

DOSSIER

SUSTAINABILITY OF ENTREPRENEURIAL JOURNALISTIC ARRANGEMENTS IN BRAZIL:

a study of seven digital-native ones



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ABSTRACT – This article investigates how journalistic arrangements that define themselves as entrepreneurs work on the elements of value proposition, sources of revenue and customer relationships in their business models and how much this reflects on their financial sustainability. As a method of this qualitative-quantitative exploratory research, the initiatives present in the Map of Independent Journalism, by Agência Pública, were categorized into active and closed/inactive. Within the active ones, a screening was carried out to verify which of these were in fact journalistic. For data collection, a questionnaire was applied, with a set of questions organized from the theoretical framework proposed by Osterwalder and Pigneur (2011); Skaggs and Youngt (2003); Amit and Zott (2001); Benvenuto (2018); Figaro (2018). As a result, there was a direct relationship between sustainability and dedication of professionals to the profitability of the project and the relationship with the public. In addition, all respondents answered that they invest in efficiency and innovation strategies to create value for the audience.

Key words: Entrepreneurship. Journalistic arrangements. Business model. Financial sustainability.

SUSTENTABILIDADE DE ARRANJOS JORNALÍSTICOS EMPREENDEDORES NO BRASIL: um estudo de sete nativos digitais

RESUMO – Investiga-se como arranjos jornalísticos que se autodefinem empreendedores trabalham os elementos proposta de valor, fontes de receita e relacionamento com clientes em seus modelos de negócio e o quanto isso reflete em sua sustentabilidade financeira. Como método desta pesquisa quali-quantitativa de natureza exploratória, categorizou-se em ativas e encerradas/inativas as iniciativas presentes no Mapa do Jornalismo Independente, da Agência Pública. Dentro das ativas, realizou-se triagem para verificar quais destas eram de fato jornalísticas. Para coleta de dados, foi aplicado questionário, com conjunto de perguntas organizado a partir do referencial teórico proposto por Osterwalder e Pigneur (2011); Skaggs e Youndt (2003); Amit e Zott (2001); Benvenuto (2018); Figaro (2018). Como resultados, percebeu-se relação direta entre sustentabilidade e dedicação dos profissionais à rentabilização do projeto e ao relacionamento com o público. Além disso, todos os investigados responderam que investem em estratégias de eficiência e inovação para criação de valor junto à audiência.

Palavras-Chave: Empreendedorismo. Arranjos jornalísticos. Modelo de negócio. Sustentabilidade financeira.

SOSTENIBILIDAD DE PROYECTOS PERIODÍSTICOS EMPREENDEDORES EN BRASIL: un estudio de siete nativos digitales

RESUMEN – Investiga cómo los proyectos periodísticos que se definen a sí mismos como emprendedores trabajan sobre los elementos de la propuesta de valor, las fuentes de ingresos y las relaciones con los clientes en sus modelos de negocio y cuánto se refleja esto en su sostenibilidad financiera. Como método de esta investigación exploratoria cualitativa-cuantitativa, las iniciativas presentes en el Mapa del Periodismo Independiente, de Agencia Pública, fueron categorizadas en activas y cerradas/inactivas. Dentro de los activos, se realizó un tamizaje para verificar cuáles de estos eran en realidad periodísticos. Para la recolección de datos se aplicó un cuestionario, con un conjunto de preguntas organizadas a partir del marco teórico propuesto por Osterwalder y Pigneur (2011); Skaggs y Youngt (2003); Amit y Zott (2001); Benvenuto (2018); Figaro (2018). Como resultado, hubo una relación directa entre la sostenibilidad y la dedicación de los profesionales a la rentabilidad del proyecto y la relación con el público. Además, todos los encuestados respondieron que invierten en estrategias de eficiencia e innovación para crear valor para la audiencia.

Palabras clave: Emprendimiento. Proyectos periodísticos. Modelo de negocio. Sostenibilidad financiera.

1 Introduction

The economic consequences triggered in the journalistic field by the change in the communication paradigm impact the job market and contribute to the emergence of “new economic arrangements of the work of journalists” (Figaro, 2018). To Figaro, “the crisis of the journalistic company model, the destruction of job posts, and the restructuring of the production processes put in check (disarrange) the future of the exercise of the journalist profession and journalism

as we know it” (2018, p. 17). Hence, whether to survive the crisis that has been eliminating job posts in journalism or to make a counterpoint to the traditional press, journalists and other communication professionals have bet on innovation regarding products, processes, and business models to create their media projects.

Allied to digital technology, these new possible combinations play a fundamental role in understanding journalism as it has been developed nowadays, with new logic and forms granting new possibilities to given actors and activities of the journalistic field (Zamith & Braun, 2019), perhaps as never before. In this sense, the “new economic arrangements of the work of journalists” find, on the internet and in its digital tools, a favorable environment to exist.

It is not rare to see digital native projects that emerged as alternatives to the media conglomerates, and many of them have been idealized and put into practice by professional journalists. This idea of entrepreneurship as one of the paths to survival amid the crisis is not limited to journalism; rather, it has been a trend in Brazil and Latin America as a whole, especially in journalism. According to the report entitled *Ponto de Inflexão* (Turning Point) by Sembramedia (2017, p. 06), since the first venture of the study was founded in 1998, “hundreds of digital native media¹ have emerged in the region and grown to reach millions of readers”. However, to survive in this media convergence environment, these new actors in the journalistic field must find economic settings that render their projects viable in the long term.

In the search for sustainable economic settings lies the elaboration of a business model “that describes the logic of creation, delivery, and value capture by an organization” (Osterwalder & Pigneur, 2011, p. 14). Business models are composed of nine elements:

1) customer segments (an organization serves one or diverse customer segments); 2) value proposition (seeks to solve the problems of customers and satisfy their needs); 3) channels (the value propositions are brought to the customers through communication, distribution, and sales channels); 4) customer relationships (established and maintained with each customer segment); 5) revenue sources (result from value propositions offered successfully to customers); 6) main resources; 7) key activities (main resources are the active elements to offer and deliver the previously described elements upon executing a series of key activities); 8) main partnerships (some activities are outsourced, and some resources are acquired outside the company); 9) cost structure (the elements of the business model result in the cost structure). (Osterwalder & Pigneur, 2011, pp. 16–17).

In this paper, we chose to analyze three of them – value proposition, revenue sources, and customer relationships – and, with this, seek to understand how these three elements engender the sustainability of Brazilian journalistic arrangements that define themselves as entrepreneurial/innovative². The option for the three aspects at hand was due to their direct relationship with the financial maintenance of entrepreneurial projects.

According to Teece (2010, p. 172), “the essence of a business model is in defining the manner by which the enterprise delivers value to customers, entices customers to pay for value, and converts those payments to profit”. Similarly, Porter (1985, p. 38) defined value as “the number of buyers willing to pay for what a company offers them”. If knowledge, experience, and understanding generate value, the challenge posed to journalistic companies, especially given the decline in the consumption of news articles, is how to translate this into their propositions to generate a sufficient economic value to guarantee their sustainability. “The value proposition component describes the package of products and services that create value for a specific customer segment. [...] it is the reason why the customers choose one company and not another” (Osterwalder & Pigneur, 2011, p. 22). For journalistic companies to be able to monetize in the digital economy, Jarvis (2014) defended that it is necessary to rethink their business models, moving from the axis of content sales companies to that of service providers – “to help communities organize their knowledge to organize themselves better”. Picard (2010) thought similarly, and, to them, the emphasis on news processing must change from the mere coverage to the interpretation, helping the audience organize itself amid the sea of information available nowadays.

Hence, this exploratory research uses quantitative and qualitative methods designed specifically for the work proposed herein. To build the sample, a cutout of the Independent Journalism Map³ was made, a survey published in 2016 by Agência Pública with digital native media in Brazil. Founded in 2011, Agência Pública is a Brazilian agency of investigative and independent journalism. Initially, a survey was made of all the 217 current⁴ initiatives present on the Map to separate those that remain active from those that have been ended/inactive. Among the active ones, we sought to check which were indeed journalistic projects using the methodology of the Communication and Work Research Center (CPCT) of the University of São Paulo (USP) (Figaro, 2018). After this triage, we arrived at a sample

of 110 active journalistic media, to which a research questionnaire was sent with questions regarding the three business model elements mentioned above. In addition, the questionnaire contained a question asking how the arrangements defined themselves among the following terms: alternative/counter-hegemonic, independent, digital native, or entrepreneurial/innovative. Of the 57 active arrangements that responded to the questionnaire, the seven that claimed to identify themselves as entrepreneurial/innovative⁵ were selected for this study. This cutout was proposed so as to investigate how the journalistic arrangements that consider themselves entrepreneurial are working the elements of value proposition, revenue source, and relationship with the audience in their business models and to what extent these elements relate to their financial sustainability.

2 The credibility crisis in journalism and the emergence of the entrepreneurial journalist profile in new arrangements

The crisis that affects journalism is inserted in a greater conjunctural context: it is a crisis that encompasses not just this one but also other areas of society that suffer from a similar lack of trust and social credibility. Regarding the journalistic field, this crisis, which is, at the same time, economic, technical, political, moral, and organizational, has at its essence the “decline of the credibility of journalistic companies together with the set of audiences with which they relate” (Mick & Tavares, 2017), and impacts, among other factors, the structure of the work of journalists.

The journalistic routine also underwent significant changes in recent decades. This is not a novel process: the production and circulation of news items developed side by side with communication technologies, given that the history of journalism is connected to the evolution of technology. While they helped add value to the journalistic production process, such technologies contributed to profound transformations in the logic and practices of the profession. In this scenario, new actors have emerged, modifying the media ecosystem. Although this phenomenon already existed before the Internet with alternative printed newspapers, it broadened due to the possibilities that arise with the connected environment and its digital communication technologies, one of them being the

cheapening of the cost of producing and distributing journalistic content (Silveira, 2017).

The growth of entrepreneurial initiatives in journalism may be attributed to the technological possibilities, but this phenomenon may also be observed as a symptom of the deprofessionalization of the journalist, who seeks, in the creation of their own business, a way to survive the casualized job market. The changes in the journalistic field have signaled trends of a reorganization of work environments, the fragmentation of newsrooms, the emergence of an “editorial” society, and the ubiquity of media technologies.

Everything points to a perspective of a more individual than an institutional journalist (Deuze & Witschge, 2016). Contracted or independent, “media workers are more and more called to embrace and incorporate an ‘entrepreneurial’ mentality, in which each individual becomes a brand or company” (Deuze & WITSCHGE, 2016, p. 09). Among the competencies that such professionals need to develop are “entrepreneurship skills such as setting up businesses and following up on targets” (Calli, 2018, p. 45).

Hence, beyond the idea of the journalist as a brand, something that already occurred in the twentieth century, especially with television station professionals, the figure of the entrepreneurial journalist has gained increased evidence in the sense that this may configure as an alternative to the downsizing of newsrooms, the considerable requirements accompanied by low salaries, and the lack of a career perspective (Nonato, 2009). This scenario has also been leading to an emergence of a series of new organizational forms worldwide, “consisting of editorial collectives (online and offline), news item startups, and pop-up newsrooms, including managerial innovations”, with routines that “may be everything but stable in these environments” (Deuze & Witschge, 2016, p. 16).

One may notice that the phenomenon appears both as something imposed on the professionals, asked to take on more and more the responsibility of the journalistic company (Deuze & Witschge, 2017), and as a genuine attempt to survive this crisis scenario. Similarly, according to Silva (2017, p. 27), it manifests itself “from the needs and trends of the globalized and interconnected world”, and, beyond this, establishes itself “as one of the alternatives found to search for employability, autonomy, and professional independence”.

In addition to the creation of journalistic media on the internet presenting itself as a way to render new types of work viable, it also

operates through the dissatisfaction with the journalism practiced in large media companies. According to Figaro (2018, p. 28), “these professionals are moved by the need, by the dream of doing good journalistic work”; hence, “websites and blogs appear as a possibility of production of independent and alternative journalism”. At the same time when the emergence of the internet and its digital tools, the social network platforms, computers, smartphones, and tablets contributed to changes that would impact the work of journalists, it also enabled, through the “free association among peers”, working on themes and journalistic approaches different from those practices by the media conglomerates (Figaro & Nonato, 2021, p. 33).

In this new professional profile, increasingly compelled to take on an entrepreneurial role, the barrier between the editorial and commercial sectors “loses its *raison d’être* in smaller businesses and in a scenario that demands journalism professionals capable of multitasking” (Paulino & Xavier, 2015, pp. 166 – 167). According to these authors, this means to say that, in this scenario, journalists need to be able to think from the revenue capture strategy to the production of a given content, the verification, writing (or audio/video and photo capture), edition, publication, and distribution of the content via website, blog, and social networks.

Hence, allied to the concept of entrepreneurship, innovation has been a bet by journalists relative to products, processes, and business models for them to create their alternative digital media projects “as a form of survival in the profession, as an alternative for the professional and citizen accomplishment that the large media conglomerates cannot offer” (Figaro, 2018, pp. 17–19), with some of such initiatives configuring as “new economic arrangements of the work of a journalist”, namely a set of productive forces that “may be put in service of society provided that these professionals organize themselves to conquer the right to work with dignity and produce quality information for citizens”.

Although those responsible for many of such initiatives reject the label of “entrepreneur”⁶, one must think, according to Calli (2018, p. 52), about “how the entrepreneurial and management skills are useful and necessary for a journalist to remain in a position of protagonist in the establishment of the career path”, thus being more likely to find a business model that enables the longevity of their projects. Unlike individualistic neoliberal ideology, the entrepreneurship practiced by many of such authors is creative work; and the journalistic discourse

produced in these new arrangements is, not rarely, committed to their condition of knowledge form (Genro Filho, 2012), rejecting the logic of journalism as merchandise subordinate to the profitability principle (Mich & Tavares, 2017).

Hence, the sustainment of the new arrangements remains the greatest challenge. The lack of resources to invest in the job – and, for this reason, the fact that many of the members of these initiatives need to work in other activities to support themselves – ends up impacting practical matters, which directly influences the modus operandi of this journalism that is practiced. Especially for those who took on the political commitment of journalistic independence before their audience, some forms of funding, such as the advertisement of large companies and banks, end up not being an option. Those who manage to arrive at a sustainable business plan configure as alternatives to the large media companies not only regarding the discourse and journalistic content produced but also relative to the employability of journalists (Saad & Silveira, 2021).

In this sense, the new arrangements emerge to occupy a vacuum left by the hegemonic press, a space the population misses and that is partly responsible for the misinformation in society. Hence, the emergence of the entrepreneurial journalist profile in these new economic arrangements may represent a resurgence path for journalism and resignification and renegotiation of its social role.

3 Methodology

To investigate the object of study of this paper, it was necessary to devise specific methods and strategies based on quantitative and qualitative research methodologies. The first, according to Bauer et al. (2002, pp. 22–23), “is based on numbers and uses statistical models to analyze the data, thus being known as hard”, while the second “dismisses numbers and handles interpretations of the social realities, thus being considered soft”. Hence, the design principle of this research is the comparative study of the media present in the Independent Journalism Map, accompanied by qualitative reading to “guide the analysis of the surveyed data or substantiate the interpretation with more detailed observations (post-design)” (Bauer et al., 2002, p. 26).

To arrive at the investigated sample of seven arrangements, we started from the Independent Journalism Map published in 2016

by Agência Pública, currently with 217 initiatives. After separating the mapped initiatives that were active from the ended ones⁷, we arrived at the following data: 124 (57.14%) active and 77 (35.48%) ended or inactive. From the universe of 124, we sought to confirm if they were indeed journalistic initiatives. As per research by the USP CPCT, this verification was carried out using as an approximation method the self-declaration of the arrangements a) that identify as journalistic initiatives, b) are conducted by journalists in the team, and/or c) have markers of journalistic praxis, “enunciation elements that name journalistic practices” – such as reports, news items, verification, interviews, magazine, agenda, articles (Figaro, 2018, p. 69). After this triage, 110 journalistic arrangements remained active in the sample, to which the questionnaire that investigates aspects of their business models addressing their value propositions, revenue sources, and customer relationships was sent. Also included in the questionnaire was a question about which of the following terms those responsible for the projects most identified with: alternative/counter-hegemonic, independent, digital native, or entrepreneurial/innovative. From this, the cutout of this work was established: to investigate the business models of the media that recognized themselves as entrepreneurial/innovative. Of the 110 journalistic media, 57 (52.78%) responded to the research questionnaire, of which seven (12.28%) claimed to identify as entrepreneurial/innovative, thus composing the sample of this paper.

The question script of the questionnaire was built based on a theoretical framework for delimiting the categories of each of the business model elements selected in the cutout of this research – value proposition, revenue sources, and customer relationship. Anchored on the theory of entrepreneurship and strategic management, Amit and Zott (2011, p. 493) identified four interdependent dimensions for compositing the value proposition of businesses conducted on the internet: “efficiency, novelties, lock-in, and complementarities”. By adapting these strategies, Benvenido (2018) mapped the actions that journalistic companies may take to broaden their perception of value with readers/users. To define the elements observed relative to the value proposition, a reference table (Table 1) was built based on Amit and Zott (2001) and Benvenido (2018).

The revenue source component of a business model “represents the money that a company generates from each customer segment” and may be of two types: “1) revenue transactions resulting

from single payments and 2) recurring revenue, resulting from constant payment stemming from the delivery of a Value Proposition to customers or post-purchase support” (Osterwalder & Pigneur, 2011, p. 30). According to the study carried out by Sembramedia (2017, p. 27), there are, in general terms, “two paths to increasing revenue: generate audience to direct traffic and publicity or leverage audience loyalty to obtain revenue with crowdfunding, training, events, or other sources”. Besides the revenue sources stemming from the audience, as in the subscription, micropayment, collective funding, and membership models, and the resources received from foundations and public notices or incentive laws, other possibilities are, from the viewpoint of advertisers: conventional publicity (sale of publicity space, with the insertion of banners on the digital platform of the medium), branded content (creation of content by the journalistic vehicle directly related to the universe of a brand), events (organization of events for capturing resources with the sale of tickets to the audience and through sponsorship by companies). Besides these, there is also, within the scope of service provision, the conduction of training and courses and the sale of materials produced or not by the journalistic medium such as eBooks, booklets, and manuals. We sought to systematize all these revenue source options in Table 2, which also guided the question script of the questionnaire.

From the managerial viewpoint, the “customer relationship” (Osterwalder & Pigneur, 2011) is essential for value creation, especially for organizations with revenue sources stemming from their audiences. According to Osterwalder and Pigneur (2011, p. 28), “the customer relationship component describes the types of relationship that a company establishes with specific customer segments”. The authors claimed that “a company must clarify the type of relationship it wants to establish with each customer segment”, possibly varying from personal to automated. Similarly, Skaggs and Youndt (2003) stated that service companies maintain three types of relationships with their customers: contact, coproduction, and personalization. These types of relationships are synthesized in Table 3, which was also used to guide the question script of the questionnaire applied to the sample researched in this paper.

Table 1
Strategies and actions connected to the value proposition

Strategy (Amit & Zott, 2001)	Value for the audience (Amit & Zott, 2001)	Strategic action of the companies (Benvenido, 2018)	Questionnaire: Mark the strategies used
Efficiency	<ul style="list-style-type: none"> ▪ Information speed; <ul style="list-style-type: none"> ▪ Agility in the production and distribution; ▪ Credibility and quality. 	<ul style="list-style-type: none"> ▪ Prevent commoditization; ▪ Have an efficient and agile team; ▪ Practice the premises of journalism. 	<p>a. seeks to produce exclusive content, avoiding the standardization and imitation of news items;</p> <p>b. has a team focused on producing and distributing news items efficiently and quickly, on a daily basis of publications;</p> <p>c. has a multidisciplinary team (from areas such as design, technology, and journalism) that dedicates time for journalistic checking and verification, hearing the different sources, which helps build the credibility around the medium.</p>
Innovation	<ul style="list-style-type: none"> ▪ Meets the wishes of the audience; ▪ Modernization of processes and products through technological resources. 	<ul style="list-style-type: none"> ▪ Creation of new products and services, systems, and business models; ▪ Loyalize customers. 	<p>a. created new products or services;</p> <p>b. introduced new distribution e/or marketing methods;</p> <p>c. modernized production processes and/or routines;</p> <p>d. presented new ways to do journalism beyond the sale of the news product, creating a new service surrounding the news item;</p> <p>e. presented new ways to do business (implementing new revenue sources);</p> <p>f. adapted its business model.</p>
Lock-in	<ul style="list-style-type: none"> ▪ Certainty; ▪ Reliability. 	<ul style="list-style-type: none"> ▪ Exclusive and personalized content; ▪ Market segmentation. 	<p>a. provides forms of personalization in the distribution of content to the audience;</p> <p>b. provides loyalty programs;</p> <p>c. offers specialized/niche content (e.g., a website specialized in legal or hyperlocal coverage);</p> <p>d. interacts with the audience from the social networks and other channels of communication with readers, also allowing them to interact with each other, thus establishing a community with the audience.</p>
Complementarity	<ul style="list-style-type: none"> ▪ Proximity to the newsroom; ▪ New products; ▪ Content on various platforms. 	<ul style="list-style-type: none"> ▪ Offer new products/services and make the content available on various platforms. 	<p>a. Yes, the medium offers other products and/or services besides news items;</p> <p>b. No, the medium only offers the news product to the audience.</p> <p>If yes, which ones?</p> <p>Platforms on which it is possible to access the medium's content:</p> <p>a. its own application</p> <p>b. newsletters</p> <p>c. Spotify and the like (podcasts)</p> <p>d. aggregation platforms such as Apple News and Flipboard;</p> <p>e. Facebook</p> <p>f. Instagram</p> <p>g. Twitter</p> <p>h. TikTok</p> <p>i. other: _____</p>

Source: devised by the authors based on Amit and Zott (2001) and Benvenido (2018).

Table 2
Revenue sources of digital journalistic media

Funding model	How it works	Funding origin
Subscriptions	based on the payment for access to the content (paywall) or limited free content until the payment for access is requested (soft or metered paywall).	Audience
Crowdfunding	generally used with mobilization campaigns together with the audience, consists of single donations of amounts specified or not.	Audience
Recurring crowdfunding	the reader/user supports the journalistic medium monthly from contribution amounts specified or not.	Audience
Membership	members pay fees regularly, even if the content is always openly available, having some benefits such as rewards for their membership/affiliation.	Audience
Foundations	donations from legal persons (foundations or entities). Most times, these donations are deductible from the income taxes of the funders.	Patronage
Public notices or incentive laws	Funds from public notices or incentive laws (e.g., the Brazilian Rouanet Law) for on-off/specific jobs or a fixed term.	Governmental or corporate
Micropayments	allows the payment per content unit and, for this reason, equates to very small amounts.	Audience
Branded content	creation of content directly related to the universe of a brand.	Advertisers
Conventional publicity	Sale of publicity space, with the insertion of banners on the medium's digital platform.	Advertisers
Events	Organization of events for capturing resources from the sale of tickets to the audience and through payments received from companies that wish to be associated with the events held by a given journalistic organization.	Mixed (audience, advertisers, and/or sponsors)
Training and/or courses	the medium offers training events in journalism or correlated areas taught by the team itself or other specialists.	Audience
Sale of miscellaneous materials	Sale of materials produced or not by the medium, such as eBooks, booklets, and manuals.	Audience

Table 3
Types of customer relationships

Personal assistance or contact	based on human interaction, it is related to the amount of interaction that a company keeps with the customer. The customer may communicate with an actual representative to obtain assistance during the sale process or after the purchase is complete. This may occur at the point of sale itself or through call centers and email, among others.
Dedicated personal assistance	this relationship involves dedicating a specific representative to an individual customer. It is deeper and more intimate, typically developing over a long period. In private banks, for example, dedicated managers serve higher-income customers. Similar relationships may be found in other businesses, such as managers that keep personal relationships with important customers.
<i>Self-service</i>	the company does not maintain any direct relationship with customers but provides all the necessary means for them to serve themselves.
Automated services	this type of relationship mixes a more sophisticated form of self-service with automated processes. For example, online personal profiles give customers access to personalized services. Automated services may recognize individual customers and their characteristics and offer information on orders and transactions. At best, automated services even simulate a personal relationship (e.g., offering book or movie recommendations).
Communities	the companies use user communities or help create a community to get involved more with customers and prospects and facilitate the connections between community members. Many companies maintain online communities that allow users to exchange knowledge and solve each other's problems.
Cocreation or coproduction	refers to the smaller or larger amount of effort – even creative effort – that a customer must make in the production of the service. Ex.: Amazon invites consumers to write reviews, opine, and, thus, create value for other book lovers. Some companies allow customers to collaborate on new projects. Others, such as YouTube, ask customers to create content for public consumption.
Personalization	explained by the extent to which a company is able to personalize the offer for individual customers – collecting, processing, and analyzing data about their habits.

Source: devised by the authors based on Osterwalder and Pigneur (2011) and Skaggs and Youndt (2003).

4 Results and discussion

With over five years of existence, the arrangements that compose the sample of active entrepreneurial/innovative journalistic media are quite heterogeneous regarding the types of content produced, as per Table 4.

Table 4

Type of journalism produced

Name	Types of content (self-declared)	Format
Congresso em Foco	Political coverage	News website
Énois	We strengthen the production of vehicles. We are a middle organization, of promotion and articulation	Journalism Laboratory; Newsletter
Farol Jornalismo	Curatorship of news items about journalism	Newsletter
InfoAmazônia	Environment	News website about the Amazon region
Projeto Draft	Business	An editorial platform focused on innovation
Rádio Yandê	Indigenous ethnimedia	Web radio
Valinor Conteúdo	General news items (various editors)	Journalistic content distribution center for the press and news agencies.

Among the actions connected to the value proposition, regarding the efficiency aspect, the arrangements claimed to use the following strategies continuously: option “a. seeks to produce exclusive content, avoiding the standardization and imitation of news items” was marked by four (57.14%) of the seven initiatives; option “b. has a team focused on producing and distributing news items efficiently and quickly, on a daily basis of publications” was marked by two (28.57%); option “c. has a multidisciplinary team (from areas such as design, technology, and journalism) that dedicates time for journalistic checking and verification, hearing the different sources, which helps build the credibility around the medium” was market by three (42.86%). One arrangement (14.29%) did not choose any of the options and answered the following in a dissertative manner: “connects with local communities and

territories and is focused on representativity” (Énois, personal communication, October, 08-11, 2021).

All seven initiatives claimed to have adopted, from October 2020 to October 2021⁸, at least one innovation strategy (the questionnaire allowed marking more than one option). The ones most mentioned were the options “a. created new products or services” and “e. presented new ways to do business (implementing new revenue sources)”, each mentioned by five (71.43%) of the arrangements. Four arrangements (57.14%) claimed that they “c. modernized production processes and/or routines”, three (42.86%) stated that they “b. introduced new distribution e/or marketing methods”, and three others claimed to have “f. adapted their business models”. Lastly, two arrangements (28.57%) marked the option “d. presented new ways to do journalism beyond the sale of the news product, creating a new service surrounding the news item”.

The most often marked lock-in strategies were “a. provides forms of personalization in the distribution of content to the audience” and “c. offers specialized/niche content (e.g., a website specialized in legal or hyperlocal coverage)”, with each one of these options having been chosen by three arrangements (42.86%). Two arrangements (28.57%) informed that they “b. provide loyalty programs”, and two others (28.57%) that they “d. interact with the audience from the social networks and other channels of communication with readers, also allowing them to interact with each other, thus establishing a community with the audience”. Two initiatives (28.56%) did not choose any of the alternatives and answered with the following: “we have not yet adopted strategies of this kind but they are part of a long-term planning” (InfoAmazônia, personal communication, October, 08-11, 2021) and “we do not concern ourselves with the competition, we are always in search of tests and innovations in ethnocommunicational languages” (Rádio Yandé, personal communication, October, 08-11, 2021).

Relative to the complementarity strategies, five of the seven arrangements (71.43%) informed that they offer other products and/or services to the audience besides news items, while only two (28.57%) claimed to not offer any. Those that offer them provide their contents in eleven other locations. The most mentioned ones were Instagram, Twitter, and Facebook, appearing in the responses of six projects (85.71%). The other platforms mentioned were newsletters (five; 71.43%), Spotify and the like (three; 42.86%), LinkedIn (two;

28.57%), and YouTube (two; 28.57%). The instant messaging applications Telegram and WhatsApp, their own applications, and content aggregation platforms such as Apple News and Flipboard were mentioned by one arrangement (14.29%) each.

Concerning sustainability and revenue sources, most of the arrangements that identified themselves as entrepreneurial/innovative are financially sustainable: five of the seven (71.43%). One (14.29%) claimed it forecasts reaching sustainability until it completes ten years of existence, and another (14.29%) informed that it is not sustainable. Four of the seven (57.14%) claimed that they obtain resources from three or more revenue sources. Two (28.75%) stated that they use two forms of funding, while one (14.29%) claimed to use only one.

The mentioned revenue sources are, in order of the most cited to the least: 1) branded content, used by five (71.43%); 2) foundations and 3) sale of miscellaneous materials, adopted by three arrangements each (42.86%); 4) recurring crowdfunding (monthly), 5) micropayments, 6) public notices and/or incentive laws, each appearing in the responses of two arrangements (28.57%); 7) training and courses, and 8) subscriptions using paywalls (payment for access), mentioned by one arrangement (14.29%) each.

Four of the arrangements (57.14%) claimed to obtain a monthly revenue of over R\$ 10 thousand, two (28.57%) rake in from R\$ 1.001 to R\$ 3.000 monthly, and one (14.29%) from R\$ 6.751 (the limit monthly amount for the legal status of Individual Microentrepreneur) to R\$ 10 thousand. All four projects in the higher revenue range claimed to be sustainable. Besides them, one arrangement that claimed to be sustainable, Farol Jornalismo, informed that it obtains a monthly revenue from R\$ 1.001 to R\$ 3.000. the same amount as Rádio Yandê, which claimed not to have reached sustainability. The arrangement that answered that it is on the path to sustainability stated it rakes in monthly from R\$ 6.571 to R\$ 10.000.

Among the four that claimed to count on three or more revenue sources, three are financially sustainable, and one said it is on the path towards sustainability. Among the two arrangements that rake in resources with two funding models, one is sustainable, and the other is not. The one with a single monetization form also informed that it is sustainable. In the latter case of InfoAmazônia, it is curious to note that with only one funding source, namely foundations, the arrangement is obtaining over R\$ 10 thousand monthly.

Two other cases to be observed are Farol Jornalismo and Rádio Yandê: both rake in the same monthly amount with a difference in the variety of sources (the first has three sources while the latter, two); however, one claimed to be sustainable with the obtained resources and the other claimed not to be. A possible explanation is that to achieve sustainability, it is necessary to take into account, besides the fundraising, the costs that each arrangement has to remain operational. Less complex organizational structures demand fewer resources. This datum corroborates that sustainability involves other factors besides the variety of funding forms and revenue levels, being connected to all nine elements of a business model, as proposed by Osterwalder and Pigneur (2011). It is necessary to also look at aspects such as the cost structure, which describes all expenses involved in the operation. According to Osterwalder and Pigneur (2011, p. 40), “creating and offering value, maintaining Customer Relationships, and generating revenue incur costs”.

Three of the seven arrangements (42.86%) responded that they have a specialized person in sales/publicity focused on revenue generation; two (28.57%) informed that they also have someone responsible for the monetization, but this person is not specialized and also takes care of other things within the project. One (14.29%) claimed not to have a specific person thinking about the monetization; the project idealizers contemplate the forms of funding of the organization, and another (14.29%) answered that it does not have someone thinking about the monetization of the project at the time.

All active entrepreneurial/innovative journalistic arrangements that claimed to have a specialized person in charge of the monetization of the project are financially sustainable and obtain a monthly revenue of over R\$ 10 thousand. This datum corroborates the study by Sembramedia (2017, p. 39), which indicated that when comparing “the average revenue of those who claim to have a commercial representative to that of those who do not”, it is possible to verify a difference between them in the order of thirty times the amount of the highest to the lowest. According to the study, “the average income of the ventures with at least one commercial representative” is “US\$ 117 thousand per year”, while the “average revenue of those without a commercial representative” is “US\$ 3.900 per year”.

Regarding the customer relationships, six of the seven arrangements (85.71%) answered that they have at least one person

working on the relationship with the audience, albeit not exclusively, whereas one (14.29%) claimed that it has at least one person working on this exclusively. Upon assigning this function to a professional exclusively, the organization is more likely to establish and strengthen the relationship with the audiences it relates to, dedicating time and effort to hearing them. However, having a person exercise this function in a non-exclusive manner compromises the quality of such interactions, given that they occur according to the possibilities of the other duties, as is the case, for example, of a social media professional who, besides the roles of planning and publishing the contents on such social platforms, would also work on the interaction with the audience. Nevertheless, having a professional working on the relationship with the public non-exclusively is still better than having no such professional.

According to Osterwalder and Pigneur (2011, p. 28), the relationship “deeply influences the overall experience of each customer” and may be oriented both toward conquering new audiences and to maintaining them or expanding the sales (of subscriptions, of services offered by the organization, of recurring crowdfunding, etc.). Hence, not having a professional working on this may harm the development of the relationship with the audience, which is particularly harmful to the health of an organization that depends on the financial support of its audience, as is the case of many of the initiatives with crowdfunding as part of the monetization forms.

The initiatives that recognize themselves as entrepreneurial/innovative claimed to adopt five types of relationships. Five of the seven (71.43%) answered that they establish the type of relationship called personal assistance or contact, based on human interaction and related to the amount of interaction that an organization maintains with the consumer, who may communicate with an actual representative to obtain assistance during or after the acquisition of the product, which, in the case of the arrangements, is typically a news item. Three (42.86%) adopt the dedicated personal assistance, which involves allocating a specific representative to an individual customer, being a much deeper and more intimate relationship, typically developed over a long period. Three others (42.86%) use cocreation or coproduction, in which case there is a smaller or greater amount of effort – even creative effort – that a client must make in the production of the service, generally associated with the membership revenue source, in which the audience participates in the editorial process, whether giving their

opinion about the agenda that must be followed or even contributing with their expertise. One arrangement (14.29%) claimed to establish a community relationship, which may already exist or have been created by the organization itself to get more involved with its audience and the groups it wants to reach. Another (14.29%) adopts the self-service with its readers/users, in which case the company maintains no direct relationships with the customers but provides all the necessary means for them to serve themselves.

There are eight relationship channels with the audience used by the seven journalistic initiatives, with each of them using at least three of such means (the questionnaire allowed marking more than one option). The main ones are social networks, especially the Twitter, Facebook, and Instagram triad, mentioned by seven (100%), six (85.71%), and six (85.71%), respectively. The other five are email, mentioned by six (85.71%), WhatsApp and Newsletters, each mentioned by five initiatives (68.18%), and Telegram and LinkedIn, each among the answers of three (42.86%) arrangements. In the "Others" option of the questionnaire, push notifications of News items and periodic conversations with users were also informed (Congresso em Foco, personal communication, October, 08-11, 2021).

5 Final considerations

The group of active journalistic arrangements of the Independent Journalism Map that identify as entrepreneurial/innovative has, as common traits, aspects connected to the funding of the initiatives. Over 70% of this group reached financial sustainability, and over 50% are in the highest revenue range stipulated for this study, of over R\$ 10 thousand monthly. It was also noticed that, in this group, most of the arrangements (57.14%) are obtaining revenue through three or more sources, corroborating studies such as that by Sembramedia (2017), which identified over 15 different types of revenue sources, with most of the studied initiatives (65%) using at least three sources. Presumably, according to the presented data, the organization that combines different funding models of distinct natures is more likely to prosper.

The fact that these arrangements are generating revenue, especially with branded content, demonstrates that, despite considering themselves innovative, the arrangements reproduce the

funding models of the last century based on publicity. This at least partly agrees with Pavlik (2013), to whom a sustainable revenue model in the twenty-first century goes through publicity and metered paywalls. The fact that foundations are the second funding form most mentioned by this group also draws attention, confirming that the new arrangements have strongly trusted patronage for their subsistence, i.e., yet another format that predates the Internet. One may notice that, with technological development, journalism was able to transform its narrative formats and become ubiquitous but still has not managed to find more current ways to obtain revenue that may render it fully sustainable.

Based on the financial information, we may trace a profile of the investigated arrangements: they are financially sustainable media with three or more forms of funding that rake in over R\$ 10 thousand per month, primarily through branded content, and have a person in charge of thinking about the monetization of the project. Hence, the correlation between sustainability and arrangements with at least one person focused on the monetization of the project, a datum contained in previous studies (Sembramedia, 2017; Maurício & Almeida, 2020), is corroborated.

Regarding the value propositions of the arrangements, among the strategies to create value for the audience, all use efficiency and innovation, so that theory and practice are also aligned here: in theory, they recognize themselves as innovative, and, in practice, they use this as a source of value creation for their audiences. However, lock-in is not used by two arrangements – InfoAmazônia and Rádio Yandê. These same two initiatives also do not offer, regarding the complementarity strategy, other products and services besides news items. However, all entrepreneurial/innovative projects provide their content on at least another platform besides their websites.

The use of social networks, especially Instagram, Facebook, and Twitter, by this group of arrangements regarding both the complementarity strategy and the channels adopted for customer relationships shows the strong trend of platforming of journalism, evincing its dependence on intermediaries to distribute content and reach audiences. The growing distribution of contents of journalistic media on the internet and the increase in the consumption of such news items by users through search mechanisms and social networks led media organizations to incorporate into their routine actions that encouraged the online sharing of their news items. Hence, the

audience occupies a central role in the circulation and propagation of this information, which also influences the relationship aspect.

To support themselves in the digital economy, journalistic vehicles need to reduce the abyss between them and their audience and understand that the value they create is not universal for all people. They must also find ways to meet the several types of value relevant to different audiences they may reach, and one way of doing so is from the significant interaction with customers (Picard, 2010). The fact that all entrepreneurial/innovative arrangements have at least one person working on customer relationships, exclusively or not, demonstrates the concern of such projects with the development of close relationships with their audience.

Although the main funding sources of these arrangements do not stem from the audience, this element of the business model is fundamental insofar as it may be oriented toward conquering new audiences or maintaining them and expanding the sales (of subscriptions, services offered by the organization, recurring crowdfunding, etc.). This corroborates one of the standards that Küng (2015) established so that news companies may be successful in the digital ecosystem: knowing what they are trying to do, which audiences to serve, and how to create value for such audiences. The result also agrees with Posetti (2018), to whom, to be effective, the cultivation of sustainable innovation structures and clear and long-term strategies in news organizations must be focused on audience engagement – the “end users”.

NOTES

- 1 For the purposes of this research, the term “digital native” is used broadly to designate journalistic media that already emerged in the internet environment.
- 2 This paper derives from the deeper study contained in the master's thesis entitled “Sustentabilidade financeira de meios jornalísticos nativos digitais no Brasil: um estudo a partir do Mapa do Jornalismo Independente”, authored by Alessandra Natasha Costa Ramos with the supervision of Prof. Dr. Stefanie Carlan da Silveira.
- 3 Retrieved from <https://apublica.org/mapa-do-jornalismo/>. Accessed on Nov. 25, 2021.

- 4 Situation on February 5, 2021, when the survey of the arrangements present on the Map was carried out.
- 5 We opted for the cutout of the arrangements that declared themselves as entrepreneurial so as to understand this parcel of studied arrangements better and also so the data gathered could fit the space available for this paper. The complete research, containing all responses of the 57 active journalistic arrangements, is published in Ramos (2021).
- 6 As one may observe in the study conducted by Ramos (2021), on which this paper is based, of the 57 active journalistic arrangements that responded to the questionnaire, only seven identified themselves as entrepreneurial/innovative. Curiously, of these seven, five claimed to have reached financial sustainability, while one claimed not to have reached it and the other that it was on the path to it.
- 7 Carried out from February 1 to 5, 2021.
- 8 The question referred to the innovation strategies adopted in the last year. The responses of the arrangements to the questionnaire were received in October 2021.

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