aimed at events with invitations, a RSVP function and such. In that way, Nöjesguiden could engage the customers that are interested in events. At the same time, the customers that are solely interested in reading the content online could keep doing that without engaging further.

Regarding native advertising (question 3), the mean score in the survey was 2,54, which is fairly low. However, there is a clear pattern that the more frequent the visitor is, the more positive the visitor is. Since the concept of native advertising is fairly new, this could be because the more frequent visitors are more used to the concept than less frequent users. There is also a possibility that some respondents do not know what the concept means and what values it can provide to the content. Even so, the results are all below the midpoint of the scale, which suggest that the model might not be perfectly suited for Nöjesguiden at the moment. However, the respondents had a fairly negative view towards both advertising in general (2,70) and the current advertisements at Nöjesguiden (2,73), which could indicate that native advertising is not that bad in comparisons with display or classified advertisements. This is especially true for the daily visitors where native advertising had a mean score of 2,76 and the attitude towards advertising in general and at Nöjesguiden both had a mean score of 2,62. Consequently, in the daily visitors category native advertising amounted a more positive attitude than advertising in general. This suggests that native advertising could still be a potential path for Nöjesguiden. However, in order to draw more distinct conclusions, more data should be collected.

The last question (question 9) was aimed at the attitude towards crowdfunding. The mean score was 2,41 and the median 2, which shows that the majority of the respondents are negative to the concept. Regarding crowdfunding, not even the most frequent visitors were positive with a mean value of 2,24. However, since the concept of crowdfunding is new and untried, there is a possibility that the respondents are uncertain about what the concept means. Therefore, the results have to be countered with caution. In any case, the model does not seem suitable for Nöjesguiden at the moment, since the respondents had the most negative attitude towards this model compared to the others.

In conclusion, there is a reason to discuss the comments from the open questions. Six of the comments were directed to the content direction of Nöjesguiden. One commentator hints that the content quality might have to be better to charge for it, another that the content could be even more local and a third request more steep articles. All these comments align with the results from the interviews, where local content, deeper articles and content quality is going to become more important ahead. In addition, three commentators hint that the content orientation is moving overly far from away from the core direction. Two commentators are referring to the content being to political and the third suggests that Nöjesguiden should stick to entertainment and refers to the problem-solving principle Occam’s razor. The meaning of the principle is that simplicity is normally preferable when several theories are competing (Encyclopedia Britannica, 2015, sec. 1). What the commentator probably suggests is that Nöjesguiden should not diverge from its initial content direction. Even though it is senseless to draw any conclusions from three comments alone, there might be a reason to evaluate the present orientation from a content niche perspective.
If for example Nöjesguiden desires to be more political, it might be a good idea to be even clearer towards the customers with that aim. This could for example be achieved in separating the political content to a section called “politics in culture” or such.

5.4 Sustainability

The concept of sustainability has been evolving and is increasingly addressed as an integral part of management (Jamali, 2006). One of the most commonly used definitions of the concept is from the Bruntland Report (1987, p. 43):

“Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs.”

The concept is typically divided into three different aspects: environmental, social and economic sustainability (Souza et al, 2014). The most obvious impact on sustainability regarding the transition of the magazine industry is related to environmental aspects. The substitution of printed products into digital products is clearly affecting the sustainability of the industry. The digitalization has increased the possibility of communicating and distributing information, “thereby reducing transaction costs and many of the environmental costs associated with paper-based transactions” (Berkhout and Hertin, 2001, p.11). One example is emissions from transportation that is reduced when less print products need to be distributed physically (Alakeson et al, 2003, cited in Fuchs 2008). According to Malmodin et al (2013), one of the main sources of emissions in the media sector is from the production of printed media. Therefore, the transition into digital media has a large positive effect on environmental sustainability. This is also linked to economic sustainability. Some authors claim that the information society makes the economy less resource-intensive, which creates a “weightless economy” and consequently enhances sustainability (Coyle, 1997; Kelly, 1999; Leadbeter, 2000).

5.5 Summary of discussion

The first section of the discussion was pointed at the themes extracted from the interviews, namely content, target group and data, strategy and print product features. Christensen, Allworth and Skok (2012) meant managers must reform their traditional view and adopt a more innovative approach to succeed in the media industry, which all interviewed experts agree on. In addition, companies should make long-term plans and choose potential ideas and revenue models grounded in their current capabilities. Regarding the orientation of the content, the experts are fairly uniform that it should either be very broad or very niched, whereas the middle-way is not preferable. In order to get paid for the content, it also has to be unique. That is also related to the target group, which most experts agree is becoming more important in the future. In getting to know the target group and strengthen the brand, it will be much easier to find new revenue streams. The rise of social media also suggests that the personal brand is going to get more important in the future. All experts agree on data is more and more important in the digital environment. Most of the experts also have a matching approach towards data preferably being used by the magazines themselves instead of being used as a revenue model. One expert adds that new advertising models on the internet has to be reformed, since current models are typically based on customers clicking themselves away from the websites.
During the interviews, thirteen different revenue models were discussed. The revenue model that most experts categorize as interesting and suitable for the magazine industry is events. Two of the main reasons discussed were, it does not rival with the core business and it can strengthen the bond to the target group. A nearly related model is education, which could be a good way for magazines with a strong brand and clear niche. When discussing consumer products, most experts are slightly positive since it can enhance the brand. A drawback with consumer products, however, is the business will possibly need resources that are not present in the core business. Collaborations can be made at many different levels and could be a desirable solution for some magazines. Christensen, Allworth and Skok (2012) means the model is interesting since it can get businesses closer to the target group. The remaining models gave rise to differing opinions by the experts. In brief, all models discussed could be potentially interesting for a magazine with the preconditions suited for that particular model.

The last discussion section was aimed at Nöjesguiden and the survey. The results from the survey showed that the attitude towards events had a significantly higher mean score than the other models. Nöjesguiden is already organizing events every now and then, and the results suggest that it might be advantageous for the magazine to expand the direction further. When pointing to the attitude towards consumer products, the results indicate that there might be a reason for the magazine to initiate consumer products for marketing reasons, but might be harder to create revenue streams through charging for them. The three remaining models addressed where paywalls, native advertising and crowdfunding. The attitude towards these models showed mean scores well below the midpoint of the scale, which suggest than none of the three might be the perfect model for Nöjesguiden. However, a premium service aimed at event activities could be beneficial since the respondents generally have a positive attitude towards events.
6 Conclusions and future studies

In this chapter, a presentation of the findings will be presented. This will be achieved through answering the research questions. In conclusion, a section about future studies of interest will follow.

6.1 Research questions

The purpose of this thesis was to evaluate how magazines can develop their businesses in order to remain competitive in the transition phase from print to digital media. More specifically, the aim was to present a breakdown of what areas of focus are important to succeed and what revenue models are linked to those areas. In order to achieve the purpose, the two research questions from 1.3 Research questions will be answered.

How could magazines develop their business in order to remain competitive in the transition phase from print to digital media?

To address the first research question, the answer is divided into the print business, the digital business and revenue models. The conclusions are presented below.

The print business

When looking at how to manage the print business, Christensen (2012) argues that it is important to get the business healthy and downsize it to the point where it can stand on its own. However, Sjøvaag (2014) claim that the brand recognition is often tied to the print product, which suggest that it might be damaging to downsize it overly fast. One of the interviewees argues that the business has to be evaluated from a holistic perspective, where the financial performance is evaluated against the importance of the physical product as an advertising banner. What this implies is that for some magazines it might be possible to downsize or lay down their print business, whereas it might be devastating for others. It also suggests that it is important for magazines to focus on building online brand recognition, especially for the magazines that are solely relying on print recognition. Another important aspect regarding this matter is the time horizon. Many experts clarify that a long-term perspective is substantial in the transition phase from print into digital media. When planning the future, it is important to instate a long-term time perspective and continuously revise the plan to match current financial and industry conditions.

According to all experts, cost cutting is important for, even though some experts are referring to the risk of cutting in content quality. However, the majority of the experts concur in their view that it is a good way of improving processes and being forced to evaluate the business. One expert also emphasizes the importance of what companies should do with their cost savings. In order to compete with new entrants normally funded by venture capitalists, it is important to put the cost savings into investments for the future and strengthening the balance sheet. In that way, magazines might find new business paths, which are needed to balance the decline of print advertising revenues.
In brief, magazines could advantageously manage their print business in:

- Continuously evaluating the print business using a holistic perspective
- Adopt a long-term perspective
- Initiate cost cutting activities
- Put cost savings into investments for the future or strengthening the balance sheet

**The digital business**

In excess of the print business, five other themes were extracted from the interviews including content, target group, data, strategy and print product features. The first theme is content, where the experts are passably united that it should be either very broad or very niched. This is also linked to the quality of the content brought up by some experts, referring to either short “bad” articles or longer more profound articles, whereas the middle-way is not favorable. In relation to Christensen’s ‘.jobs to be done’ concept, the results suggest that magazines should either produce fast news-driven content where value is being first on the story, or ore profound articles where the value is a high-quality reportage. Two other important aspects brought up by the interviewees were the importance of being unique and choosing the right content. Providing unique content could mean different things, for example producing local content, producing an exclusive or being perfect in timing. To succeed in the digital environment, magazines should evaluate what makes their content unique and what value they are adding to their customers.

The next area to focus on is the target group. The results show that the target group is becoming more important in the future. One expert emphasize how substantial it is for companies getting to know their target group, since that will make it easier to customize the content and in turn enhance the chances of charging for it. Another expert fills in with the standpoint that when the target group is firsthand, there are many different openings in getting paid in addition to advertising. This also corresponds to the finding that the brand is going to become more important. If companies have a strong brand and a clear target group, it will be more effortless to initiate event and education activities, selling products or find other possible revenue streams. In addition, there are indications that the personal brand is also becoming more important by reason of social media. One seminal aspect mentioned by one of the expert, is companies should look at their readers as customers to become more market driven. The gain of importance for the personal brand also implies that magazines should initiate a market driven approach towards their editorial staff. For a magazine online, that could for example mean highlighting the journalists that attract the most customer activity.

The third theme is data, which the majority of the experts say should be used to evaluate the business and continuously make the offer better. One expert claim that the future of magazines is a model where traditional editorial content is combined with an algorithmic philosophy based on data and intelligence. Christensen, Allworth and Skok (2012) claim that it is substantive to understand why the customers visit a certain magazine. In analyzing data, these answers can be answered and consequently, the magazine can offer exactly what the customers are looking for. In addition, one expert categorize display advertising as fallible, since customers click away from the visited website. In this regard, there is reason for magazines to look at new potential advertising models such as native advertising. With reference to business model innovation, the most obvious and solid result was that magazines have to be innovative and try new things. In addition, most experts agree on multiple revenue models are probably needed to outweigh the loss of print advertising revenues.
This view coincides with the comprehension of Christensen, Allworth and Skok (2012), who claim that managers need to change their traditional perspective and adopt an entrepreneurial approach to succeed in the magazine business. Relating to the theme strategy, several interviewees suggest that an overdrawn endeavor should be put into the digital business over the print business. This suggests that companies should make the print business as lean as possible, and give the company’s full focus to the online business in parallel. Christensen (1997) also accentuate the importance of separating the new business from the old, since old structures typically reduce the innovative power in the new environment. Like the print business, experts also stress the importance of being forward-looking and look over the financial conditions.

The last theme extracted from the interviews was print product features. Several experts, say physical features such as paper quality and appearance are important when it comes to print products. In addition, the physical product is important for many magazines because of the brand recognition is tied to the printed product. One of the jobs done by a physical paper is being a physical banner important for the trademark as also mentioned by one of the experts. This is especially true for freely distributed magazines visible in newsstands, as is the case for Nöjesguiden.

Summarily, in order for magazines to succeed in the digital business, they should:

- Be innovative and try new things
- Focus on the digital business as the core business and if possible, separate the two
- Produce either very broad or very niched content, focus on uniqueness and find out what makes their particular content unique
- Get to know their target group and focus on improving the brand recognition
- Use data to evaluate the business and find new advertising models where the customers do not click away from the website

**Revenue models**

To begin with, both authors (Bartland 2013, Gustafsson 2009, Holm et al, 2013) and experts agree on several revenue models are probably needed to weigh out the decline of print advertising revenues. This suggests that magazines could develop their existing models in adding new revenue models to their current models. In this study, thirteen different potential revenue models have been discussed. *Table 7 shows a brief of the revenue models.*
<table>
<thead>
<tr>
<th>Summary</th>
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<tbody>
<tr>
<td><strong>Events</strong></td>
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<tr>
<td>Suitable for magazines with strong brand recognition, already</td>
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<tr>
<td>proven a successful model for some magazines, good for</td>
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<tr>
<td>strengthening the bond with the target group, does not rival with the</td>
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<td>core business</td>
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<td><strong>Education</strong></td>
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<td>Suitable for magazines with strong brand recognition and high</td>
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<td>credibility, should be based in the core business and be a relevant</td>
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<td>extension of it</td>
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<td><strong>Consumer products</strong></td>
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<td>Effective in strengthening the brand, risk of entering new industry</td>
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<td>with new competitors, new resources might be needed</td>
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<td><strong>E-store</strong></td>
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<tr>
<td>Suitable for companies with a clear niche, proven a good revenue</td>
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<tr>
<td>model for some magazines, not a revenue models in itself but</td>
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<td>requires consumer products, events or other things to sell</td>
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<td><strong>Collaborations</strong></td>
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<td>Could be achieved through sponsorships, product placements or</td>
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<td>bundled product arrangements, collaborators can coordinate</td>
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<td>processes and add additional value to the customers, should be done</td>
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<td>in a way that does not affect credibility</td>
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<td><strong>Data</strong></td>
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<tr>
<td>Not suitable for all magazines as a revenue model, all magazines can</td>
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<td>use data internally to improve their offer however</td>
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<td><strong>Paywalls</strong></td>
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<td>Doubts in how much revenues it can provide, not proven a successful</td>
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<td>model, interesting with micro payments if the payment process is made</td>
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<td>easier</td>
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<td><strong>Commission</strong></td>
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<td>Differing opinions among the experts, could be relevant for a</td>
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<td>magazine with highly influential journalists or bloggers</td>
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<td><strong>Content repurposing</strong></td>
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<td>Hard to know how the revenues should be generated, could be seen as</td>
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<tr>
<td>cost saving activity</td>
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<td><strong>Consultant services</strong></td>
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<td>Differing opinions among the experts, risk of losing credibility</td>
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<td><strong>Native advertising</strong></td>
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<tr>
<td>Viewed as interesting by the experts, risk of losing credibility,</td>
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<tr>
<td>benefit of keeping the customers on the website</td>
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<td><strong>Crowdfunding</strong></td>
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<td>Unclear whether it is a funding or revenue model, could be suitable</td>
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<td>for journalists or magazines with a strong brand, still fairly</td>
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<td>untried.</td>
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What revenue models are relevant for Nöjesguiden, based on their existing product offerings?

Five different revenue models were chosen to be part of the survey aimed at Nöjesguiden. These were selected with the basis of the internal qualifications of the magazine in collaboration with the instructor at Nöjesguiden. The revenue models picked were paywalls, consumer products, native advertising, events and crowdfunding. Even though the survey only had 108 responses, the main body of the respondents was in the desired target group of frequent users between 18 and 44 years of age. The results gave some beneficial indications of what models are most relevant.

The attitude towards events scored considerably higher than the other revenue models. A mean value of 3,86 regarding events and 3,21 regarding paying for events also imply that it could create revenues through admission fees. Nöjesguiden is working with events occasionally, and the results signal that it might be favorable for the magazine to develop the direction. Christensen, Allworth and Skok (2012) argue that media companies are well befitted to host events. Since Nöjesguiden has previous experience, a clear target group and content niche, they also have the internal qualifications needed. Events are therefor a highly relevant model for Nöjesguiden. Regarding the attitude towards consumer products (question 4 and question 5), the respondents were slightly above the midpoint of the scale with a mean value of 3,19. However, the attitude towards paying for the products was far below the midpoint with a mean of 2,54. The results indicate that there might be a reason for the magazine to initiate consumer products for marketing reasons, but might be harder to create revenue streams through charging for them. When it comes to internal qualifications, the magazine might also lack the knowledge needed to create and distribute consumer products. This could be possibly achieved with collaborations however. In short, this should rather be a marketing activity than a revenue model for Nöjesguiden.

The third model under study was a modified version of a paywall. Since Nöjesguiden is a free magazine, paywalls are not a self-evident path for the company. However, if the customers are willing to engage in a premium service in return for leaving their e-mail address, revenue streams could be generated in other ways. The mean score of the attitude towards registering was 2,92, which is slightly below the midpoint of the scale. The mean score shows that this might not be a perfect solution for Nöjesguiden. If initiated, a premium content wall would not be explicit revenue model for Nöjesguiden, but instead a way of getting closer to the target group. The attitude towards native advertising resulted in a mean score of 2,54, which is fairly low. However, there is a clear pattern that more frequent visitors have a more positive view than less frequent visitors. However, the respondents had a fairly negative view towards both advertising in general (2,70) and the current advertisements at Nöjesguiden (2,73), which could imply that native advertising is not that useless in comparisons with display advertising. However, more data is needed to draw more distinct conclusions regarding native advertising. The last revenue model under study was crowdfunding. A mean score of 2,41 and a median of 2 indicate that the majority of the respondents are negative to crowdfunding. This suggests that the model is not suitable for Nöjesguiden at the moment.
In summation, the only revenue model under study that was perfectly suited for Nöjesguiden was events. Consumer products and a premium content wall might be interesting, but rather as marketing activities than revenue models. More data is needed to draw any clear conclusions about native advertising whereas crowdfunding is not a model suited for Nöjesguiden currently.

### 6.2 Summary of conclusions

In summary, in the print business magazines should focus on:

- Continuously evaluating the print business using a holistic perspective
- Adopting a long-term perspective
- Initiating cost cutting activities
- Putting cost savings into investments for the future or strengthening the balance sheet

Further, in the digital business magazines should focus on:

- Being innovative and trying new things
- Focusing on the digital business as the core business and if possible, separating the two from each other
- Producing either very broad or very niched content, focusing on uniqueness and finding out what makes their particular content unique
- Getting to know their target group and focusing on improving the brand recognition
- Using data to evaluate the business and finding new advertising models where the customers do not click away from the website

In addition, they could add new revenue models to extend their current offer. In this study, thirteen such potential revenue models have been discussed.
6.3 Future studies

As an introduction, the rapid development of the magazine industry offers many potential areas of interest for future studies. In addition, previous research is incomplete concerning the magazine market, which has not been widely studied. More researchers should aim their eyes towards the magazine market, which offers many interesting research possibilities.

This research has been aimed at finding out how magazines can develop their businesses in the transition from print to digital media. In this research, thirteen different revenue models have been discussed. Each of these models could be further investigated in more detail. To get more knowledge from the readers and draw generalizable conclusions, a more comprehensive survey could be performed aimed at the readers. In addition, qualitative studies such as focus groups could be performed with the readers to get a deeper understanding of the different revenue models. One particularly interesting thing to look at is a more extended study aimed at different kinds of advertising. As an example, it would be thrilling to learn more about how customers receive new kinds of advertising such as native advertising in comparison with display advertisements.

In this study, a survey was aimed at the readers of Nöjesguiden. Typically, magazines have two sets of customers – readers and advertisers. One interesting direction would be to engage advertisers in a more large-scale study to learn more about their objectives and orientations. As an example, it would be interesting to learn what they believe is the future of advertising and consequently what they want to invest in. It would also be intriguing to know if the opinions of advertisers and readers differ.

Finally, one interesting thing came up during this research. In the survey responses aimed at Nöjesguiden, there was a considerable difference in attitude between men and women regarding the revenue models. In general, men were a lot more positive than women regarding newer models like native advertising, paywalls and crowdfunding. This could be an interesting direction to examine in further research.
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Appendix

Appendix A: Interview questions

Since the interviews were held in Swedish, the interview questions are presented in Swedish. The questions below were base for the semi-structured interviews.

1. Kan du berätta om din tidigare karriär i korthet?
2. Kan du beskriva de huvudsakliga trenderna och dynamiken i medieindustrin?
3. Vilka egenskaper behöver ett medieföretag för att lyckas i detta klimat?
4. Var tror du att mediebranschen befinner sig om fem år?
5. Var tror du att tidskriftsbranschen befinner sig om fem år?
6. Vilka möjligheter finns det för medieföretag att ta betalt för sitt innehåll online?
7. Finns det något företag som du tycker är särskilt intressant inom mediebranschen för tillfället?
8. Finns det någon affärsmodell som du tycker är särskilt intressant inom mediebranschen för tillfället?
9. Hur ser du på tidskrifter och deras möjligheter framöver?
10. Hur viktig är printutgåvan för tidskriftsutgivare?
11. Hur ska tidskrifter agera för att flytta över sina kunder till den digitala miljön?
Appendix B: Summaries from interviews

Summary of interview with Staffan Sundin

Title: Professor emeritus of Media and Communication Science at Luleå University of Technology

Staffan Sundin was originally a teacher at the Swedish gymnasium. Thereafter, he started postgraduate studies in economic history where he among other things wrote a thesis about the history of the Bonnier group. In parallel with the studies, Staffan was working in several different positions covering the media market, including writing reports for Nordicom and working as an expert in government studies investigating the media concentration in Sweden. He was also a teacher in media and communication studies at Jönköping University before his professor position at Luleå University of Technology.

There are great challenges for many parts of the media industry at the moment. The consumers are moving to new platforms and there are issues in how to finance the production of journalistic content. The daily press has severe problems since the increase of revenues in new platforms do not balance the decrease in traditional ones. The same is true for magazines, television and other parts of the media industry. In some cases, it is hard to see how bad it really is, since companies avoid reporting how they perform in the digital business.

The key to this change is both digitalization and a heavy gain in supply, which has resulted in a higher level of competition. At one point, a couple of years ago, two new magazines were founded every single week in Sweden, which of course affected competition for customers and advertisers. However, the new media climate also offers possibilities. As an example, magazines are streamlining their content, which in turn offers the possibility of reaching distinct target groups. The effect of this process is companies getting fewer waists and gaining the ability of charging more for advertising.

To succeed in this environment, it is important for companies to create a niche, which has already been seen in the market for quite some time, for about 15-20 years. Companies need to be open to try new things and be innovative, but at the same time control their expenses so that the economy does not derail. It is fairly easy and cheap to setup a new business today, but journalistic content costs money to produce. With this as a ground point, companies need to focus on the business case. Regarding this matter, there is no difference between incumbents and new entrants. Many new entrants have had great ideas without having any distinct business plans. That has almost always failed. It is important for companies to have a broad set of talents and qualities. Great journalism is not enough. Companies also need great advertising, a great market department and a willingness to change within their organization.

Even though the threshold for establishment is much lower in a digital environment, many of the big media groups have collected a great deal of knowledge over the years. Schibsted is an example of a company in Sweden that is doing it well, in generating a lot of traffic, which is sent between different services such as Aftonbladet, Svenska Dagbladet, blocket.se and hitta.se. They have been focusing on digitalization for a long time and are able of charging more per customer than other companies. Today, their biggest business is the advertising model from Blocket, which they are trying to copy and expand all over the world. The model
is also the reason why their revenues are growing. For Schibsted, the big news sites such as Aftonbladet and Svenska Dagbladet are very important, since they are keeping the customers in their network.

The overall transition in the industry is from print to digital media, and from desktop to handheld devices within digital media. Many people pay a great deal of money for media content today, but through operators. Many media consumers are still willing to pay a great deal of money every month, but there are no or few models able of capitalizing on it. Relating to incomes, it is possible that consumers will pay more for information important to them in the future. For media companies, this means that in order for consumers to pay, they have to provide unique content. As an example, different kinds of deep journalism are possible to get paid for. If a company puts up a paywall and the content is available somewhere else, consumers go there to get it. Therefore, paid content has to be unique.

The transition of the news industry goes exclusively towards increased digitalization. Regarding the edition, the print news industry had its peak in 1989 and has been decreasing ever since, slowly in the beginning with 1 or 2 percent per year, and a lot faster lately with a loss of 5-10% per year. The core reader is way too old for advertisers. On the other hand, some consumers still think the print product is important. Some women, for example, said in a study that they buy fashion magazines to brighten up their day. People like to relax on the couch with a magazine in their hands. Certain kind of quality is hard to replace with digital media such as tablets and mobile phones. This fact could be an opportunity for magazine publishers. The interest for media is still there and is actually increasing. It is just the behavior and the way we consume news that is different from before.

To be able to charge for content, news companies need to produce deep articles. Premium subscription models on the Internet do not provide too much revenue so far. The monthly incomes for Aftonbladet, for example, just cover a couple of day’s worth of print revenues. Further, it is hard to get the same amount of revenues from mobile advertising as desktop. In the new media climate, it is important to combine different models to earn money, and also find a way to combine print activities with digital business models. A trend at the moment is companies entering businesses that are touching their core business, but are still in new areas. Probably, a combination of revenue models is needed to balance the loss of print revenues. The offer will probably become more tailor-made, which could for example mean that the consumers only subscribe to a certain kind of economy or sports news but not culture. The goal is of course to earn more money per customer. A parallel can be drawn to the broadcasting services that are specializing in certain kinds of content. One example is the buy-in of exclusive rights to sports events, where companies have been able of charging high fees.
Summary of interview with Martin Nisser

Title: Business Developer, MittMedia

Martin Nisser is a business developer at MittMedia. MittMedia is one of the biggest media groups in Sweden and owns a number of different newspapers, magazines and printing shops among other things. The company is focusing a lot on the digital offer. In parallel, the company has been working hard in optimizing the print business. MittMedia has a local perspective on news, and one of their success factors is they are relevant for the people living in their targeted regions.

The industry is under pressure and everything that can be automated should be automated. For MittMedia, it is the most local and small-scale content that works best from a business perspective. It is extremely important with information with a clear niche and also the packaging of the product. The print paper still has a strong position among elderly. For people up to about 70 years of age, most are both analogue and digital. The transformation into digital media can be seen everywhere and within digital media there is an explosion of handheld devices. That trend is obviously going to remain. The content in a print paper is in a way practical, since it has a beginning and an end. That looks different in digital media and it is important to find business models that fit that context. Probably, one particular model is not enough to weight out the loss of print advertising. Rather, a parallel concept following “small streams make great rivers” is the way for the future.

Many companies still put too much effort in the traditional business and will suffer problems because of that. It is important to put an overstated effort into the digital offer. MittMedia has initiated a project where all employees that want to, can devote three days to a specific question, which the management wants answered. This has been very successful and can be seen as a form of research and development-activity. The employees also get motivated, since everyone gets their voice heard and the leadership is divided between contributors.

The near future is going to be unstable for the paper business. The way for the future is collaborations, mergers and acquisitions. All media actors in the media industry and newspaper business must either collaborate with others or get bigger on their own. The industry is going to become more consolidated which will consequently mean fewer actors. The companies will also have to work smarter, cheaper and challenge the foundation of the traditional business model.

Today, there are two primary business models regarding charging for content online - the frequency model and the freemium model. The frequency model means that you for example read 10 articles for free, and then you have to pay for the 11th one. This model works better for large media actors. The freemium model means some content is always free, and some premium content is locked behind a paywall. This is better for smaller companies. Quality is very important in this aspect, in order to get people to return. Packaging is going to become even more important than today. It is also important to be innovative and package things in new themes and in new ways.

More effort needs to be put into loyalty establishment. For example, MittMedia has some content that is only available online so that customers are led into the digital environment. Another model that has proven to be successful for Guardian is a membership that offers lectures, events and so forth. Those efforts have increased the brand loyalty for the Guardian.
MittMedia has a number of free newspapers and magazines that show varying results. The experience so far is that the larger the city, the harder to get them profitable. The trend here is general advertising is going to stand aside in favor of local advertising.

MittMedia has made a broad analysis of their print product. This has been very successful since it has offered the possibility of optimizing the print business. The analysis had its base in what people are willing to pay and for what, and among other things showed that many people still see the print paper as very important to them. The analysis led to MittMedia actually raising their prices on print products with resulted in less subscribers but higher revenues. The print paper is still going to be there in the future, but might have a different orientation content-wise. MittMedia is fully aware that the print incomes will keep declining, and they are forming the organization with the ground-point in that knowledge. The company is trying to digitalize their customers and find the right orientation in the digital offer. One important factor is to aim for a vast inflow of new customers since customers generally pay less online.
Summary of interview with Matti Zemack

Title: Chief Digital Officer at Bonnier Growth Media

Matti Zemack has been working for many different companies in the media business such as SR, SVT, BBC, Viasat and CMore. He s currently working at Bonnier Growth Media, which is a department at Bonnier AB focusing on active ownership in small and upcoming media companies.

The transition from print to digital media has already happened. The main trend in media at the moment is the transition within digital media towards content in handheld devices. The transition is gaining traction and is happening very fast. Recent statistics from iPlay showed that about 20% of the traffic was from desktop, 20% mobile, 20% tablet and 17% smart-TV. The rest consisted of gaming consoles and some other things. The interesting thing here is that viewers went from big television screens to locking themselves into a corner watching series on a desktop, iPad or mobile phone by themselves. With smart-TV, the circle is closing again with the return to bigger screens. Mobile first is a strong trend, and also the global trend, which means companies are trying their wings on a small market and build to scale to a bigger context. This, however, can sometimes be hard in the media business due to legislation, but it is still a strong trend.

In the newspaper and magazine business, there is a clear distinction between different actors. On one side, there are strictly online-based actors such as Google and Amazon. On the other side, there are traditional companies such as Dagens Nyheter and New York Times. In the middle, however, there is an interesting set of companies combining the new algorithmic philosophy with the traditional journalistic content. The middle-way is the future of the newspaper and magazine business, since it is made for human beings. One such company is BuzzFeed, who are both offering aggregated an original content. Twitter is trying to move towards the middle of the industry at the moment in offering original content.

The mobile trend is present, and also a trend towards companies making smaller and smaller fractions of content. Many years ago, the audience was listening to a radio channel such as P1, then they started listening to a certain show at a certain time, and ultimately they started listening to certain features of a radio show. The content is being “atomized” and that trend is happening almost everywhere. The podcast Serial is an example of that, offering a piece of a larger context. LinkedIn is another example in offering around 7 different applications depending on what profile the user is and what his or hers objectives are.

Another interesting trend happening now is the move from text to images. Or rather, companies transform into media that does not require the consumers’ full attention. Imagine Dagens Nyheter’s website showing 8 pictures of the latest breaking news with an Instagram title. This is actually only an updated version of the old newspaper poster. Suddenly, Dagens Nyheter could reveal the first 16 pages of the newspaper instantly, and at the same time offering a forthcoming stream that the audience actually desires. Another self-evident trend going on in the media industry is the marketplace trend. This started off with Blocket and Craigslist, but has developed into companies like Uber, which is trying to own the entire chain. What is truly interesting regarding this trend, is not companies like Uber but rather companies that try to link a freelance personal trainer with a group of people looking for those services. This is a media trend since it builds on old concepts like classified advertising in newspapers.
The most important thing for media companies to succeed in this market is trying new things and being disruptive, or rather quickly disruptive. Many companies in the industry are categorized as disruptive without being just that. Look at Netflix, for example. What is special about Netflix is not the service itself but their marketing methods and their ability of choosing the right titles. And to be frank, that has its base in a simple CRM analysis. What they realized was that the series was a perfect format, since most people have 45 minutes to spare. Then people came back to watch the other 53 episodes. Netflix also had a recommendation algorithm contest where the winner received one million dollars if they could beat the current recommendation engine. What they realized themselves was that the best recommendation was the series itself, since the audience like the characters from the previous episodes. It is not innovative and it is not disruptive, but rather built on common sense and logic. A parallel can be drawn to the transition from LP records to CD’s. The music still had the same producers and distributions channels. The same is true for Netflix where the same people in the same studios produce the content.

The media usage has increased due the content being easier to reach nowadays. But it is not the media companies that have disrupted the industry, but rather the iPhone. Every year, the media industry talks about a new trend. In five years, the brand is going to be more important. The social media will still be present, but not as prominent as today. Services will probably know more about the customers, even though the customers will not be grateful or overly impressed about it. The intelligence will primarily be used for helping the customer, over being sold to other actors. Deep learning and automation is therefore going to be a part of many services. A third thing that is going to be interesting is what Bonnier Growth Media refers to as ’Body Media’, i.e. applications built on sensors that measure positioning, behavior and so forth. And this should not be seen as a way of measuring things, but rather a new way of communicating and interacting with the customer. This also has a clear connection to large-scale computers and mainframes with the only difference that the terminals are much more flexible. Body sensors and deep learning can then predict what is going to happen next and act on that intelligence. This is probably going to be huge. It is hard to predict how this will affect media. It will probably affect most industries.

Regarding the newspaper and magazine industry, the audience in Sweden will not pay directly for content online. However, they will pay in other ways. The present advertising model based on clicks is a poor business model, since it is based on the customers clicking themselves away from the website. This is a KPI for many newspapers and magazines today, while it should be to keep the customers on the website. More relevant KPIs in this matter are how long an advertisement was visible or models based on eye tracking and such. What these models all come down to is advertising as a returning concept. There is a big pile of advertising money out there looking to be invested. These investment budgets must be spent somewhere and since print media is in decline, a lot of money will be spent on digital newspapers and magazines.

There is a lot left to do when it comes to advertising in the newspaper and magazine business. The decline in print advertising can be balanced by digital advertising in the future, since there are enormous amounts of money depots ready to be harvested. However, the advertising must be aimed at the right customer to provide better value and a higher ROI. One of the reasons for this not happening yet, is the fact that media companies are not tech companies.
There is a reason for newspapers and magazines to preserve their physical products, but only as a flyer. It is like a physical banner that people can touch. The decline of advertising revenues must be evaluated against the importance of the physical product seen from a brand perspective. For Nöjesguiden, they would not be able to get paid for events if they did not have the physical product. It all comes down to advertising space. The print product will not have to be as frequent or as extensive, but is probably need to be there in the newsstands for the company to succeed elsewhere. Companies can not only evaluate their print products from what it cost to produce and distribute the paper, but also have to see the bigger picture. The print product should be seen as a trademark engine.
Summary of interview with Stefan Lundell

Title: Founder and owner, Breakit

Stefan Lundell has worked as a journalist for over 20 years. He has been covering sports, local journalism, economy and the Internet sector. He has among others worked for SVD, Vision and Dagens Industri where he stayed for about 15 years, covering the venture capital industry among other things. In the beginning of 2015, he founded a news site covering the industry for tech companies and startups called Breakit together with co-founders Olle Aronsson and Eric Gisaeus.

The obvious trend on the media market is of course the transition from print to digital content. The established media groups are under pressure, because a large part of their offer is based on print products. This means the market has opened up for technique driven companies such as Business Insider, BuzzFeed and BreakIt. Many of these companies are funded with venture capital. Like all other markets under disruption, it is important to be fast moving and be able to try new things. For example, what Aftonbladet was doing right a couple of years ago, was they were willing to test new things.

Since the industry is facing a structural transformation, companies have to be fast and be open for trying new things. The worst things a company can do, is not throwing themselves out there and try new ideas. New entrants have an advantage since many traditional media companies are grounded in old structures. Dagens Industri is a perfect example of a company with an old viewpoint in this sense. They had a super good print business and were performing well on the Internet too, but they were not innovative. In addition, they should have invested more in the future. In big media groups such as Bonnier, however, the money is normally sent further into the organization going to dividends for example.

Another trend the industry is seeing right now, is the sharing trend and click focus. Many big actors leave their own platforms in favor of social platforms such as Facebook. This way, tech companies are sharing revenues with media groups. The big question right now is how to get paid for content. In the future, content will survive and win. It’s all about providing high-quality content that drives traffic and keeps the consumer interested. There is some indications that the sharing hysteria has reached is very peak. Both Expressen and Aftonbladet have viral sites that perform very well, but it is hard to capitalize on, when readers are moving in and out all the time. Viral sites might not be the best bet for the market right now. Quality content is more important.

One interesting example of a company doing it right at the moment is Klarna, which has focused on micro payments. The innovative thing is that Klarna is moving towards a solution where only one click is needed to pay for content. The willingness to pay is there, but there are few companies that have offered a good paying structure. A problem regarding the Swedish media industry is the sharpest brains have not really worked for the media business. Instead, they have entered the tech sector. That is also what makes Klarna’s collaboration with Dagens Nyheter so interesting. Klarna is the best company at micro payments at the moment, and the idea might have a future.

Another interesting trend is crowdfunding and crowdsourcing, which can be seen as some form of charity journalism. This might not be the foundation of building a big business, but it is still interesting. One recent example is the Blankspot Project, where the journalist Martin
Schibbye is one of the founders. They have collected over a million Swedish kronor for their project.

To get revenue streams from digital content, it is important for companies to hijack their target group. This could be done through a free website where the target group gain a lot of trust in the business. When the target group is present, it is possible to earn money through other things than just banner advertising and such. Some companies will still be able to get good revenues from banner advertising. Potential additional revenue streams could be accomplished through recruiting, events, premium products, and deep analyses and through building up databases with data that can later be sold. One example of an innovative model is the magazine Mediavärlden who did not succeed initially. The editorial staff took over and now they make media analysis briefs in about five papers that they sell with success. The magazine Resumé is another example, where they charge quite a lot of money for their newsletter.

Regarding the physical paper, the newspapers will probably keep disappearing. There might be room for a few print newspapers with a clear niche in the future, but definitely not many. When it comes to magazines, however, there will probably be a market for premium products such as flashy magazines with very specific content. For publishers to succeed, they need to be news-driven. They also need to have good analyses and have to have a clear niche. It looks like companies either needs to be very broad or very niched; there is no business in the middle.
Summary of interview with Anette Johansson

Title: Lector - Industrial Marketing at Jönköping University

Anette Johansson is a lector in industrial organization at Jönköping University. Prior to her current position, she worked at the media management and transformation center, working on a thesis about how the Swedish magazine industry has managed the digital transformation. She has worked with marketing, product development and brand management earlier in her career.

There are still many question marks around the digitalization of media, especially when it comes to business models. Creativity is not really a problem, since there is plenty of creativity in the media industry. There are many ideas involving new ways of presenting content and building customer relations. The problem is consequently not the innovation capacity, but how to get the ideas economically feasible. Another issue, especially for publishers, is how to maintain the societal responsibility. Many consumers lean on news from their own network, which are not always completely reliable. The problem is rather societal than market oriented even though the two are somewhat linked. The newspaper industry has to adapt to the way people are consuming content, but there is a problem when companies are exclusively serving short, cutified features. This might affect they way consumers learn how to read deep stories which is important in creating basic values and learn how to debate. However, this might not be as relevant for many parts of the magazine industry, which is in many cases equaling the entertainment industry.

There is no evidence that the transition to digital media is growing weaker. On the Swedish market, many mergers, acquisitions and collaborations have been initiated, enabling cost cutting. The saving in costs is also one of the reasons many of the companies in Sweden are still reporting positive figures. Cost cutting is beneficial to a certain level, but is no long-term solution for the industry. It is preferably downgrading the value of the many newspapers.

In order to succeed in the magazine industry, companies need to be innovative and try new things. Since no one really knows what is going to work in the future, companies just have to try until they find the best fit for them. Therefore, testing different things and dare to charge for it is a good way going forward. One way of doing this is to initiate collaborations with advertisers to create value for the customers, not just traditional advertising but different kinds of ideas. Branded content could be one orientation, another could be joint events where both newspapers and advertisers benefit, a third could be launching a blog or website together serving both collaborators needs. One example of the latter is collaboration between the magazine Veckorevyn and the industry company SCA, who among other things produce sanitary pads and tampons. They launched a website together, targeted to young women where they could ask questions and so forth. Another example is a magazine in Holland called Libelle, which is organizing a big event or fair called Libelle Summer Week. The event is huge (around 80000 visitors), and is a great platform where advertisers can offer their products, lectures and performances. For advertisers, the event is not only good for exposure, but also offers the possibility of talking to their actual target group. It all comes down to building relations with a ground point in the targeted audience. One of the most crucial things for any company is to know their target group. If a magazine has a close relation with their readers, it will be so much easier to customize the content and actually get them to pay for the content. It is possible to get paid for customized content, both in a print and digital environment.
In the future, the industry will probably see more of what is already happening today. Regarding print magazines, the ones with a clear niche will perform best. The clearer the niche, the better they will perform. If consumers are interested in a certain subject, they want someone to filter content relating to that area and present it in an interesting way. Within digital media, content will be better and better targeted. Since handheld devices offer great opportunities, the industry will likely see more “tablet papers”. Probably, magazines have to work even harder with the experience of reading papers in tablets. In an over-arching perspective, two types of companies will be left - big media groups with broad high-quality content and small actors with highly specialized content. Another trend going forward is the human encounter. More companies will provide different kinds of experiences, events and education to their target group. As an example, the gardening magazine Allt om Trädgård offers trips and events. The concept of 360 degrees brands is going to become more present. The key for future media content is unique content of some sort. It might be having top-notch journalists, providing highly specialized or very local content, but at least unique in some way.

Many companies will keep suffering from the transition in media. When it gets even more critical with falling print revenues, companies will have to come up with new ideas, or disappear from the media map. At least, media companies in the newspaper and magazine business will have to decide whether they should keep on producing print products or not. To be crass, many papers could probably skip producing their print products if they had a sustaining digital business covering the loss of print advertising revenues. Regarding the digital offer, the experience and the packaging have to be even better in order to balance the loss of print advertising revenues. The model for the future is probably a combination of different sources of revenue streams. Every company needs to find their way and their combination. There is “no one size fits all”-solution in the media industry. Some actors are looking towards other industries and are trying to adapt those models to the media industry. As an example, a couple of companies have tried to copy the Spotify model to the magazine industry. However, that model might not fit as perfectly with magazines as it does with music. It is important that the models are grounded in the consumption behavior in that particular part of the industry. Another interesting model is crowdfunding, which is built on the concept of people being willing to pay for quality journalism. The Swedish journalist Martin Schibbye and a couple of others have initiated a project that currently has funded over one million Swedish kronor through crowdfunding. It is hard to say at this point whether this model is going to gain traction, but at least it is an interesting concept. Who knows, in the future there might be journalists with a strong personal brand and followers who pay them directly to produce articles.

A lot of research supports the print paper and magazine as a sustaining product, since many consumers still want the experience of holding a paper - the tactile experience. It has a beginning and an end and consumers want to review the paper quality for example. The static product still has a future, though the orientation of the content might change. For freely distributed papers, the story is similar. They still need to think in terms of customer value. Clearly, the advertising business is even more important, but free papers still need to address the same customer desires as paid papers. It is important, of course, to have a clear target group since the selling of advertising is going to have to be even more effective.
Summary of interview with Olle Lidbom

Title: Media analyst, web agency owner

Olle Lidbom has had many different positions in the media industry. He has founded a free newspaper for students in Uppsala, has worked as an art director for a magazine called IDG and has worked as a creative director for the magazine M3. During the time as creative director, he started collecting articles and doing his own research covering the media industry. In 2004, he started the blog VassaEggen and gave notice to leave his position in favor of his own business. In the beginning, he did freelance assignments such as design and text writing. As the digitalization became more apparent, he worked more as a consultant doing business strategic planning for media companies. Five years ago, he also founded a web agency producing websites for companies. He is still working on his blog and is working part time as a media analyst.

Currently, the media industry at large has three engines that drive the change - a shift in ownership of media companies, a change in distribution, and the socialization of media. First, certain kind of media groups such as Bonnier traditionally owned media companies in Sweden. Today on the other hand, especially globally, a different kind of ownership driven by venture capitalists and investment companies are present. These companies are the ones driving the change of the media industry. Many traditional media owners are heavily indebted while new players such as BuzzFeed and VOX are well capitalized with venture capital. That means they have the possibility of making investments for the future and prevail in times of trouble. In contrary, the traditional actors is almost driven by cutbacks and cost saving rather than investments.

Second, the distribution has changed during the last couple of years. Earlier, there was mass media that owned the resources needed to distribute content. These companies had studios, printing machines, broadcast networks and so forth, which were needed to reach their users. Today, actors can instead communicate directly with their target group through new kinds of services such as social networks. The traditional distribution networks are no longer needed to reach the customers. The distribution process is completely different today than it was before, and it is still changing. One part of that change is the middleman is disappearing. The sender or the media company is trying to interact directly with their target group without intermediaries. This also has an effect on the advertising landscape, since advertisers also have the opportunity to start a podcast or interact with their target group in some way.

Third, the distribution can be made from individuals. The digital evolution and the social networks have offered everyone the possibility of being their own publicist and distributor. This has also shifted the power from the media companies to the social networks. This trend can also be seen in the shift from a focus on search engine optimization to social optimization. The effect of the social revolution is people can now opt out content that does not fit into their conception of the world. Research shows that most people want to consume content that is confirming their viewpoint of something. Before, there was a mass medium that created a mutual starting-point, like a lute in public society. The effect of the three engines combined, is that mutual starting-point is slowly disintegrated. Today, the welding is disappearing in favor of loads of different clans. Whether it is LCHF or racists, people can choose their own little islands that fit them.
The globalization of the economy at large and in the media industry has above all resulted in changed ownership structures. For example, Amazon is disrupting the publishing of books, Google and Facebook has changed the advertising business and so forth. The revolutionary change, however, is going to happen when translating tools are getting better. In an interview with a co-worker at Dagens Industri, he was mentioning that they chose to write in Swedish over English, since instant translation is only a year or two away. That signals that the owner Bonnier is more or less expecting the market to be language neutral in a couple of years. When that happens, the globalization will probably happen a lot faster than today.

At the moment, no one really knows what capacities are needed for companies in order to succeed in the current media climate. One leading quality is companies need to consider their readers and viewers as customers to become more market driven. Aftonbladet have been good at this view, talking about conversion rates, and not only relating to customers buying premium services, but also reading articles or listening to podcasts. They also have clear goals of what should happen and what they want their customers to do. When companies start to analyze their offer, they can start providing something that their customers desire. Netflix is an example of that, since they look at their customers differently than other television channels. Another important thing is being well capitalized. Many companies with a lot of debt will suffer difficulties. The Swedish media group Bonnier has realized that, and have been working with strengthening their balance sheet.

The media industry in Sweden will see more international actors entering in the future. There will probably be fewer newspapers on a national level, and the local papers will become more streamlined than today. One important thing for the companies is to invest their profits in the future. MittMedia, for example, are talking about ”print for profit, profit for growth”, which means they are seeing their print activities as a money press intended to get money for digital investments. The opposite could be said for the media group Stampen that has paid dividends to their owners instead of investing in the future.

Schibsted is a very interesting media group, since they are good at their digital business and offer good products. Their profits, however, come from Blocket, car sales, loan brokers and similar. The media group Schibsted is playing second fiddle in their orientation. The media group gives a certain amount of credibility to the company, but it is not the media effort that is their initial focus at the moment. Another interesting example is the German company Axel Springer AG who also has been good in the digital transition. But again, they are not mainly investing in traditional media companies, but rather hotel booking sites, medical sites, which mean the media business, is no longer the core business. The newspaper Economist also has all kinds of side business, such as a university, mentor programs and executive networks.

Another example is the magazine Betong who has their annual event Betonggalan, where they give prices to the best concrete construction worker, the best concrete architecture etc. But they could never have started their event without their brand that gives them credibility. Media companies are more and more becoming actors in a greater context, where the brand is very important. There are few refined media companies today, especially in the newspaper business. Media companies seem to chase revenues in areas separated from the media industry.

Obviously, the print newspaper is in decline at the moment. There is a breakpoint for when the print paper is going to become unessential for publishers. This is obvious, since there is no inflow of new readers. Magazines will probably suffer a similar fate. This is due to changes in the behavior among readers. Even specialized magazines will probably continue their
digitalization henceforth. There is an obvious risk in cutting costs, since it could affect quality in a negative way. What is most important when it comes to cost cutting, is strengthening the balance sheet. Many companies have delivered big profits, but few have long-term plans and strategies. Some companies have lacked the long-term perspective. It is almost like “the fourth quarter was bad, so now we have to do some cost cutting around here”. A stable balance sheet is substantial for two main reasons - being able to invest into the future and being able to ride out a couple of bad quarters or years. Both financial and strategic long-sightedness are important in this sense. When Jeff Bezos bought the Washington Post, he said that they shouldn’t write mid-long mediocre content. Instead they should write short bad things and really good and important long-haul content. Netflix is doing the same thing, in investing in cheap mediocre content on one side and doing extreme investments in original high-quality content on the other side. This might be a future model for media companies. There is probably only a matter of time until Spotify will start producing their original content.

A problem for newspapers and magazines when looking at many revenue models in parallel is the fact that it is hard to administrate. The traditional model was based on subscriptions, single copy sales and advertising, which was fairly easy to serve. If companies introduce many different models, it takes a lot of back-office work. The only thing separating free newspapers and magazines from paid papers is the fact that their revenue model has only one stream of revenue. Free papers neither have an advantage, nor a drawback in this aspect, since everything is about attracting the customers.
Summary of interview with Jonas Ohlsson

Title: Media Researcher, Nordicom, University of Gothenburg

Jonas Ohlsson is working at the University of Gothenburg, as an investigation leader at the SOM institute and as a media researcher at Nordicom. Prior to his current position, he has studied economy and made postgraduate studies in communication science, where he wrote a thesis project about ownership in in the Swedish daily press and how it influences the media industry.

The media industry is moving in many different directions on many different levels. It is based on the technology development, legislation, global economy, living conditions, living patterns, the need of information and the need of amusement. It is hard to derive what is driving what. It could be the technology development that drives the audience but it could also be the audience driving the technology development. Earlier, the media market was somewhat closed with limitations in technology and legislation (for example public service) which led to high barriers to enter the market, at least regarding the newspaper business. All these barriers are slowly disappearing today. The state steps back but still have a negative influence on the market, at least from the industry’s point of view. In the newspaper business, there has been a concentration of the media ownership and that is probably also true for the magazine industry. The industry has moved from ”one title, one owner” to a situation where the media ownership is concentrated to a limited number of media groups.

In the media landscape today, there is excess in supply when it comes to content. The technology is no longer an important factor, since all actors regardless of background more or less have the same starting position. The core for companies is to find their target group in focusing on content. It is not only about getting the audience to find the content, but also getting them to pay for it somehow. If the audience does not pay, the advertisers must pay. The situation is sharp and the competition is getting higher in the market, especially since the competition is not only local anymore. Everybody wants to be content providers, even large social companies such as Facebook and Apple. This consequently has an effect on what possibilities companies have to coordinate processes such as administration, printing, marketing sales and editorial work. However, regardless of technical possibilities, there will always be a demand for local content. When it comes to content, Swedish actors have an advantage over international companies in creating content that is unique to Swedes. When it comes to advertising, however, the global actors have a better chance of gaining market share.

In the future, the focus on services like Netflix might taper. Probably, more new actors will enter the market. Large media groups such as Bonnier has an advantage, since they have a lot of content at hand. The print newspaper business will continue its shaky downturn, and the magazines will probably hold each other’s hands down the staircase. The market for broad print products will continue declining, but the demand for more exclusive products with a clear niche will probably perform better. There are still many benefits with a physical product, which means the audience will most likely still read them in the future. The behavior of people does not change overnight, and the transformation that is happening at the moment rather has its ground point in structural changes.

When it comes to the advertising market, international companies such as Google will keep pull the rug for local advertisers and cut a larger piece of the market. That trend is one of the strongest in the market at the moment and will proceed, given that legislation does not change.
The newspaper and magazine market is still in the beginning of its developing process. It is impossible to say how different payment models will work in the future. When some company puts up a paywall, it creates a gap in the market, which means an opportunity to someone else to enter. There is probably no "one size fits all"-solution for media companies. Some companies might have the qualifications needed to expand to other domains, while others might not have the same possibility. Media companies with strong balance sheets could for example make financial investments. Aftonbladet was farsighted when they bought Blocket. Regarding Schibsted, most of their revenues today come from investments aside from the media market. They want to be global and therefor invest in other types of businesses. Aftonbladet is still very important for Schibsted’s business model, since it is a cog in the spinning wheel and drives a lot of traffic. However, their focus is primarily on other businesses. The key factor in the media market is that "every man is the smith of his own fortune". Companies that are well capitalized might have an advantage in the market, since they can sit back and relax to a greater extent than companies in debt. Ceteris paribus, it is better to have a big pile of money than a lot of debt. On the other hand, some companies such as local news sites might not need a big venture capital in order to survive. Media companies are probably forced to adopt multiple revenue models with the base in their specific capacities. Companies need to ask themselves where they can make money where no one else can. For free newspapers and magazines, readers are probably more forgiving with editorial content touching upon advertising than paid papers.

When it comes to interesting concepts in the market, it is important to ask yourself how success is measured. Today, there are newspapers and magazines offering attractive products that meet the needs of the customers. However, that does not necessarily mean that they earn any money. Aftonbladet, which is one of the best digital actors on the Swedish market, still has the majority of their revenues from the print business. That shows how hard it is to convert the digital business into good business. The broadcasting industry and the press have taken different directions in this aspect. Spotify and Netflix has cut the market horizontally, offering content from different producers. The newspaper business, on the other hand, is cut vertically. If a customer subscribes to DN, that and only that is what she gets. The Netflix model is naturally more interesting to consumers, since that offers a little bit of everything. Applied to Spotify, the customer does not need one subscription for country and one for disco, but only one subscription for everything. There are actors trying to apply this to the newspaper and magazine industry, but the Swedish newspaper business is far away from this concept.

Regarding the print paper, the market will probably see a shift towards mass-distributed free papers in the long-term perspective. The cost of distributing physical papers increases as the number of subscriptions decreases. This is obviously not feasible in the long run. However, if a company distributes free newspapers to everyone, the cost per customer decreases and also increases the advertising possibilities. On the other hand, there are also environmental issues connected to this.
Appendix C: Survey

The survey was written in Swedish and distributed through the website of Nöjesguiden. Therefore the questions below are presented in Swedish.

Classification questions

1. Kön
   - □ Kvinna
   - □ Man
   - □ Annat

2. Ålder
   - □ Under 18
   - □ 18-24
   - □ 25-34
   - □ 35-44
   - □ Äldre än 45

3. Hur ofta besöker du Nöjesguiden?
   - □ Minst en gång om dagen
   - □ Minst en gång i veckan
   - □ Minst en gång i månaden
   - □ Minst en gång om året
   - □ Mer sällan

Survey questions

1. Vad är din generella inställning till annonsering på internet?
   - □ Mycket negativ
   - □ Negativ
   - □ Neutral
   - □ Positiv
   - □ Mycket positiv

2. Vad är din generella inställning till annonserna på nojesguiden.se?
   - □ Mycket negativ
   - □ Negativ
   - □ Neutral
   - □ Positiv
   - □ Mycket positiv
3. Vad är din generella inställning till redaktionellt innehåll som har skapats tillsammans med en samarbetspartner?
   - Mycket negativ
   - Negativ
   - Neutral
   - Positiv
   - Mycket positiv

4. Vad är din inställning till produkter som innehåller Nöjesguidens varumärke?
   - Mycket negativ
   - Negativ
   - Neutral
   - Positiv
   - Mycket positiv

5. Vad är din inställning till att betalar för produkter som innehåller Nöjesguidens varumärke?
   - Mycket negativ
   - Negativ
   - Neutral
   - Positiv
   - Mycket positiv

6. Vad är din inställning till events som anordnas av Nöjesguiden?
   - Mycket negativ
   - Negativ
   - Neutral
   - Positiv
   - Mycket positiv

7. Vad är din inställning till att betala för events som anordnas av Nöjesguiden?
   - Mycket negativ
   - Negativ
   - Neutral
   - Positiv
   - Mycket positiv

8. Vad är din inställning till att lämna din e-mailadress i utbyte mot att blir erbjuden olika typer av premiuminnehåll?
   - Mycket negativ
   - Negativ
   - Neutral
   - Positiv
9. Vad är din inställning till att tillsammans med andra betalar för att en artikel ska skrivas om ett ämne som du tycker är särskilt intressant?

☐ Mycket negativ
☐ Negativ
☐ Neutral
☐ Positiv
☐ Mycket positiv

10. Finns det något som du tycker att Nöjesguiden ska göra i framtiden som de inte gör idag?