The Cross-Roads to Digital: Newspaper Models and the Change to an Industry

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Abstract

The slow growth in online marketing revenue for newspapers and the industry's development of online models has not been enough to stop the industry's pending demise. This problem has arisen from the increased access to free and more recent content on the internet, supplying the consumers with their demand for news. Due to the abundant information available on the internet, consumers are used to having the information they want almost instantly. Newspapers are only one of many suppliers for this demand. The industry's focus centres on whether they can they keep up with the rapid pace of demand for information and maintain a profitable organization. This paper first analyzes the current research trends, and the different industry business models. The paper then identifies the key attributes of the industry business models. The paper finally validates that the identified attributes can be used to predict the potential success of the newly introduced business models in the industry.

Keywords: business model; news industry; e-commerce; newspaper; digital revenue;

JEL Classification: M31; M37;

1. Introduction

The interest in the newspaper business model is growing as people watch the industry fight for survival in this disruptive information age. Despite investments by companies into the Internet, the revenues gained through online marketing are not making up for the lost revenue of the print ads (Rosenstiel *et al*, 2012). In fact, despite these investments, newspapers are in the same situation they were ten years ago, cutting costs and staff where they can, as the organizations themselves are bought and sold from seller to seller.

Newspapers are no longer the hotspot for advertising. As more companies turn to online marketing, the Internet giants such as Google and Facebook are gaining a larger piece of the advertising market share (Protalinski, 2012). As a result, advertisers are turning to those organizations that have the greatest access to people and success in marketing, leaving newspapers in the difficult position of finding new places to grow, as they cannot charge premium prices for their ad space as hyper-competition drives the price down. Access to other sources of news and information on the Internet, available in this growing information age, is creating a service issue for the newspaper industry. The desire for the content is not enough for the business to be successful. Research shows that users get their news source from multiple sources rather than loyalty to just one (Pew Research Center, 2010a). They offer no unique value-proposition to the end user. A value proposition describes how an organization fulfils the needs of the user in a manner

differentiated from its competitors, convincing a user he/she should buy from a specific paper.

Accepting the premise that the news industry is not sustainable, the following question provides a point of entry into the examination of the status of the newspaper industry: Is there a framework that can be used to be determined if a newspaper organization's model can succeed? This project began as a search for a business model that could be replicated to various newspapers regardless of size. The goal was to evaluate the existing models in use, identify the success and failing factors of those models and build a new model from those factors. However, as the research delved further, there appeared another problem that needed to be addressed.

The literature showed that there are papers that appear to be succeeding. Yet many of these models are also still unproven. This is not surprising, in the general world of e-commerce, many models remain unproven – even Facebook. Specific measures to determine the success and failing factors of these businesses do not exist. The industry needs a way to measure success and failure of the models. This paper focuses on empirical data and relevant literature. Though most of the literature used is recent, in this fast paced environment its usefulness is limited by the speed of change and the time it takes to research and analyze new data, and turn it around.

2. Research Methodology

This paper examines recent literature, including studies about trends within the industry, and business models being implemented at different organizations, in order to identify problem areas for sustainability and growth within the industry. In pursuing this information, other research options were considered such as a survey or analyzing data sets. These options were dismissed as many organizations are conducting and producing this type of research. A focus on existing literature, allows for the information to be looked at it a new way.

Information was collected from both popular and scholarly literature and was categorized thematically for analysis in the following areas are organizational structure, culture and leadership, revenue streams, non-traditional revenue, innovation, and a size/local factor. Many researchers and surveys have identified these categories as areas of issues for the industry. One contribution offered in this paper is the identification of these categories as attributes. Included in the sample is a practical application of these attributes on existing Business to Consumer (B2C) content provider models. Introducing a matrix, these models can be compared side-by-side, showing a standing with its competitors.

3. Literature Review

The newspaper industry is still seeking answers to the e-commerce age. Out of this need to find answers - the survival and development of the industry - agencies have arisen that study the developments, trying to give information. There are several agencies that focus

on research in this area. The Pew Research Center and The American Press Institute are two that this research focuses on. The Pew's Project for Excellence in Journalism (PEJ) researches current trends in the news, and those that affect the news. Other major research organizations include The Association of Magazine Media, Publishers Information Bureau, as well as the American Society of News Editors. Other interesting literature and dialogue has been produced by experts such as Ken Doctor, Clark Gilbert, Marissa Meyer, Yahoo's CEO, CPO of Forbes Media Lewis DVorkin and many others as they weigh in on the effects. The amount of research dedicated to the digital news model is astounding.

The goal of this literature review is to look at the challenges facing the industry through the two main types of organizations - the institutions and the start-ups. By recognizing attributes that have been affecting the types of organizations, the organizations can identify areas of strength and weaknesses.

Organizational Structure
The corporations that own newspapers tend to own a vast number of news organizations. The print industry is dominated by six main companies: Bertelsmann, Gannett Co., The Hearst Corporation, News Corp., Tribune Company, and Washington Post Co. Some of these organizations also have connections to TV, radio and cable (Freepress, 2012). The domination of these organizations on the news industry has resulted in the consolidation of newspapers, among other outlets. It also has implications to the scale of resources available; these companies have a large scale of resources that give their newspapers an advantage over other struggling organizations.

What appears to be arising is a battle between legacy media - the traditional institutions, and start-ups. The institutions, such as *New York Times* and *Wall Street Journal*, have the benefit of their longstanding reputation of being a quality and reliable news source. Readers trust these organizations (PricewaterhouseCoopers, 2009). These organizations have also solidified their digital revenue stream by putting up pay walls to charge for digital subscriptions (Press+, 2013). However, though they continue to offer quality products the industry has been disrupted and is losing profits. Start-ups on the other hand, are part of the disruption and so have the advantage of creating the new market and the demand. However, these start-ups do not have the same reputation of the institutions that convince users that their service is reliable and worthy of investment.

The American Press Institute (API) working together with the Poynter Institute has set up the Transformation Tour which provides speakers and strategies in a workshop setting for companies to learn to overcome their struggles. One of the speakers, Clark Gilbert, is responsible for the turnaround of Desert News. Gilbert, cited by Levitz (2013), outlined six core strategic principles for handling both traditional and digital platforms: 1) You must make digital a separate company; 2) The transformation of a legacy is really a dual transformation; 3) The transformation of the print newspaper – Transformation A – involves making hard choices, getting smaller, and just as importantly, getting better; 4) Transformation B, which happens simultaneously yet apart from Transformation A, is the creation of new businesses and marketplaces; 5) The relationship between A and B is challenging and can easily go awry if not aggressively managed; and 6) The magnitude of the disruption cannot be ignored (Levitz, 2013). The tour and Gilbert's six principles are attempting to highlight that the digital news age needs to be treated as a new and separate organization. The strategy, the model, and the value will be different, and organizations need to recognize that. Perhaps the most important point to take away is that first, digital companies need to be viewed as separate organizations. It is not a transition from print to

digital but a repositioning and restructuring of the organizations. It is that or become obsolete, replaced by newer more valuable services. Organizations have little success when they attempt to develop a digital company within an existing one. What he is proposing is to then create the digital company outside the original one. This would harness the benefits of both the institution and the start-up.

Culture &Leadership
Newspapers have a long cultural tradition, one that is known for being historically slow-moving. This cultural 'slowness' has been building for centuries. Unlike the new types of businesses that have arisen from the waves of new technology, developing right alongside, management at newspaper institutions have to re-teach themselves. They come from a culture that has made them slow to adapt – yet they are willing to change that in order to survive and preserve a measure of a valued tradition (Jurkowitz and Mitchell, 2013).

Along with the disruption, cultural inertia has made the industry vulnerable to start-ups. "*Across industries, only 9 percent of disrupted organizations ever recover*" (Levitz, 2013). It is not an industry that puts innovation first, and that is what is needed in today's markets. Though the need to change is recognized, it is not so easy to change the mindset of the people. Even the dependence on the subscription and advertising revenue models can be seen as a type of cultural inertia, sticking to what is done in the print model. The internet allows for new and various ways to monetize, and though these are still being discovered, newspapers cannot limit themselves to these revenue streams. Both institutions and start-ups are guilty of this.

In the study "The Search For a New Business Model" the executives identified that leadership is an issue. Not only is there the issue of the cultural mindset among the staff, but the industry is not attractive to talent. Innovative and top workers are going to industries that have more promise for them. Training staff appropriately for digital is also difficult with the legacy of the print staffers. Digital staffs are not paid as well and the profit margin is not as high (Rosenstiel *et al*, 2012). This provides further difficulty to overcoming to culture struggles, and more reason to support treating the digital business as a separate entity. *News Improved* by McLellan and Porter (2007) focuses on the ways newsrooms are beginning to change. One way is leadership and how it needs to be different due in part to the corporate culture around how leadership works in journalism. McLellan and Porter (2007) identified that training of leaders and staff has helped organizations improve in these areas, and overcome cultural obstacles that stand in the way of being a good leader.

Revenue Streams
With different industries and sectors turning to e-commerce, not everyone can rely on advertising. Much of the research is dedicated to finding the way to advertise successfully on the web. Advertising traditionally makes up about 80% of print revenue, but because of the instability, more companies are working on increasing their subscription revenue. The competition for advertising on the Internet does not allow for the same high prices for ads. The profit margins in the digital marketplace are not nearly has high (Sasseen *et al*, 2013). In the digital platform, most companies are dependent of advertising as a source of revenue. Not only that, but the technology allows ads to reach larger and more specific audience for a smaller cost, this is where the internet giants are dominating drawing revenue away from newspapers (Edmonds *et al*, 2013). The profit margin is much smaller and more competitive. This makes the revenue stream of newspapers, which is heavily dependent on advertising, unsustainable.

A value-proposition is needed to lure the user. But now with the many avenues of advertising online, it is also necessary to create value for the marketers. Organizations are able to increase the value of the advertising revenue by reaching a large audience.

Non-Traditional Revenue

As the advertising model is deemed unsustainable, many reports and dialogue are beginning to discuss the potential for non-traditional revenue, i.e. any revenue not generated through advertising or subscriptions, the traditional print methods. The American Press Institute (API) is another organization that leads research in the industry. Through research and workshops they developed "Newspaper Next 2.0: Making the Leap Beyond 'Newspaper Companies'" (2008), a report designed to provide tools for the industry to come up with working non-traditional revenue. Though this study appears dated in the fast data turnaround of today's society, executives at companies are still looking to non-traditional revenue as a method of success for struggling papers. Ken Doctor wrote an article for Nieman Journalism Lab in early 2013 stating that papers may have found their "third leg" in the business model search – marketing services (Doctor, 2013). Marketing services is a logical leap as newspapers have expertise in advertising. Expanding beyond the traditional newspaper services, the production of news and gaining of revenue through advertising and subscription continue to remain a strong trend among papers and the advice of the experts.

Much concern over the new digital age is finding ways to monetize businesses. Though the Internet provides new ways to create content and products, innovation also needs to be paired with revenue in order to become a successful business. Facebook hired Sheryl Sandberg in order to find new ways to monetize the business and create new revenue streams, and she is currently exploring options on mobile and is very excited about it (Boorstin, 2012).

Innovation

As the pressure to find new revenue streams continue, so does the pressure from a wider and growing number of substitutes. Substitute products, or products that are similar to what is being offered, have always been a part of competition. Trends in the digital market allow for new companies to emerge and provide users with specific information that they need. For example if one is looking for local restaurant information they could turn to Yelp!. Blogs also are becoming popular sources of news, filling in gaps that news organizations have historically left (Pew Research Center, 2010b) and covering local news (Convey, 2011) Not only do organizations now have to compete over more similar products, but also over the very attention of the user. *New York Times* associate managing editor Jim Schachter said that even the Angry Birds app is now seen as a competitor (Myers, 2011). Angry birds or Yelp! are not direct competitors of *New York Times,* but as all three are trying to grab the attention of the user they are competing over that attention, and the ad revenue that attention would provide.

This hyper-competitive environment further affects the business model through competitive advantage and the competitive environment. As substitute products become more competitive, advantage is lost because the newspapers become just another service on the web. The institutions are vulnerable to the start-ups. Organizations need to offer a product that can be identified by the user as different from any other digital provider of information. In order to compete or to have a working business, an organization needs to have a value to offer the user. When all the organizations are offering the same value the user has no motivation to choose one over the other; there is no value proposition. *The Wall Street Journal* reported ad revenue at a time when other newspapers were still

steadily decreasing (Wall Street Journal, 2011).The success was aided by good strategic decisions and their market niche they had a specific market they were going after (LaFrance, 2012). Doctor (2010) said focusing on a niche is one of the important trends to operating on the Internet.

According to Porter (2001), the dot.com bust happened because many companies rushed into using the Internet without a strategy. Rather than treating the web as the efficient tool it was, it was perceived as a strategy, and the focus on growth instead of profits led to the loss of money and failure. Many of the same things are happening now, with both institutions and start-ups building an e-business model without having a real strategy, or value over their competitors.

Size & Local News

There is a distinct difference in the changes in local and national news organizations. In some situations, for example where local resources will have the benefit of news desks such as Gannett's, the difference is not as noticeable, but it is there. This is due to the issues mentioned before, the changes in competition, and where people are getting their local news. Small papers are declining at a slower rate (Rosenstiel *et al*, 2012). Though the competition for the type of news is not as fierce as at large organizations they are still facing the same problem of declining profit margins due to the changing advertising environment.

The Internet is an equalizer in how it lowers the barriers of entry, mainly cost. But it also makes other barriers more noticeable. The local news is still based on geographic demographics. It provides news such as obituaries, weddings, church and community events, among other local stories. Content about a small town in Montana is unlikely to be of interest to someone living in a town in South Carolina. People are still interested in this news; they still want that connection to the community (Pew Research Center, 2012a). However, despite the demand for the information and the association of the information to a newspaper, in a survey by Rosenstiel *et al* (2011) most people said they would not notice if their local papers disappeared. This is because that information can be gained from other sources. People are getting their information from different locations, they are not loyal to just one (Pew Research Center, 2010a).

The size of an organization also determines the scale of resources available. As seen, the media conglomerates have a wider range of resources, giving them an advantage over other institutions when it comes to legacy costs.

4. Summary of Findings

The industry is made up of institutions and start-ups. After reviewing the literature, certain categories can be formed to describe the issues facing the industry. These categories show areas that are suffering or provide opportunities, and in turn can be used as a framework attributes to examine existing models. These categories are again as follows: culture and leadership, revenue streams, non-traditional revenue, innovation, and a size/local factor. The following matrix compares the structures of organization through the attributes identified, to be able to demonstrate their different positioning within the industry.

Table 1: Summary of findings: Organizational Structure and trends for the digital market.

	Culture/ Leadership	Revenue	Non-traditional Revenue	Innovation	Size / Local
Institution ie. NY Times, WSJ	Unattractive to talent [1]	Advertising [2] Uses paywalls for digital subscription [3]	Expansion into marketing services [4] Daily deals [5]	Cultural limitations on innovation [6] Movement into different platforms[7]	Different scales of resources [8]
Start-up ie. Huffington Post, Patch	Leaders have experience in technology [9]	Advertising [10]	Searching for channels of monetization [11]	Creation of organization is based on innovative opportunities [12]	Some experiments into local news [13]

[1] (Rosenstiel *et al,* 2012)
[2] (Edmonds *et al*, 2013)
[3] (Sasseen *et al*, 2013)
[4] (American Press Institute, 2008)
[5] (Matsa *et al*, 2012)
[6] (Rosenstiel *et al*, 2012)
[7] (Pew Research Center, 2012b)
[8] (Callaway, 2012), (Freepress, 2012)
[9] (Zwilling, 2011)
[10] (Miller, 2009)
[11] (Boorstin, 2012)
[12] (Robinson, 2012)
[13] (Sonderman, 2013)

From this evaluation and to further the understanding of the structure, a SWOT analysis can also be conducted.

Table 2: SWOT Analysis

	Strengths	Weaknesses	Opportunities	Threats
Institution	- Builds value based on reputation and quality - Has user's trust - Experience with distribution channels - Scale of resources	- Legacy costs - Slow to innovate	- Chances for innovation - Non-traditional revenue - Acquirement of start-ups	- Vulnerable to start-ups - Numerous competitors
Start-up	- Creates unique experience that differentiates it from competitors - Free of legacy costs	- Lack of confidence with users -Un-validated revenue streams	- Other avenues for monetization	- Value of advertising dependent on audience - Lack of reputation or awareness

Based on the issues the industry is facing, with the right leadership and staff, as a whole, institutions have the advantage. Management is acquiring start-ups and forming partnerships (Myers, 2012) making changes to make their organizations more innovative. While start-ups remain innovative, they lack reputation and audience confidence. Both structures face the same revenue problems.

Sample

The literature shows the positioning of the institutions and the start-ups through the SWOT. Analyzing the actions of specific organizations with this framework of attributes will provide a practical application and a resulting review of the standing of these companies. The small sample consists of three institution and two start-ups.

USA Today
According to David Calloway, an Editor in Chief at *USA Today, USA Today* announced in September of 2012 that they planned to use the resources of Gannett to create a news desk that combines the firepower of over 5,000 journalists, from 83 newspapers and 23 TV stations, twice the reporting power of Thomas Reuters (Callaway, 2012). *USA Today* is leveraging its resources and staff to create opportunity, "*So we're building a hub-and-spoke news desk where the senior editors from news departments such as video, graphics, breaking news, and enterprise will work together and across platforms to deliver national news, charts, and visuals to every local Gannett paper and TV station across the country*" (Callaway, 2012).

Among Gannett's newspapers, management is establishing paywalls to create revenue with digital subscriptions. However, *USA Today* is excluded from this. *USA Today* will continue to be offered for free, generating its revenue from advertising. However, it has struggled with declining revenue, heavily reliant on the business line resources provided by Gannett (Doctor, 2012). *USA Today* claims 18 million readers to its site (USA Today, 2013). Though this is a large audience, the value for the advertisers is not there. Its hub and spoke strategy makes the company more efficient but it does not add a unique value to the user and so creates no draw to bring the ads away from the giants. *USA Today* does not deliver local news, but Gannett and President Larry Kramer are examining the market and forming strategies. These strategies however would be to position Gannett's other newspapers whose focus is more local. These local papers would be able to utilize USA Today's national news and focus on producing local content (Robinson, 2012).

Wall Street Journal:
The *Wall Street Journal* is a large financial newspaper, 'intersection of influence and wealth' (Wall Street Journal, 2013). Is digital revenue stream is built on advertising and on its paywall that went into effect when WSJ.com was launched. Though WSJ.com relies on these two revenue streams, their market niche drives up the value of their ad space (Callahan, 2012). As the leading financial journal, *Wall Street Journal* is read by many business professionals and influential people. Because it has a high percentage of business readers, B2B organizations use Wall Street Journal to advertise. WSJ.com has about 1.3 million subscribers, and 34 million monthly unique visitors (Callahan, 2012). They also offer their news on a variety of platforms, and include special widgets that their audience find useful (LaFrance, 2012). *Wall Street Journal* has a strong brand and they are able to use that to turn create value and a profit.

Boston Globe:
This newspaper is owned by the New York Times Co., however, it is one of the properties that they are trying to sell-off as a part of their own turnaround strategy to focus on a global market (Doctor, 2013). *The Boston Globe*, though the largest daily in New England, is a Metro-paper, the newspaper's identity closely tied to Boston content rather than national or global (Ellis, 2013). In an attempt to be innovative with their digital news site they ended up creating confusion. *Boston Globe* has two digital sites. Boston.com is meant to be a breaking news source with headlines and news summaries, giving a more social media platform and focus on community bloggers (Beaujon, 2013).

This site gains its revenue through advertisement (Ellis, 2013). In addition to advertising, this site also offers a daily deal (Boston Deals from Boston.com). It also expands into in local branches, with hyperlocal blogs as well as advertising for local businesses (Convey, 2011). BostonGlobe.com however will be the platform that the newspaper provides the quality reading experience (Beaujon, 2013) This generates revenue through advertising as well, but also has a paywall (Sonderman, 2011). Since the sites launch in 2011, BostonGlobe.com has gained 28,000 subscribers. This appears to be an attempt to bring in the two types of audience- breaking news and quality narratives, but there is too much confusion among the users about the difference between the sites. To fix this, leadership is attempting to untangle the sites by removing our in-depth Globe journalism from Boston.com (Beaujon, 2013). It is also an example of how the reliance of subscription and advertising revenue is not enough. Boston.com gets 5.5 Million unique users a month (Boston Globe Media, 2010). Though that number looks promising, they had more have staff buy-outs in 2012 (Healy, 2012), and had a 2.5 percent decrease in revenue. The sale by *New York Times* will also leave the *Boston Globe* with new expenses as it was using the resources of *New York Times* finance and HR departments (Doctor, 2013).

Huffington Post:
Editor-in-chief and President Arianna Huffington launched *Huffington Post* and remains its active figurehead since its sale to AOL. She is seen as a strong leader of the organization (Huffington Post, 2013). *Huffington Post* generates its revenue through advertising. Its ads are run through AOL advertising. Because of the number of page views *Huffington Post* gets, they are able to charge prime rates for advertising. The value of their ad space is increased due to these page views. To give an idea of the value of their viewers, AOL bought *Huffington Post* for 315 Million. The site had 25 Million unique viewers (Silver, 2011). This means that for AOL the cost per viewer was about $12. Since acquiring Huffington Post, the unique visitors has increased to 39 million and claims to be the most social content on the web (AOL Advertising, 2013).

Huffington Post is sourced by contributors. Not everyone who writes for it is paid; rather they are paid based on the popularity of the article. This encourages authors to promote their own content; it also means that *Huffington Post* has access to thousands of writers and pages of content (DVorkin, 2011, 2012ab). *Huffington Post* strategy gives them a scale of content that increases their audience draw and decreases their legacy costs.

Patch:
Patch provides a social network platform for local blogs and stories, "*We're a community-specific news, information and engagement platform driven by passionate and experienced new media professionals. Patch is revolutionizing the way neighbors connect with each other, their communities, and the national conversation*" (Patch, 2013). Patch is a hyperlocal start-up. Hyperlocal organizations are national sites that have branches that are personalized for geographical locations. It was originally created in 2007 by Jon Brod, who currently remains CEO, with Tim Armstrong as an initial investor. When Armstrong became CEO of AOL, he had them purchase the company (Lauria, 2012). Outside.in was another hyperlocal with a growing audience. AOL purchased the company and integrated it into the Patch platform in 2011 (Frommer, 2011).

This kind of hyperlocal innovation appears promising. Innovation in the local level is not as prevalent as the needs of this market differs from the rest of the industry as it had a geographic demographic. Since the purchase AOL has continued to invest money into Patch, however the number of viewers and resulting revenue do not appear to be reflecting the value of that investment. They have invested over 145 million that they do

not expect to get back (Lauria, 2012). As a start-up it should not have the high legacy costs that come with running a large staff at an institution. Patch has over 1000 editors with 12.2 million monthly unique visitors (AOL Advertising, 2013; Patch, 2013) where Huffington post has about 900 less editors and 3x the views (Carlson, 2013). Based on the investment, potential revenue, audience, and sales staff Patch is overvalued.

Verification of attributes:

The following matrix (Tables 3 A&B) demonstrates a practical application of the framework on existing companies.

Table 3 (A). Using the framework

	Culture / Leadership	**Revenue**	**Non-traditional Revenue**
USA Today	- Identity as individual from Gannett [14] - conflicts with resource use - Entrepreneur as Pres Kramer [15]	- Advertising: struggling [16]	N/A
Wall Street Journal	- Focus on market niche [22] - Business/ financial atmosphere [23]	- Advertising: audience type creates valuable advertising space [24] - B2B advertising [25] - Subscription [26]	N/A
Boston Globe	- Strong tradition & closely tied to community [31] - Staff cuts [32]	- Boston.com – Advertising & Local adverting [33] - BostonGlobe.com subscription and advertising [34]	- Daily Deal [35]
Start-up: **Huffington Post**	- Editor-in-chief figurehead Amelia Huffington [40] - Self-promotion of content [41]	- Advertising: 39 Million unique visitors – can charge better rates [42]	N/A
Start-up: **Patch**	- CEO & Founder Jon Brod "pet project" of AOL's CEO [47]	- Advertising: visitors not matching investment [48]	N/A

Table 3 (B). Using the framework

	Innovation	**Size / local**
USA Today	- Hub and Spoke [17] - Utilize resources [18] - Multi-platform (mobile still struggles) [19]	- Large organisation [20] - Local exploration through Gannet and Kramer – No plan to focus through USA Today [21]
Wall Street Journal	- Multi-platform [27] - Successfully implemented paywall – first mover [28] - Market niche	- Large organisation [29] - Offers local ads [30]
Boston Globe	- Two websites to attract different audience [36] - Confusion [37]	- Metropolitan market [38] - Branches into local markets, "your town" with hyper-local blogs and articles [39]
Start-up: **Huffington Post**	- Content farm [43] - Multi-platform [44]	- Large organisation [45] - No focus on local - Vast amounts of content / resources [46]
Start-up: **Patch**	- Local engagement platform [49]	- Attempts to provide local information [50]

[14] (Doctor, 2012)
[15] (Beaujon, 2012)
[16] (Doctor, 2012)
[17] (Callaway, 2012)
[18] (Callaway, 2012)
[19] (Doctor, 2012)
[20] (Freepress, 2012)
[21] (Robinson, 2012)
[22] (Callahan, 2012)
[23] (Callahan, 2012)
[24] (Wall Street Journal, 2012, 2013)
[25] (Callahan, 2012)
[26] (Callahan, 2012)
[27] (LaFrance, 2012)
[28] (Callahan, 2012)
[29] (Wall Street Journal, 2012)
[30] (Wall Street Journal, 2012, 2013)
[31] (Ellis, 2013)
[32] (Healy, 2012)

[33] (Ellis, 2013)
[34] (Sonderman, 2011)
[35] (BostonGlobe Media, 2010)
[36] (Beaujon, 2013)
[37] (Beaujon, 2013)
[38] (Ellis, 2013)
[39] (Convey, 2011)
[40] (Huffington Post, 2013)
[41] (Crum, 2013)
[42] (AOL Advertising, 2013)
[43] (DVorkin, 2011)
[44] (AOL Advertising, 2013)
[45] (Silver, 2011)
[46] (AOL Advertising, 2013)
[47] (Lauria, 2012)
[48] (Callahan, 2012), (Lauria, 2012)
[49] (Patch, 2013)
[50] (Patch, 2013)

5. Discussion

At the start of this paper the following question was asked: Is there a framework that can be used to be determined if a newspaper organization's model can succeed? It was also pointed out that the industry lacks a way to measure success or failure. After a review of the literature, attributes were identified to be used as a framework to evaluate models in an attempt to provide that measure of a model's success of failure for the industry. These attributes were recognized through the mentions of these areas of issue within research and surveys. In the sample, the matrix shows an application of the framework to current models. This was able to verify the attributes, confirming that these do show succeeding or failing areas in an organization. Ultimately, the framework provides a method for organizations to look at their organizations based on these key attributes to see what is succeeding and what is failing in the business models.

From the findings in the matrix, the attributes show which of the sample organizations are succeeding and which are failing. Looking at the companies side by side gives them a comparative standing and allows us to examine the use of the framework. *Wall Street Journal* and *Huffington Post* are the two organizations that are doing well. Though a lack of non-traditional revenue leaves them reliant on traditional streams, they have a unique culture and innovation at their organizations that increase the value of their ads. Neither of these organizations explores into local, but they both have sizable resources and work on multiple platforms. Using the framework, *Wall Street Journal* and *Huffington Post* are succeeding organizations as they both show healthy contributions under the attributes.

USA Today displays a mixed standing. Its dependence on advertising is not made up by value, and it is becoming more dependent on Gannett's resources, which puts it at odds with its cultural identity. Again, using the attributes, *USA Today* can be identified as a struggling organization. Though in some attributes it appears strong, others are weak and its strong areas are dependent on the shared resources of Gannett.

Boston Globe is also a mix. It attempted to be innovative with its websites, but that resulted in confusion. Though it appears to be experimenting in non-traditional revenue, it still depends on traditional streams, which are not enough to stop further cut-backs.

However, *Boston Globe* does offer promising exploration into the local market. Even though the *Boston Globe* does show minor positive contributions, as a whole, it can be identified as a struggling organization.

Patch does not stand up as well. Though it is innovative and explores local, its dependence on the revenue stream and the investments and large staff without great audience growth show it to be over-valued by AOL. Overall *Patch* is a failing organization. Though it shows presence through the attributes, it is not healthy.

The findings from the sample show that the framework is a viable method to show success and failing measures of an organization. It can be used by to identify areas that need to be turned around. For example, a problem area that appeared for *Patch* was leadership and excessive staffing. The use of the framework identifies this issue as a failing attribute for the organization. These attributes reflect areas that impact the entire industry, both institutions and start-ups, and so other newspaper organizations can utilize the framework to identify their own failing areas.

Ultimately, this framework can be used to determine if a newspaper model will succeed. From this investors and corporations can also use the framework to recognize successful organizations to focus their time and money on. As stated before, many organizations are forming partnerships and making acquisitions to improve their organizations. This framework would provide a valuable tool to investors and corporations in that decision process as they would be able to first be able to measure that other company.

However, despite the success the framework has had in the small sample, future research would have to include a larger sample size to further test and verify its viability and use to predict potential success. Future research could also apply a mathematical weight to each attribute to be able to evaluate models with a score and establish a precise measurement. This would allow for more important attributes to have a greater presence in the evaluation of a model, giving a more accurate measurement. Once future research to test capability of this framework is conducted, it can accurately be used to determine success within the newspaper industry, providing a tool for the industry to use in its path forward.

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