You can't do that!

A case study of rural and urban media entrepreneur experience

Abstract

For many years, newspapers have dominated the mediated news space for most Americans. However, as people move to digital news, the business model that has worked for decades has become less effective. Many media researchers have called for new models that could be the salvation of the news business. This project is a case study of two local media entrepreneurs, one in a very rural location and one in the most urban area of the United States, and how they looked beyond the barriers that were presented to them to create successful media organizations. These cases build on existing media management and innovation theory and provide an example for other budding entrepreneurs to follow.

For decades, newspapers and broadcast media have been *the* household names for news (Downie & Schudson, 2009). But Stephens (2014) said that the journalism model that began in the 19th century is outdated for the 21st. Now all it takes is a mobile phone or a computer and anyone could produce content for YouTube, Facebook, or any other digital media interface (Dick, 2013). Because so much information is available for free, traditional media outlets have struggled (Domingo & Patterson, 2011). Mierzejewska and Shaver (2014) suggested that media management research needs to consider a broader view of the value of content and the definition of profit. Briggs (2012) said that the future of news can be rebuilt though entrepreneurial vision and new business models.

News is defined as "new information about a subject of some public interest that is shared with some portion of the public" (Stephens, 2014, p. xii). News organizations need to engage the community and respond to its needs (Salwin, Garrison, & Driscoll, 2005). But in some areas, traditional organizations did not respond to needs because it would not be worth their time due to low numbers of people or other biases that prevented them from seeing potential economies of scale (Peters & Broersma, 2013). Stephens (2014) said these "blind spots" of coverage are now being exploited by entrepreneurs who see where some people have been underserved by traditional reporting (p. xiii). Some start-ups have stopped operating after less than two years. But others have been successful and can act as models for the rest of the news industry (Hollifield, Wicks, Sylvie, & Lowery, 2016).

Studies have examined how traditional media have adapted to digital (e.g., Domingo & Patterson, 2011; Downie & Schudson, 2009). Other research has suggested that public subsidy is the only way to keep local news organizations afloat (Downie & Schudson, 2009). However, this case study examines how two different entrepreneurs – one from the least populated state and

one from the most urban setting in the U.S. – were told that they could not be successful in

media in their specific locations. But they found a niche in the news market and exploited it to

create enterprises that resonate with their targeted audiences. Case studies are becoming more

widely used in media management and media innovation research (Del Zotto & van Kranenberg,

2008). Therefore, this study explores *County 10*, an online news organization in rural Wyoming,

and *Harlem Community News*, a print publication that focuses on good news in Harlem, a

neighborhood in Manhattan. The purpose is to examine the business models of the organizations

to see how they can be used by other organizations. It will use entrepreneurship and innovation

research to show how these cases have been creative in seeking opportunity, which will add to

current media management literature.

**Entrepreneurship and its relationship to news**

An entrepreneur is a person who creates a new business or enterprise (Rae, 2015), but

entrepreneurial orientation includes the ideas of innovation, passion, opportunity seeking, and

calculated risk taking (Lussier, Corman, & Kimball, 2015). Innovation is doing new things or old

things in new ways, which is fundamental to entrepreneurship (Vozikis, Mescon, Feldman &

Liguori, 2014). The Global Entrepreneurship Monitor found that opportunity entrepreneurship,

"an active choice to start a new enterprise based on the perception that an unexploited or

underexploited business opportunity exists," has a strong effect on economic development (Acs,

2006, p. 97). Rae (2015) said that opportunity is the "heart of entrepreneurship" (p. 18). McGrath

and MacMillan (2000) found that entrepreneurial thinking requires being able to deal well with

uncertainty and exploiting opportunity with "speed and confidence" (p. 1). They said that people

with an entrepreneurial mindset passionately seek opportunities, but only pursue those that are

the best for their business. Hollifield, Wicks, Sylvie, and Lowery (2016) said people recognize opportunity because they already have experience in that topic in some manner.

Newspapers started in the 1600s in Europe and came to the United States in the 1700s. When the population began to explode in the East, entrepreneurs started to print papers for a penny. After that market was saturated, news organizations differentiated themselves by giving people objective news and presenting facts (Downie & Schudson, 2009; Stephens, 2014). Because the news business as a whole has been shown to adapt in the past, Stephens (2014) said that it can adapt today as well. Like the penny press days when media organizations were started for relatively small amounts of money, Briggs (2012) said that entrepreneurial news businesses are smaller and see a profit sooner because of lower expenses.

Journalism needs entrepreneurs because, as Briggs (2012) said, they will be the "salvation of the news business" (p. xvi). Successful media entrepreneurs have a well-defined niche, diverse revenue streams, and strong collaborations. They also must know how to track audiences, measure user involvement with the organization, and have a social media strategy (Hollifield, Wicks, Sylvie, & Lowrey, 2016). Compaine and Hoag (2012) said that few studies examine media entrepreneurs to "explore the circumstances under which people get the idea for new media products or services and then further act on those ideas by starting an enterprise" (p. 32). This study does explore the circumstances so other entrepreneurs can use their examples.

**Media management theory and innovation**

News organizations are part of a bigger picture of media economics, which is "concerned with how media operators meet the informational and entertainment wants and needs of audiences, advertisers, and society with available resources" (Picard, 1989, p. 7). The primary function of a media organization is to produce an audience for advertisers (Picard, 2011). Media

have to adapt to media abundance, audience fragmentation, and a shifting communication process where consumers are now in control. Media managers have to make decisions about how to "to achieve goals under conditions of uncertainty and risk" (Sohn, Wicks, Lacy, & Sylvie, 1999, p. 2). They must balance their understanding of consumers' preferences with the value of the medium to audiences and advertisers to create a profit for the company (Picard, 1989).

Innovation theory relates to the processes used to create products, the strategy or structure of the organization, and how innovation assists company performance. Creativity is part of innovation and innovation is part of organizational change (Del Zotto & van Kranenberg, 2008). Because media organizations are more prone to the effects of change, Mierzejewska (2011) calls management of innovation "one of the most critical areas of research for the field of media management and economics" (p. 19).  She said that this area relates to new and potentially paradigm-shifting technologies and other aspects that can alter the way that media organizations operate. Del Zotto and van Kranenberg (2008) said, "the media industry places surprisingly little emphasis on creativity and innovation" (p. 6). Porter and Rivkin's (2000) three stages of industry transformation shows that media are in the experimentation phase. That means that entrepreneurs are trying different business models to find what will work in the current media world.

News organizations' success will be measured by how well they satisfy the needs of their audiences (Briggs, 2012), a group of people who actually use the media product (Picard, 2011). Napoli (2011) said this concept is socially constructed by media organizations because audiences are conceived as being the important aspect that creates profit. But with digital media, the lines between audience and content provider are blurred because the audience can actually produce content. Some digital media outlets highly encourage their audiences to upload pictures, stories, or other information as part of the medium itself. This creates audience engagement, "a measure

of attention paid by a consumer to a piece of information" (p. 97). These engagements can now

be measured by detailed analytics that tell content providers a multitude of information about

each story or post it provides (Kanuri, Thorson, & Mantrala, 2014; Peters & Broersma, 2013).

Because audiences today do not play as much attention to what type of content they are

reading, news is similar to any other form of communication. The audience has shifted from

reading news for civic requirements, such as being an informed citizen, to reading for managerial

requirements, such as finding out what I need to know for myself (Peters & Broersma, 2013).

Even though audience members want to get their own information, content creation is still

valuable because many do not have the time to select information for themselves. The most

successful media organizations in the past 20 years have been based on content organization

(Picard, 2011). The challenge is for media to create content for different platforms that

individuals want to access. But media managers can track what was and was not accessed

because readers' preference for different content can be measured (Kanuri, Thorson, & Mantrala,

2014). In the current study, the managers of the two outlets have different ways to measure

audience interaction with content, which will be explained in the case study.

**Business models in the new era of news**

A business model is a "rationale of how an organization creates, delivers and captures

value" (Vozikis, Mescon, Feldman, & Liguori, 2014, p. 53). It helps understand how an

organization runs its commerce (Picard, 2011). Evers, Cunningham, and Hoholm (2014) said that

many business plans do not consider how to create value for the customer, which they say should

be at the core of all business models, or explain how to make a profit. Business models should

require entrepreneurs to "engage in active experimentation and active learning" (p. 156) and

should be adapted by the business as it progresses. Journalism's current business model is

outdated and needs to be transformed so it can adapt to technology and economic changes (Leurdijk, 2014; Peters & Broersma, 2013).

One of the business models for news is the local community model, in which the media outlet serves a well-defined geographic market (Salwen, Garrison, & Driscoll, 2005). Other business models for journalism online have been pay models, but because a majority of the internet's content is free, most of these models are unsuccessful. Voluntary contributions or grants can sustain an organization for a while, but often those contributions stop coming (Luerdijk, 2014; Picard, 2011). Picard (2011) said that online portal models are moderately successful because they pull users into the ads when the user is browsing similar content. The current online model is a multi-purpose digital portal in which there is streaming audio and video as well as pay-per-view content. He stated that newspapers will likely have a business model that is closer to what it was more than 100 years ago, serving around 25-33% of the population. Other print products, such as *Harlem Community News* in this case study, also are adapting their business models.

A major part of most news organizations' business models is advertising revenue. Advertisers are much less concerned about reaching a mass audience than they are about connecting with a specific group of consumers (Peters & Broersma, 2013). Because online advertising in the past has been seen as intruding on the *real* content, that form of advertising has not been sustainable for most online businesses (Leurdijk, 2014). Advertisers seek a place for their message that is not too cluttered, ignored by the audience, or brought down by irrelevant media content. Approaching people on an individual basis has brought higher returns on ad investments (Picard, 2011). No matter the form of media, as long as media managers can show a connection to an audience, the advertisers will be pleased.

Fetscherin and Knolmayer (2004) said it is not the model itself that makes a business successful, it is how the organization uses the model's components. A business model for content delivery should include the product, the consumer, the revenue, the price, and the delivery. They found that the most important profit driver was the product, followed by revenue and price. Vara-Miguel, Sanjurio, and Diaz-Espina (2014) studied *Wall Street Journal* content online and found that "payment is closely linked to dissimilar and more specialized content with higher added value that is not easily imitated by the competition" (p. 147). The *Journal* is a specialized publication with readers that are more likely to have higher incomes, so the content is more valuable to the viewer and therefore more like to be paid for. So specialized content, as is found in *Harlem Community News*, can be valued by advertisers and audiences alike.

One aspect of some business models is being hyperlocal, or local online journalism. Although there have been many failures in this area, there have been some successes. For example, one New Jersey hyperlocal outlet owner has franchised his model to other locations in the state. Funding is vital, which primarily means advertising (Tornoe, 2012). Hollifield, Wicks, Sylvie, and Lowery (2016) said that most hyperlocals do not survive for very long because the small audiences cannot provide enough advertising revenue. The researchers suggested that entrepreneurs who adapt and learn from other people's mistakes and successes can actually save money by looking at those business models. Del Zotto and van Kranenburg (2008) said continuous creation media products that publish something new frequently, such as the two in this case study, rarely fail *after* they develop habitual patterns for their audiences. "But the key is to build an audience around your content before making any attempt to solicit businesses to advertise" (Tornoe, 2012, Revenue streams section, para. 2).

**Background of the case study organizations**

*County 10:* To understand more about *County 10*, it is important to learn more about the state and the county itself. Wyoming has a population of 584,000, which is 5.8 people per square mile when the US average is 87.4. The state is 93% white ("Wyoming," 2015). The two largest communities in the state are Cheyenne with about 62,000 people ("Cheyenne (city)," 2015) and Casper with about 60,000 people ("Casper (city)," 2015). Fremont County has a population of nearly 41,000 people, of which 75% are white and 21% are Native American. More than 90% of residents 25 and over have a high school diploma, while 21% have a bachelor's degree or higher ("Fremont County," 2015). The top employers in the County are oil and gas-related companies, the Wind River Casino, school districts, government, and agriculture (Burl Gies, Wyoming Department of Workforce Services, personal communication, March 30, 2015).

The County is primarily composed of two larger towns, Riverton and Lander, as well as the Wind River Indian Reservation. Many people pass through the County on the way to Yellowstone and Grand Teton National Parks ("Riverton, WY," 2015). Lander has the National Outdoor Leadership School, which calls itself "the leader in wilderness education" ("Home," 2015, Title). Riverton has Central Wyoming Community College, a two-year institution with branch locations throughout the county ("Outreach centers," 2015). There is only one four-year institution in Wyoming, the University of Wyoming ("The University of Wyoming," 2015). It is three to five hours away from Fremont County, depending in which part of the county you are.

*County 10* was started on December 4, 2011 (F. Lobera, personal communication, March 24, 2015). It defines itself as, "a web and mobile-based media outlet providing the Fremont County, Wyoming community with instant news and updates" ("About County 10," 2015, para. 2). It uses its own home page (county10.com), a Facebook page (facebook.com/county10news), and a Twitter feed (@County10News). The feeds in all three outlets are similar, except for

Twitter's length requirements of 140 characters. According to Fabian Lobera, Chief Operations

Officer for *County 10*, people can also sign up for email summaries that are sent Monday

through Friday (personal communication, February 13, 2015).

When looking at the *County 10* home page, the banner says, "County 10 Fremont

County's Community News Stream." It also includes the icons for Facebook, Twitter, email, and

search. Right under the banner are hashtags of two major stories that have been developing over

the months, followed by Events, Health, Business, Jobs, and Obits. On the far right are tabs for

Submit News and Advertise. The main story is in the upper left, while the number of people who

like *County 10* on Facebook is in the upper right. Under the main story are other stories in

descending order of when they were posted. On the right side under the Facebook part is a

section called Community Partners. There are nine businesses/organizations under that tab.

Under that is a section called Contributing Sponsors. There are two of those: Lander Chamber of

Commerce and SageWest Health Care. Each of these two sponsors has a tab at the top (Business

and Health, respectively) where they can each post stories that are relevant to the community (F.

Lobera, personal communication, February 13, 2015).

*Harlem Community News*: Placing New York City and Harlem in context provides a

necessary backdrop for the emergence of *Harlem Community News*. Often Harlem's iconic status

as the epicenter of Black culture has also included an association with societal ills, such as

overcrowding, poverty, and drug abuse.  However, things did not start out this way. In 1910,

about 10% of Central Harlem's population was Black. By 1930, the great migration from the

South and the influx from downtown Manhattan neighborhoods where blacks were feeling less

welcome transformed them into a 70% majority. Their share of the population (98%) and total

numbers (233,000) peaked in 1950. The riots of the late 1960s with its political and economic

instability facilitated moves out of Harlem. The economic perils of the 1970s and the opening of

other neighborhoods to middle-income people who were visibly black further contributed to

Harlem's declining population. Changing migratory patterns brought an influx of African

immigrants in the 1980s and 90s. Changes in the overall sense of stability following the

September 11 attacks brought an influx of Whites, who had historically been turned off by

Harlem's crime and lack of services (V. Bradley, personal communication, June 27, 2015).

Many media reports attributed the perceived improved safety within Harlem to Bill Clinton's

office move to the area. He found cheaper rent by more than $500,000 a year. But now that rent

has increased, Clinton moved his office downtown (Fernandez, 2011). The overall New York

City population is 8.2 million and Central Harlem, the focus of this study, has seen an increase of

10% from 2000 to 2010. However, its Black population decreased by 14% ("NYC 2010," 2010).

Each area within Harlem comprises its own Community Board, which is the New York

City local governing body. Central Harlem has slightly over 110,000 people. Central Harlem

covers 1.5 square miles and 961 acres. The area has several natural boundaries that include

Central Park to the South, Harlem River to the North, Morningside Park to the West, and Marcus

Garvey Park (also known as Mount Morris Park) to the East ("Community portal," 2014). The

acreage includes "*Le Petite Senegal*," a stretch of land along 116th street that features African

stores and Masjid Malcolm Shabazz founded in 1956 (M. Muhhammad, personal

communication, October 10, 2015). Central Harlem boasts the most historic districts in Harlem.

St. Nicholas Historic District was designated in 1967 by the New York City landmarks

commission and listed on the National Register of Historic Places in 1975. The Mount Morris

Park Historic District received its designation from New York City in 1971 ("Historic district,"

2009). The Adam Clayton Powell, Jr. State Office Building, named after first black congressman

from New York, is also within Central Harlem. It is 19 stories and the tallest building in Harlem.

It often acts as its community center, with events, health clinics, and art galleries, among other

things ("Building administration," 2015). Central Harlem is also the site of 125th Street, where

the famed Apollo Theater and Studio Museum of Harlem are located, and Harlem Hospital, the

only full-service hospital in Harlem. It was known as the most integrated hospital in America

before hospitals allowed Blacks and women to practice medicine (Dr. Gunnar, personal

communication, August 2010).

     Harlem and the South Bronx were designated one of nine empowerment zones

established in 1994 by the Clinton Administration. The program was designed to revitalize

distressed communities by using public funds and tax incentives to spur private investment. The

designation included a $100 million federal grant, and $100 million each from New York State

and New York City for a total of $300 million. As part of the program, companies received

funding in the form grants, loans, and tax incentives ("New York Empowerment Zone," 2010).

*Harlem Community News* was launched within a year of Harlem's designation as an

empowerment zone (P. Stevenson, personal communication, December 11, 2015).

     Affordable housing in New York City was often placed in areas with large-scale land

plots and abandoned buildings, of which Harlem had its share, and was meant to revitalize the

area. About 20% of new construction of multiple dwellings on lots that were vacant were

affordable units. These apartments were issued via lottery, although preference was given to

those who already resided within the community board. In addition to documented income,

eligibility required submission of tax returns, bank statements, and attainment of good credit.

When housing options in Harlem were plentiful, landlords and management companies sought

proof of income, but rarely did the extensive credit and income checks done for affordable

housing (B. Simmons, personal communication, July 9, 2009). Despite the economic resurgence

in Harlem, even today the economic profile of its residents lags behind the rest of Manhattan.

Only 22.8% of Manhattan residents receive income support in the form of cash assistance,

supplemental security income, or Medicaid only, in contrast to 38.7% in Community Board

10. These numbers actually reflect an improvement as 42.7% received assistance in 2012 and

45.3% in 2005 ("Community portal," 2014).

　　　*Harlem Community News'* cover is usually a different color each week: orange, blue, red,

or green. The banner remains the same ever week, but the shadowboxes change color. The

November 26 issue featured a banner with green shadowbox with "Harlem Community

Newspapers, Inc.  Connecting Harlem, Queens, Brooklyn and the Bronx" above the title,

"Harlem News" in bold black letters with "Good News You Can Use" in smaller letters under

the title, and "Community" in all caps in smaller letters to the right above News. The right hand

side of the banner had the HCN banner with Harlem Community Newspapers, Inc. underneath,

with a black shadowbox underneath with "Good News You Can Use." The right hand side text

box featured teasers for three stories inside the publication, "New York Urban League's 29th

Annual Historically Black Colleges and University (HBCU) Fair, Holiday Concerts at Carnegie

Hall and Harlem Council of Elders, Inc. says Thanks." Each headline was accompanied by a

small photo. The main cover featured a large image of people who did not appear to be of

African descent serving with New York City Mission Society aprons with the headline

underneath, "NYC Mission Society Serves Over 200 at 12th Annual Thanksgiving Harvest

Community Dinner." Underneath the main cover photo and headline in a green shadow was

"Visit our website: www.harlemcommunitynews.com" and icons for Facebook/harlemnewsinc

and Twitter @harlemnewsinc.

The newspaper usually has 24-30 pages. It decreased in size to 11"x11.5" in 2015 from its original size of 11"x15". The November 26 issue was 24 pages. There were 15 sections listed in the masthead: Community, Editorial, Real Estate, Calendar, Events, Education, Urbanology, Lifestyle, Church, Literary Corner, Games, Health, and Classified.  Each issue features a personal letter from Stevenson often highlighting an event in the community or a national event of interest to small businesses.  This issue featured Thanksgiving well wishes and an encouragement to readers to participate in Small Business Saturday on November 28.  She also mentioned that throughout the month of December the paper would feature small businesses and holiday events in the community calendar and advertisements. The issue featured national advertisements from Macy's and AT&T, but the nine other pages of ads were local.

*Harlem Community News* owner Pat Stevenson is also one of the co-founders of The NY Black Publishers Inc., a network of Black publishers serving New York City and surrounding suburbs. *Harlem Community News* was selected for this study because it is the longest continuously published free weekly available in Harlem. The newspaper can be found in buildings, restaurants, and cultural institutions. It was selected as an example of print news distribution for other densely populated urban areas.

**Research Questions**

RQ1a: How did County 10 develop its innovations?

RQ1b: How did Harlem Community News develop its innovations?

RQ2: What implications do these cases have for other media entrepreneurs?

**Method**

This study used a case study methodology to gather its information. Yin (2012) defined a case study as "an empirical inquiry about a contemporary phenomenon (e.g., a 'case'), set within its real-world context" (p. 4). A case study helps to get an in-depth understanding of a single or

small number of cases and apply the learning to a broader context. It is a pertinent method when exploring a descriptive or explanatory research question or when conducting evaluations. Through systematic collection of data and analysis, "case study findings can be generalized to other situations through analytic (not statistical) generalization" (p. 6). Case studies are used for "exploring, explaining, understanding, and describing" the research question (Dawes Farquhar, 2012, p. 39) and are important for the development of business models (Leurdijk, 2014). When case studies are used effectively, "the managerial techniques and knowledge from the case are learned and internalized" (Hollifield, Wicks, Sylvie, & Lowery, 2016, p. xviii).

Value is added with more than one case (Del Zotto & van Kranenberg, 2008). In this study, the two cases are thematically similar, i.e., they both were told they would not be successful in their enterprises because the audiences did not want their content and because similar businesses in other locations did not succeed. However, these two cases are different in context because one is online; the other is in print. One is in a rural location; the other is in the most urban landscape in the US. However, these two examples can be examined thematically and compared to the entrepreneurial and innovation literature to advance theory construction. Therefore, the purpose of this case study is to use the two cases to explore media entrepreneurs' methods of exploiting opportunities help other entrepreneurs.

**Units of analysis**: For this case study, there are two units of analysis – *County 10*, an online news organization in Lander, WY, and *Harlem Community News*, a print publication in Harlem, New York City. *County 10* was the first online-only news organization in Wyoming and has now branched out into the PitchEngine Community News Stream, which has online news in seven Wyoming towns. *Harlem Community News* is unique in two ways – the first is it is the longest continuously published free weekly available in Harlem buildings, restaurants, and

cultural institutions.  Second, the publisher's commitment to publish "positive news."  *Harlem Community News* has never covered crime, shootings or anything deemed negative by the publisher, instead choosing to focus on local education, health, wellness, arts and entertainment content. These case studies were chosen because they are on the complete opposite ends of the spectrum in terms of population, but have similar entrepreneurial themes of opportunity seeking that can serve as models for other entrepreneurs.

       **Data collection and analysis**. According to Yin (2012) the ways to collect evidence in a case study are direct observation, interview, archival records, documents, and physical artifacts. In-depth interviews were conducted with the founder and CEO, the Chief Operations Officer, the director of content, and the reporter for *County 10*. Also interviewed were two primary advertisers, one a Community Partner and one a Contributing Sponsor. All of the interviews took about an hour. To get a small sample of readers, several different people were interviewed: attendees of a Chamber of Commerce mixer, a focus group of long-time Lander residents, and people at a coffee shop during mid-morning. All interviews were conducted on February 12-13, 2015, in Lander, Wyoming. All interviews with employees and advertisers were recorded and transcribed for analysis. The reader sample was recorded only on paper, then transcribed. Although the sample was a convenience sample, it was purposive in that specific groups and places were targeted so different types of people would be interviewed.

       For *Harlem Community News*, in-depth interviews were conducted in June 2013; June 2014; and June, September, and December 2015, with 16 people. Also interviewed were key members of the Harlem community, including two journalists at least three times for 90 minutes each using a phenomenological approach focusing on the experiences of those interviewed and the meanings they make of those experiences (Seidman, 2013). The other interviewees were

readers, distribution outlet representatives, and advertisers, which occurred once.  To get a small sample of readers, several people were interviewed: attendees of a Harlem Business Alliance holiday party and people at a coffee shop where the publication is distributed were observed during mid-morning and mid-afternoon, and later interviewed, all between December 1-10, 2015. Additionally participant observation was used as a method, which included observation, and informal and semi-structured individual and group interviews (Bernard, 2006).

**Secondary data.** For *County 10*, secondary data was provided by Fabian Lobera, Chief Operations Officer. The data was a summary of a marketing report that was conducted in 2014 by an outside consulting firm and is called "Marketing Persona" in the References. Also examined were the *County 10* website, Facebook page, and Twitter feed, as well as the PitchEngine Community News Stream website. PitchEngine Community News Stream is the umbrella organization over *County 10*. All of these are cited in the References.

For *Harlem Community News*, secondary data was provided by an examination of 2012-2015 editions of the newspaper. Additionally, screenshots of the website in April, May, November, and December 2015 which changed from www.harlemnewsgroup.com to www.harlemcommunitynews.com in 2015.  Facebook page, Twitter feed, YouTube videos, and Stevenson's LinkedIn account, plus email newsletters from the Bradhurst Merchant's Association, 125th Street Business Improvement District (BID), and Harlem Business Alliance.

**Case Study County 10[1]**

The case study follows the premise of Fetscherin and Knolmayer (2004) who proposed that a business model for content delivery should include: the product, the consumer, the revenue, the price, and the delivery. However, because the price of *County 10* and *Harlem*

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[1] All of the interviews or other information in this section that does not have a cited source were conducted by an author on February 12 and 13 in Lander.

*Community News* is free for the consumer, that part was left out of this case study. But it also includes feedback from the consumers about the product.

*The product: County 10 and PitchEngine Community News Stream*

As stated before, *County 10* began in December 2011. It was created by the leadership team of PitchEngine in Lander. PitchEngine is "the premier content creation tool for publishing beautiful marketing messages to the web and mobile" ("What is PitchEngine?" 2014, para. 3). It was started by Jason Kintzler, CEO, in 2008 to change the way that public relations content was distributed. Instead of basic news releases, PitchEngine helped organizations package their own branded content as a social media release ("What is PitchEngine?" 2014). Kintzler said that the knowledge gained from creating PitchEngine helped in the creation of *County 10*. "We've taken our understanding of rich content and engaging user-experience to the community-level and the growth is astronomical" ("Pioneering the community," 2015, para. 2).

After *County 10* became popular, the idea that other communities could have what Fremont County had lead to the creation of the PitchEngine Community News Stream. It is the umbrella company for *County 10* and similar organizations that will be discussed at the end of the case study. The overarching idea of the PitchEngine Community News Stream is: "We are changing the way communities everywhere connect. (We) are creating the future of community news" ("Pioneering the community," 2015, para. 1). Kintzler said that he decided to start *County 10* when he realized he didn't know anything that was happening in the community and he never read the newspaper. "News" seemed to be an "official" thing, but he saw that as people are more engaged online, they see things that they find important. "Our goal is to let the community tell us what is newsworthy. If a moose is on main street, that is newsworthy and we want to have it available as soon as possible." Kintzler said that he wanted to create a space where advertisers

could get the message to their audiences, but in a way that made it news. He said it was very important to the credibility of the business to have its first reporter be someone that everyone knew. Ernie Over had previously been reporting in the County for many years and was looking for a new position when the *County 10* job was offered. The second writer/content provider hired was Joshua Scheer, who formerly had worked at the weekly newspaper in Lander. These two said that it was relatively easy to connect with members of the community when they had been living and working there previously.

*The consumer: Target audience of County 10*

According to Lobera, more than 60% of the readers of *County 10* use mobile devices to connect. Unlike the stereotypical assumption, the 50 and over audience is the most engaged with the content because they care about news. Although most of the readers are in Fremont County, because of the digital format 15% are from outside of the area. Most of those formerly lived in Fremont County and want to remain connected in some way. In 2014, *County 10* conducted some market research to find who was the main target audience for the content.

The primary target audience is represented by a woman named Kaycee. She is 35% of readership and shares its content. She controls the family budget and is connected to school, after-school activities, and some small businesses ("Marketing persona," 2014). Lobera said her name was selected because it was the type of name of a woman in the county might have. The name was spelled "Kaycee" because Casey may be a more common spelling nationwide, but an untraditional spelling of names is more common in the county (personal communication, February 19, 2015). The market overview of Kaycee has many different aspects. Her demographic factors are: 35-year-old mobile phone user, passionate mother of two kids, dog owner, household income of $75,000, part-time worker, two years of education at a community

college, single-family home owner and her husband is a full-time worker in oil and gas. The

brands she likes include Apple, Target, Starbucks and Olive Garden. She uses Pinterest,

Facebook, and Words with Friends. The content that she cares about is concise and

conversational but not sarcastic, visual, frequent, and promotes the community she lives in. She

checks *County10* three times a day and looks for breaking news, crime reports, events, human

interest, and pictures of kids achieving ("Marketing persona," 2014).

The second target audience is represented by Justin. He is 35, single, but with a

girlfriend, makes about $70,000 a year, blue collar worker, technical or vocational school

graduate, renter, outdoorsman, and uses a smart phone. His reading interests are breaking news,

police information, and hunting/fishing pics, and he reads twice a day. His brands are King

Ropes, Remington, Chevy, Carhart, Oakley, and Xbox. He uses Google and Craigslist, but not

Facebook. He has disposable income and dines out most nights ("Marketing persona," 2014).

The third target audience is represented by Dale. He is a 65-year-old husband and

grandfather who is retired and on a fixed income. He is a high school graduate, volunteers in his

church, and is a hunter/camper who owns a single-family dwelling. He is a desktop user who

gets the daily email. His reading interests are breaking news, police information, local politics,

and the picture of the day, and he checks *County 10* once a day. His favorite brands are Ford,

John Deere, Craftsman, and Leatherman. He uses Quicken, Facebook, and Amazon, has Yahoo

for email, checks CNN Money, and watches Fox News. He doesn't share content, but he values

accurate, local, and professional content ("Marketing persona," 2014).

These model audiences are helpful in two ways. First, they give the writers for *County 10*

someone to think about when creating content. "When I'm attending meetings or writing about a

breaking story, I think, 'What would Kaycee think about this?'" Joshua Scheer, director of

content, said. Second, these audiences are used by the marketing consultants to talk to potential

and current advertisers about who is reached by the content. Also, the analytics from Facebook,

Twitter, and the *County 10* website all are used to enhance the discussion of the audiences as

well as show the engagement that they have with the different content.

*The revenue: Business model for County 10*

Overview. According to the PitchEngine Community News Stream website, the seven

community news sites have 2.5 million monthly views and 343,000 monthly social reach

("Pioneering the community," 2015). *County 10* itself has 17,000 daily readers ("PitchEngine

revs up," 2015). As of November 24, 2015, the *County 10* Facebook page had 25,700 likes and

the Twitter feed had 1,550 followers. *County 10* has a bare bones group of employees. The

founder and CEO is Jason Kintzler; the Chief Operating Officer is Fabian Lobera; the director of

content is Joshua Scheer, who is also a writer; Ernie Over is a reporter; Kati Anderson is a

contributor (occasional writer); Will Hill is the marketing consultant; and Amanda Gaudern deals

with business accounts. Every semester, one or two high school students, or sometimes

university or community college students, perform internship duties. Therefore, the whole 9,000-

square-mile area [which is bigger than the state of Massachusetts ("Fast Facts," 2015)] is

primarily covered by two writers. Thus, *County 10* relies heavily on contributor input for news

leads as well as written stories.

Use of advertising. *County 10* has contributing sponsors that pay $15,000 to have access

to the site through posts in their own tabs – Business and Health. Those stories are more easily

accessible to readers without having to scroll through numerous pages. Community partnerships

also cost $15,000 and have a maximum of ten on the main web page. They get a link to their

homepage from the *County 10* site and get 12 sponsored posts to use when they wish (F. Lobera,

personal communication, April 1, 2015). Any advertiser can also sponsor a specific story on the newsfeed. These stories do say "Sponsored," but they have no other identifying marks as an ad. "Sometimes it is difficult to tell what is news and what should be an ad," Lobera said. "We are trying to come up with a template for what is an ad and what isn't, but there are several gray areas." Sponsored posts and job postings both cost $250 with a re-run charge of $100. A regular ad is $85. Kintzler said, "Every facet of the business has analytics behind it. We knew that with a digital product, we would need to find information for the advertisers about how engaged the people were with the content, so they would know its value." Lobera said that they needed to find advertisers who would "buy in" to the new concept of advertising as content, not as a display on a page.

Cody Beers is a public relations specialist for the Wyoming Department of Transportation, the first community partner for *County 10*. He said he wanted to be a partner because he saw how useful it would be for WyDOT to connect to its audience more quickly. "Newspapers can sit on stories for weeks. These guys put it all out there. It's our responsibility as caretakers of information to share with people about the roads they travel on and how taxpayer dollars are being spent. People expect that." He said that he gets great responses when he posts job ads compared to other media he uses. Brian Fabel, director of the Lander Chamber of Commerce, said that his organization moved from being a community partner to a contributing sponsor. With a permanent tab on the top of the website and on the side of the mobile site, "we can share some of the information we want to share. The Chamber exists to produce content about the businesses in the local community. People need to know about the economic impact of the events that go on." *County 10* gives him an additional way to get out information, including through Chamber newsletters, local radio, and the newspaper. He said that he wasn't sure of the

total return on investment for the Chamber, but that he was willing to see how *County 10* could help businesses in the community. In sum, those interviewed who had advertised on *County 10,* even with regular ads, felt that they received economic value from it and they could help the community. One smaller advertiser said, "People who advertise on *County 10* keep it afloat so other people can choose news for free."

Use of investors.  Recently, *County 10* expanded its business model to include investors outside of PitchEngine. Petros Partners and Enhanced Capital are headquartered in Austin, Texas, but they have offices in Jackson, Wyoming. No specific investment amount was announced, but a news release said, "We're fortunate to have found institutional investment partners who share our vision for doing big things and fundamentally changing the way communities everywhere connect," said PitchEngine founder and CEO, Jason Kintzler ("PitchEngine revs up," 2015, para. 3). The investors themselves also had a comment. "As private investment firms who are focused on small businesses in Wyoming, we are excited about the innovative methods PitchEngine has implemented to deliver local news content," said Mansoor Ghori from Petros Partners. "We believe the company's unique news platform will be adopted quickly in all counties within the state" ("PitchEngine revs up," 2015, para. 10).  Since the investment is so new, there are no specific data to determine the success of the investment thus far.

Profitability and risk. Kintzler said that before he started *County 10*, he studied hyperlocals in urban areas and saw that they were barely breaking even. Lobera said,

> The goal when we started: We wanted to introduce tech to the news delivery process in Fremont County and wanted to provide a platform that was more real time than anything at the time. It was honestly more case study than revenue model when we started. That's Jason's influence. He's a risk-taker and likes to try new things and disrupt existing processes. We believed we could improve information flow in the community. Also, Jason's past is in journalism. He saw how traditional models were no longer serving

current news consumers. We had some cash from PitchEngine, and estimated that we'd spend $50,000 in the first year for *County 10* (reporter, site development, hosting, marketing). We didn't have any defined monetization models in our heads, but figured that there may be a few local businesses willing to chip in. That part (advertisers willing to contribute) happened very fast, so we became a bit more aggressive about allocating more resources ($100,000 in year 1) to the model. It was at that point that we started to think of it as a stand-alone business model that we could grow. (personal communication, March 29, 2015)

According to Lobera, from a cash flow perspective, *County 10* became profitable in its

11th month. "From a Generally Accepted Accounting Principles perspective, break-even

happened in year two (~18 months). The difference is, for proper accounting, you defer cash

amounts and recognize them as revenue in the later months that they may serve, so that deferred

the technical 'profitability' of *County 10* until its second year" (personal communication, March

28, 2015). The bottom line of the business model, according to Kintzler, is about content

marketing. The business involved are "brand journalists." "They can tell their stories through our

communication. They are paying us to connect to the readers that we have already gathered."

*The delivery: Content and its digital creation*

All content is delivered digitally, either through the *County 10* website or through

Facebook and Twitter feeds. Kintzler said that there are about 7,000-8,000 stories posted each

year. The content is a mix of news reports from employees, community contributors, news

releases, and sponsored posts. Ernie Over said that he works with numerous people in the county,

such as officers for various community groups, so they can send him reports from their meetings

or events. The content includes contributions from people, such as the picture of the day. On

April 1, the picture was from a 13-year-old girl on a family hike in Sinks Canyon. Kintzler said,

"We try to look for content that is engaging the reader."

Over and Scherr try to post several stories a day, but it could be more if there is breaking

news. For example, the previous summer there had been a large fire in the county, so Scherr was

constantly updating information, both by posting pictures he had taken or by getting information from official sources. Kintzler said that the content is more conversational, so they are trying to avoid giving opinions or being investigative. "We want to empower our readers, not indoctrinate them. It's an elitist thought that we are the only trustworthy source for news." He gave an example of there being an issue with cell service in Lander on the day of the interview. When a story about it was posted, the Verizon person replied about how the problem was being fixed, so soon the community knew about the issue from the source, not from a reporter. But even if it is a sponsored post, Lobera said that most readers treat it like any other news report. "Some of the sponsored content gets as many clicks as some of the other stories we post. We work with sponsors to make it more relevant."

Because they are thinking about Kaycee, Justin, and Dale when they are creating content, some stories that may not be "news" in a regular news outlet are news to the *County 10* readers. Lobera said, "Last year, a world record elk was shot near Dubois (a town in the County). As soon as we got confirmation that it was a world record, we posted the picture. It was the most liked and shared story that we had." But Kintzler said they are working to give everyone an opportunity to "speak" in a way. "We have facilitated discussions in the community. We want to show people the commonalities they have. The cool thing is that as a citizen of the County, a Native American has the same voice as a city councilman does."

**Comments from readers**. Of the people who were interviewed, about 90% used *County 10* at least once a week. There was a mix of people who signed up for the daily email summary, use their computers, and check on their mobile phones or tablets, "when it is convenient." Overall, many people said that *County 10* helps them to keep up with what is going on in the community. One woman said, "It keeps us abreast of what's going on. You see a lot of the things

that you don't see in the newspaper. Some of the things are never in the newspaper or are in there later." A man said, "I am new to town, so I have looked at it several times. When I Google things locally, often *County 10* is one of the first things to come up. I'm not a newspaper guy, so it's easier for me to go to *County 10*." "If I see someone has liked a story, I go to it. I have a ritual (in reading it), like it's my morning newspaper," one woman said. One woman said, "We send condolences to people, so it's important to know right away (when someone dies). It keeps people connected. It's a free public service."

Some of the comments were not as positive. One man said, "I don't do any of it. I don't have time. (My wife) fills me in. She bird dogs for me." Some comments were about the lack of double checking a story before it gets posted and lack of editorial oversight. "I have a friend at the courthouse and she was quoted on something. It was her just talking and not for release. Sometimes they need to fact check more," one woman said. Another woman said, "I'm disappointed with some of the inaccuracies. I've heard situations where they announce deaths before the family knows." A woman in her twenties said, "It's nice to be immediate, but sometimes extra time is warranted so the information is correct and people can be contacted. There is a lack of professionalism behind some of the stories." Another woman complained about the "tabloid style" of its reporting about her father who had been accused of a crime. "They didn't contact him to ask him how he felt or his opinion. It seemed like he was guilty before he was even tried. His character was defamed." She said even though her family had been in the community for years, her dad felt like he had to leave town because of the coverage.

**Future business plans**. Kintzler does not want to stop just at *County 10*. As mentioned in the product section, PitchEngine Community News Stream has been created to expand the community news model. It is now in seven Wyoming communities and has bigger plans.

Kintzler said that he loves to think about how this model can be scalable to other parts of

Wyoming and around the country. He would like to help other entrepreneurs start a similar

operation in their communities. The PitchEngine Community News Stream website says, "What

started as a simple mobile-friendly news site in rural America has grown into one of those (sic)

most formidable media models in decades. . . .We'll be bringing online more Community News

Streams throughout the country with a simple mission of connecting communities by

empowering the influencers" ("Pioneering the community," 2015, para. 1 and 2). So the founders

plan to help other entrepreneurs conduct online community news.

Case Study *Harlem Community News*[2]

> *The product: Harlem Community News print publication, website, and sponsored events*

The Harlem Community News Group publishes a free weekly newspaper: *Harlem*

*Community News: Good News You Can Use* Connecting Harlem, Queens, Brooklyn and the

South Bronx. *Harlem Community News* is the longest continuously published free weekly

available in buildings, restaurants, and cultural institutions. Its mission states:

> The Harlem Community News Group will publish positive news and information.  Our
> mission is to deliver "good" and informative news to our readers focusing on health,
> education, housing, business and employment opportunities.  We look for and publish
> results, not problems. We promote businesses, opportunities and events happening in the
> communities we serve. We are dedicated to providing you our readers with valuable
> information they can use to improve the quality of life for themselves, their families and
> their communities. (*Harlem Community News*, 2015, p. 2)

Sole founder Pat Stevenson created the *Harlem Community News Group* in 1995. She

sought a shift in career from advertising following an eventful flight to Egypt, which resulted in

a fear of flying. It was actually not Stevenson's idea to start a paper, but as an unemployed,

single mother to a five year old, a friend suggested she start one. With additional support from

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[2] Any information without a citation is from notes, interviews, and other information mentioned
in the Method section.

friends, she got started. Realizing that Harlem was one of the few communities without a free community newspaper, Stevenson started in Harlem and expanded to areas of Queens, Bronx and Brooklyn in 1997.  She has been publishing weekly in those areas since 2000 (personal communication, December 11, 2015). She shared how she knew from the outset that she would only focus on "positive news," as "there were enough publications focusing on all of the negative news in the community" (*Harlem Community News*, 2015, p. 15).  The newspaper masthead in 2015 showed that the name changed from *Harlem Community News Group Inc*. to *Harlem Community News*. However, the paper is known throughout the community as *Harlem News (*V. Horsford, personal communication*, July 2009). She has published similar papers in Brooklyn, Queens, and the Bronx since 1995.

On September 10, 2015, *Harlem Community News* celebrated its 20th anniversary with a commemorative issue, "Pat Stevenson celebrating 20 Years Publishing and Community Service." Within the issue, Stevenson shared that in addition to her need to change careers, she was spurred to start the newspaper upon learning about Harlem's designation as an empowerment zone, and other "good things happening in the Harlem community." "I knew about all the media vehicles nationwide and I was familiar with the trends. I knew paid papers were losing audiences to 24 hours news on TV, then news on the internet. However, local community news stories were not so readily available, especially those stories with 'good news.' I also knew at that time 20 years ago, Harlem had just been declared an empowerment zone and was about to receive millions of dollars in investment, so I knew things were going to change rapidly. Thus I saw an opportunity and went for it" (P. Stevenson, personal communication, December 11, 2015). Unlike many others, Stevenson understood the importance of the empowerment zone designation (G. Richards, personal communication, December 10,

2015). The President of the 125th Street Business Improvement District, Barbara Sutton was her first columnist and one of her first advertisers, along with MART 125, a now defunct small-indoor mall on 125th Street with local vendors who rented small stalls.  In the issue, she referenced the role of God and faith in her journey. However, the paper itself does not espouse any religious affiliation although there is a Church section that features news and advertisements from local churches and religious organizations of all faiths and beliefs.

In 2015, *Harlem Community News* launched a redesigned website using a new URL, www.harlemcommunitynews.com, which also featured spaces for banner advertisements. When looking at the *Harlem Community News* homepage, the banner says, "Harlem Community News," although the Google search results feature the tagline, "Good News You Can Use" in the title.  The site also includes the icons for Facebook, Twitter, email, Google+, RSS feed, and search. *Harlem Community News* also a Facebook page (facebook.com/harlemnewsinc), a Twitter feed (@HarlemNewsInc), and videos on YouTube (youtube.com/harlemnewsinc). The content from YouTube and Facebook features an event last year celebrating women's history, although the tweet is from August and features a screen shot of the redesigned publication.

In addition to the print publication and website, Stevenson invites attendees to "networking events," which one advertiser said she felt was a key component of "Pat's product offering."  She was not that keen on "print advertising," but after meeting with Stevenson, she continued to advertise. Although she said she cannot quantify if the print advertisements resulted in direct sales, they brought in revenue through relationships. "I met people at Pat's event, often other advertisers that I did business with. She does more than publish a newspaper; she brings people together, which is a product in itself." The advertiser did not pay to participate in the

event, but she recalled AT&T, and a few other groups having tables (G. Richards, personal

communication, December 2015).

*The Consumer: Target Audience of Harlem Community News*

Stevenson states that her target audience is African Americans over 45. She did not

breakdown her target by gender (personal communication, December 11, 2015). In observing

readers at places where the publication is distributed, only women were reading the paper. When

interviewing a male at a coffee shop who was not seen reading the publication, he shared that he

had read the paper a few times. He was in his late 20s and had moved into the neighborhood

"since Harlem got nice and gentrified," within the last five years. He liked reading the paper and

learned about things in Harlem that he would not have normally known about (K. Ked, personal

communication, December 3, 2015).

Some other print outlets in Central Harlem are paid publications that are available on

newsstands and target Blacks. *New York Amsterdam News*, the longest running paid newspaper

in Harlem, was founded in New York City in 1909 and moved to Harlem in 1910 ("About us,"

2015). The *New York Beacon* was founded in 1976 and features news and information about the

African American community in New York City ("About," n.d.). The *New York Carib News*

founded in 1982 "as a source of information and a bridge that brings African-Americans and

people from the Caribbean closer" ("Home," n.d.). *The Harlem Times*, a free weekly founded in

2001, has a tagline of "News for Harlem and the Harlems of the World." According to its 2013

media kit, it prints 25,000 copies seen by 100,000 ("Media kit," 2013). The only audited

publication is *New York Amsterdam News*; all of the other publications self-reported their

circulation numbers. *Harlem Community News* is the only publication of these without a stated

audience regarding race or ethnicity. All of the other Harlem publications have taglines stating

that they feature news regarding people of Black, African-American, or Caribbean descent.

Distribution also in some ways defines the target audience, which will be discussed below.

*The delivery: Content Distribution*

*Harlem Community News* is available in print and online.  The print publication is free, but it is only found in higher-end restaurants, coffee shops, doorman buildings, and cultural and arts institutions. The newspaper was also found inside bank ATM lobbies, entertainment complexes, and many of the local clothing and other retail businesses that advertise in the newspaper. The publisher is thus controlling, or in some ways "targeting," access to the information. This targeted access amounts to an "elite or semi-elite" distribution. For example, no copies of the publication are available in King Towers, a public housing development, sandwiched between a rental building, and a condo development, both of which had recent copies, as did Mist Harlem, a coffee shop, restaurant, and entertainment complex with movie theaters on 116th Street between Fifth Avenue and Lenox.  It could be argued that the presence of doorpersons at each of those buildings facilitated distribution. The newspaper is also available via mail at $29.95 for 24 issues and $49.95 for 44 issues, which includes postage and handling.

The publication is also somewhat available on the web. The initial website, www.harlemnewsgroup.com, featured the articles listed from the current publication, but the revamped site, www.harlemcommunitynews.com launched in August 2015 featured downloadable PDFs, an archive dating back to June 2015 and streamlined advertising along the top and right hand side navigation bars.

*The revenue model*

Stevenson stated that she generated revenue through advertising sales. **"**My strength is that I have something different to offer in the 'good news' focus, which is also an environment

advertisers feel comfortable in that they do not have to concern themselves with being next to controversial or negative editorial" (personal communication, December 11, 2015). A review of the publication showed advertising usually represented between 45-50% of the content. She also has sponsored events, including a women's month event, which she has conducted for the last nine years. Stevenson also barters and will place advertisements in the paper in exchange for goods and services (S. Johnson, personal communication, July 10, 2013). The paper also features sponsored content. Stevenson has kept her costs low by relying heavily on press releases and the community to provide content. "We all knew if we sent her a press release it could end up in the paper almost word for word" (V. Grant, personal communication, November 15, 2015). People aligned with her mission and impressed by her drive were willing to contribute their time as writers for a fraction of the cost. One columnist, who is an established writer, would not state her rate or name as she said she wrote for the love of the publication and not the money (personal communication, December 2015). As stated earlier, sponsored events have also provided Harlem Community News with revenue, but Stevenson has not thus far stated how much of her budget is from that enterprise.

**Results and Discussion**

The answer to RQ1a, How did County 10 develop its innovations?, will be examined by looking at how its founders saw opportunity and created innovation in their business model. Compaine and Hoag (2012) said the circumstances behind a media entrepreneur's business idea need to be explored. The first part to be explored is opportunity. Kintzler said he created *County 10* because he saw a need for daily news in his community. Rural areas often have a weekly newspaper and sometimes radio stations, but not daily news. So he saw an opportunity to have daily news, but digitally. Because he had already started the online public relations firm,

PitchEngine, he knew that people had begun to turn to digital for daily use. This is similar to what Hollifield, Wicks, Sylvie, and Lowery (2016) said that people recognize opportunity because they have experience in a similar field. In order to be a credible organization, Kintzler hired a journalist who was experienced in the county and who people already knew. But he also gave the audience an opportunity to dictate what was news. As Hollifield, et al. suggested, Kintzler looked at urban hyperlocals to see why they failed and how to do things differently.

The second part to be explored is innovation. First, *County 10* was the first online-only news organization in the state. Some print media had online feeds, but according to Kintzler, they did not focus on the needs of the local *County 10* audience. Second, *County 10* is modifying the way people feel about the role of reporters and what news is. It is asking people to report on their meetings or groups themselves and having that be available in the same space as their own reporters' work. The two sides are co-creating content. Third, *County 10* uses audience analytics and market research to find out who its target audiences are and what things they wanted to read. They also use this information to help the journalists when they are writing stories and show the engagement the readers have with content. Fourth, unlike tile advertising, *County 10* uses sponsored content that is like the regular stories on its feed. Many sponsored posts have as many or more likes or shares than stories written by the journalists. Fifth, *County 10* is adapting to the technological changes as it is moving to a more mobile-based platform. Even in its rural location, most of *County 10*'s readers are using phones or tablets to access its information, so it has recently revamped its format. Sixth, PitchEngine developed what it calls the community news model. It is a business model that its owners say can be modified to fit other rural areas in the country. Seventh, as Tornoe (2012) suggested, *County 10* built an audience first, then convinced

advertisers that it had an audience for them. In sum, *County 10* has examined its opportunities to create an innovative business model for rural media entrepreneurs.

The answer to RQ1b, How did *Harlem Community News* develop its innovations?, will also look at how its founder saw opportunity and created innovation. First, before she started the business, Stevenson was keenly aware of the changes coming to the Harlem community. In her 20th anniversary publication, Stevenson said that her first issue was on the "'empowerment zone,' and the millions in funding that would be coming into the community" (*Harlem Community News*, 2015, p. 15), which, as was shown in the case study, was up to $300 million. Second, Stevenson was equipped with a background in media at the time of the launching of the newspaper, so she saw an opportunity because she had spent more than a decade studying audience media habits, specifically African American audiences, and knew they would be ready for positive community news. Third, because she worked at some of the largest advertising agencies targeting African Americans ("Pat Stevenson," 2015), Stevenson also had access to data about African Americans and saw the opportunity to sell that knowledge to her advertisers. One interviewee said that with a background in advertising, Stevenson was able to call upon some of her old accounts and pitch them on the income and spending habits of this niche living in Harlem (V. Grant, personal communication, November 15, 2015). Fourth, although Stevenson knows she has excellent media skills and community relationships, she currently sees an opportunity to take advantage of other people's knowledge by using social media to reach out to other audiences.

Regarding innovations, Stevenson "just put in her paperwork" to receive Minority Women Business Enterprise certification within New York State (personal communication, December 11, 2015). MWBE certification provides access to additional opportunities to sell to government, attend networking events, receive training and mentoring, and secure low interest

loans and grant funding ("M/WBE," 2015). Additionally, New York State provides incentives

for majority-owned companies to do business or partner with MWBE companies (W. Philips,

personal communication, July 15, 2013). A second innovation is recognizing a changing

audience. Although her stated target audience is African Americans over 45, recent covers have

featured people who are clearly not of African descent. This reflects her knowledge of the

changing demographics of Harlem. This is different from her competitors, as shown in the case

study, that only focus on a Black audience. A third innovation is her sponsored events. As one

advertiser stated, these events are now part of Stevenson's product. A fourth innovation is

actually the foundation of her whole newspaper: unlike those before her, Stevenson offered

advertisers a positive environment to market their goods and services in an area that at the time

was primarily associated with crime, urban blight, and decay.

The next section will answer RQ2: What implications do these cases have for other media

entrepreneurs? Like Hollifield, et al. (2016) said, both entrepreneurs had previous experience in

media, and had an intimate knowledge of the market and a belief in the niche they served. They

see both the reader and the advertiser as their customers and rely heavily upon relationships.

Both recognized specific aspects of their areas that others did not see, such as the empowerment

zones and an audience moving to mobile. Both organizations have franchised. Although they are

in vastly different locations, they have relied on the local community business model (Salwen, et

al., 2005) and even call their organizations "community news."

As stated in the literature review, successful media entrepreneurs need to define their

niche, have a diverse revenue stream, and have strong collaborations (Hollifield, et al., 2016).

*County 10*'s niche is daily, online, local news. Its revenue comes from advertising, sponsored

posts, and most recently, investors. It also has a strong knowledge about its target audience and

how to track it. *Harlem Community News*' niche is weekly, print and online positive news in the community.  Its revenue comes from print and online advertising and sponsored events. It has a clear target audience, which is targeted in multiple ways, including distribution and the owner's personal network. Both groups collaborate with contributing sponsors and community partnerships, as well as members of the community.

As Evers, et al., (2014) said, entrepreneurs need to be active experimenters and adapt their businesses. *County 10* has revamped its website and restructured itself to adapt to a stronger mobile presence as its audience moved in that direction. *Harlem Community News* has added sponsored events and changed some of its focus to reflect the new diversity in Harlem. Both organizations have followed Picard's (2011) call to produce an audience for advertisers. *County 10* gives advertisers access to a daily audience that previously did not exist and *Harlem Community News* created a space for advertisers to be surrounded by good news. These cases are important to study because, as Price Schultz and Achtenhagen (2013) said, if entrepreneurs in inner cities and other areas where there is little opportunity for employment, such as rural areas, are not encouraged to exploit opportunities, then few people will have the courage to try change their circumstances and help those around them gain employment. The more examples there are, the higher likelihood that someone will be able to picture him or herself as an entrepreneur.

**Conclusion**

Stephens (2014) said that ultimately, the success or failure of a news organization comes down to value – what value does it give to its audience? The Global Entrepreneurship Monitor said opportunity-based entrepreneurship, such as that practiced by the two cases in this study, positively affects economic development (Acs, 2006). Mierzejewska (2011) and Del Zotto and van Kranenberg (2008) said that innovation is vital to media entrepreneurship and can be a

strategic weapon. The development of these companies, as shown in this case study, contributes to theory, as Yin (2012) said, because of the analytic generalization that can be gleaned from the application of theories to real-world situations, such as a local community business model, bringing audiences to advertisers, applying previous media knowledge, and actively experimenting as the business develops, among other areas. Picard (2011) said that it is important to look at all types of media business models to see how those cases could apply to other media organizations through entrepreneurial learning. As Stephens, Picard and others have suggested, the future of media organizations may be a throwback to the time of the penny press where you have smaller operations that are more flexible and respond to their audiences, as the ones in this case study do.

Much discussion at meetings and conferences, as well as published research (Luerdijk, 2014; Peters & Broersma, 2013), calls for new business models for journalistic enterprises. *County 10* believes in its business model so much that is has created seven other similar news organizations across the state of Wyoming. It has turned the idea of advertising on its head by making the "ads" part of the content of the news feed. Therefore, is this a business model that can be replicated in other areas? It is yet to be determined if these case study entrepreneurs and others like them will be the salvation of the news business that Briggs (2012) asked for but they could be. Overall, these entrepreneurs were told they would not be successful if they tried their enterprises, but they looked at their hard-earned media skills and the opportunities before them, and created innovations and examples that other entrepreneurs can follow.

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