

In Search of a Customer:  
A Frame Analysis on the Audience Roles in the Editorial Managers' Thinking

Kaisa Läärä

University of Tampere  
Faculty of Communication Sciences (COMS)  
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## ABSTRACT

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The objective of this thesis is to increase the knowledge of the audience roles and implications the audience's expectations in regards to managerial thinking in Finnish daily newspapers' editorial offices. This study examines these audience roles in context of newspapers' business model, customer relationship management, value, and what effects they bear in the everyday work of managers in editorial offices working at the biggest daily newspapers ranked by the circulation figures in Finland. The starting point for this research has been the challenges that the newspaper industry is currently facing. The emergence of new technologies, disruptive forms of media, the ever-increasing competition over money, time and willingness to spend it are only a few examples of the issues. As a result, the business model is facing challenges. This study was conducted to examine how the expectations of the different roles given to the audience by the managers are taken into consideration by the media managers as a way to gain competitive advantage related to value chain and increasing the profit. In the theoretical framework of this thesis, it is argued that understanding better the roles of an audience and fulfilling the expectations and needs related to those roles could offer a way of achieving competitive advantage. The normative role of a newspaper and historic emphasis on other research disciplines inside the media research are taken into consideration when discussing the possible lack of customer orientation inside the editorial offices. The overall method of this thesis is a frame analysis implemented on the data gathered by interviewing, via semi-structured questionnaire, (N=11) media managers representing in total 4 companies; three of the biggest daily newspapers, ranked by their circulation, and one content-creating company owned by shareholders who are the biggest newspaper publishing companies in Finland. The findings of this study report that there is an ongoing shift from normative and product-centric approaches to more service- and customer-centric approaches. The concluding chapter will provide implications for media managers and suggestions for future research.

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# **1. INTRODUCTION**

## **1.1. Objective of the Study**

The objective of this thesis is to examine the audience roles occupied in the thinking of Finnish daily newspapers' editorial offices' managers and the audience roles they identify in relations to strategic management and business models. This study aims to provide a cohesive theoretical grounding by entwining these two approaches (management theories and communication theories) together by examining a topic researched previously by the both traditions: audience roles in regards to the business model and value of Finnish newspaper publishers.

This study examines these audience roles in context of newspapers' business models, customer relationship management, value, and what effects it bears in the everyday work of managers in editorial offices working at the biggest daily newspapers, ranked by the circulation figures in Finland. The starting point for this research has been the challenges that the newspaper industry is currently facing. The emergence of new technologies, disruptive forms of media, the ever-increasing competition over money, time and willingness to spend it are only a few examples of the challenges the newspaper publishers are encountering. As suggested in the previous media management studies, the value chain analysis combined with distinguishing and focusing on customer groups on the basis of value they impose to the company in regards to revenue streams could offer a tentative way to increase the value perceived by the shareholders (see Küng 2013; Phalen 2006; Kaplan, et al, 2009).

## **1.2. Significance of the Topic to Media Management**

The economics, business models, and strategic management of media are often neglected research areas. One reason to this is the media and mass communication have historically been seen as a part of sociology, psychology, political science, history and literary criticism due to the fact that most of the scholars have initially come from those research traditions (Picard, 2006b, p. 24). However, this has been the case also with the media executives, who had not considered media as business enterprises, partly due to the history of discipline, which did not offer courses in media economics. The earliest contributions to media economics literature were primarily from economists exploring the newspaper competition and the characteristics (Picard, 2006b, p. 25). Not until 1980's communication schools begin to give economic and financial forces the significant attention that was due. (Picard, 2006b, p. 24-25).

Since the 1980's, the amount of research conducted in the discipline of media economics and on issues of strategies affecting media developments and operations have increased (see Albarran, 1996; Albarran & Chan-Olmsted, 1998; Picard 2006a; Küng, 2008; 2013). Ever since, the position of media economics has grown even stronger by the establishments of three academic journals *The Journal of Media Economics* (1988) and *The International Journal of Media Management* (1999) and *The Journal of Media Business Studies* (2004).

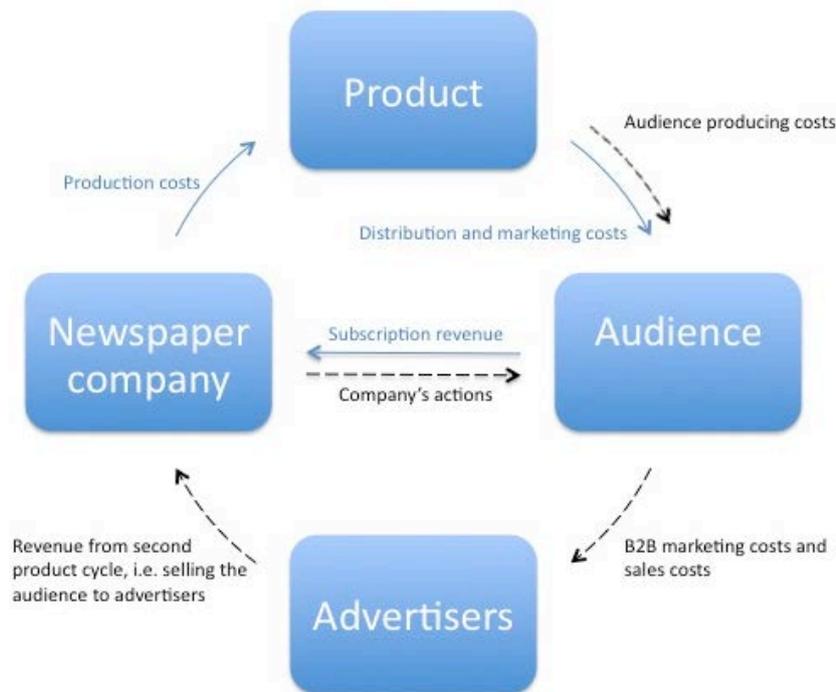
Digital challenges, the emergence of potentially disruptive forms of technology, content and business models, market changes, new expectations from customers and diminishing profit margins influence the market situation of media companies and highlight the need to understand the media economics also from the strategic viewpoints.

Dr. Patrick Stähler concentrated on the field of Business Model Innovation in his PhD. at the University of St. Gallen and laid the theoretical foundation for later well-known works in this field. In his blog (Stähler, 2009), built to continue the discussions and formation of arguments started in Ph.D. work, he distinguishes three interest groups of a newspaper publisher.

Traditionally, the newspaper industry has three major interest groups: 1 readers/customers, 2 marketers, and 3 persons/companies that place a classified advertisements or advertisements in general. The value proposition varies between these groups. The reader is interested in the newsworthy content, in other words, in news analysis, background stories, insights, and commentary content. The marketer sees the newspaper as a way of reaching its potential customer with placing an advertising message on the newspaper. The third group is formed by both people and companies who want to close a transaction, such as selling a used car, filling a job opening or renting out a flat, and in order to reach this goal, they place an advert on the classifieds section of a daily. This means that the function of a newspaper can be to just pass time or deliver enjoyment or to let the reader be informed. The reader expects that the journalists who work for the paper make just the right information choices for him. One gets extra value and benefit from the subscription because in that, case the newspaper/product is delivered to his house. Another option is to purchase a single copy from a newsstand or an online news outlet. (Stähler, 2009.) (see also PWC Report 2009).

The value for advertisers, marketers and advertising agencies lies in the number of the potential buyers, which are the readers. This is called as the dualistic business model presented in Figure 1. (Kunelius, 2004, 81; Albarran, 2004, p. 300; Dal Zotto & Picard, 2006a, p. 3.)

FIGURE 1. The Dualistic Business Model of a Newspaper (Adapted, translated and formatted from Kunelius, 2004, p. 81).



Economic times and the fast pasted technological revolution have pushed the newspaper publishers to seek out new ways and approaches to maintain and hopefully even grow their market share. The dualistic business model is facing great challenges. The aim of this study is to examine this and other possible dimensions of the implications in a context of Finnish society, newspaper publishers and Finnish media market, where the readership has traditionally been rather strong (Media Audit Finland 2016). The challenges are described as by Grönlund and her colleague:

“Characterized by the rise of the Internet, the digitalisation of information and the dissipation of boundaries between media platforms, convergence changes the socio-economic field in which newspaper publishers operate. Traditional newspapers – with their factory-like manufacturing procedures and a tight attachment to a society with a clear temporal structure and a division between labour and leisure – are having troubles coping in a society that is characterized by omnipresent real-time media and the fragmentation of lifestyles.” (Grönlund, et al., 2012, p. 5.)

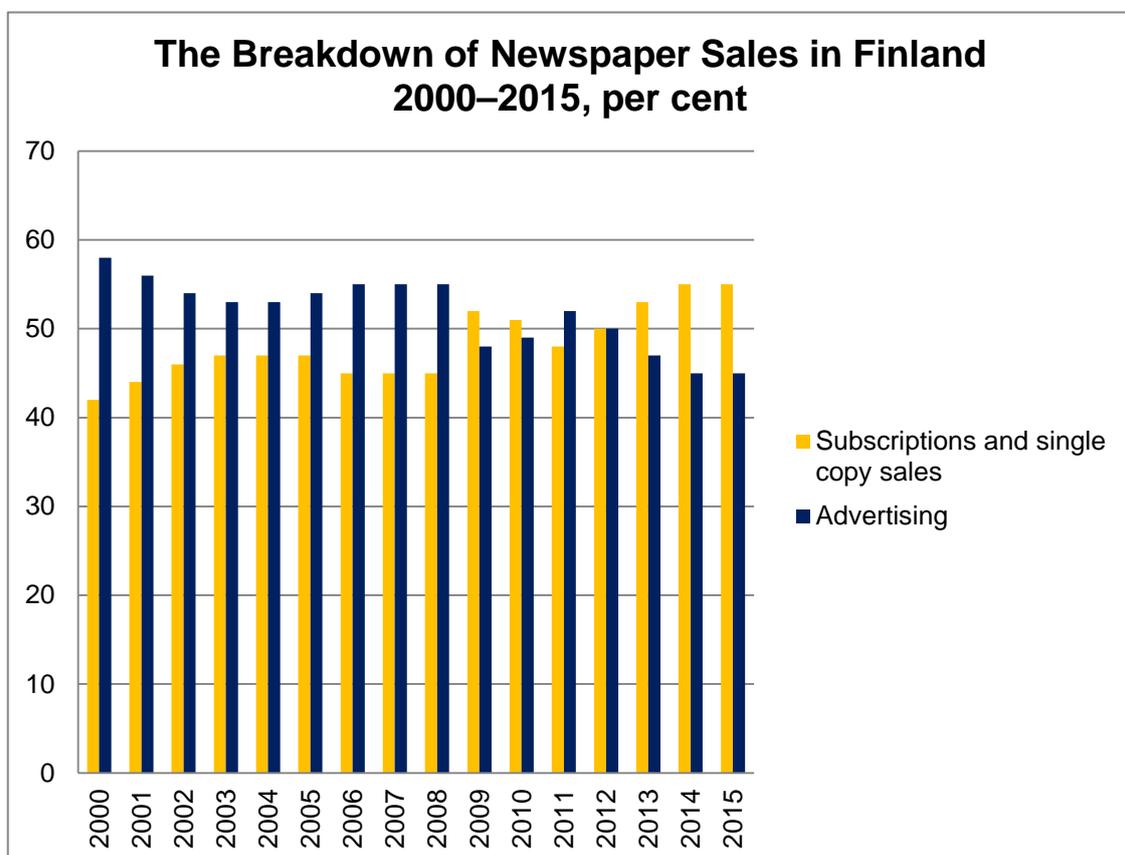
According to the Statistics Finland (OSF 1, 2017), the advertising agencies have been in the lead of the battle over the most important customer. During years in the beginning of the new millennium, most of the sales were coming from advertising. It seems that when the economic crisis hit the international markets in 2008, the struggles over advertising money escalated, and dropped a bit over 5 percentile in one year, even more when counted in percentages. Year 2009 was the first time in this millennium when the subscription and single copy sales exceeded the amount of advertising sales. In merely statistical terms, the importance of a subscriber to a newspaper company has clearly increased, which might be an early signal of the change in

“customer value”, a key part of CRM as defined by Adrian Payne (2005, 4). It could be that the power balance is starting to lean more to the readers’ end than to the advertisers’ end. Heikkilä and his colleagues have argued that three analytical approaches can be defined in the research of public of journalism: institutional connection, market connection, and public connection (Heikkilä, et al, 2010). They state that there is a battle over the value of journalism and that it seems theoretically and empirically more useful to examine sociology of journalism in the market connection, which the basis for this study is. As they describe:

“--We are now witnessing an increasingly intensified struggle over the value of journalism. This debate is played out at various levels. In newsrooms and professional discourses within them, the institutional and the market value are being converged into a quest for “added value”. What it actually comprises, and how is it pursued, has become a key point for strategic decisions in media organisations.“ (Heikkilä, et al, 2010, pp. 282)

A research paper published in 2012 by Grönlund et al argues that the change in income structure is largely explained by the rise in subscription prices and cost cutting. They are basing the argument on the notion that the circulations are declining and yet the incomes are rising. (Grönlund, et al, 2012, p. 15.)

FIGURE 2. The Breakdown of Finnish Newspaper Sales in Finland 2000-2015, per cent (OSF 1, 2017).



However, the VAT reform has also been increasing the price of the newspaper issues. The Finnish Government decided in 2011 that the subscription and single copy sales are no longer being exempted from the value added taxation (VAT). The government imposed a 9 per cent VAT on all newspaper subscriptions and single copy sales. The sales dropped in year 2011 by 4 percentile, whereas the advertising sales increased by almost 4 percentile. Although, it remains unclear what actions the newspaper companies have taken since the sales structure seems to imply that the most important customer is actually to the reader not the advertiser.

”If customers are scarce, if they create all the revenue for the company, and if the value they do create is measurable and manageable in the short term and the long term as of today then it’s natural for companies to want to understand and remember what customers need and to meet those needs better than a competitor that does not know the same things about the customers. Customer information provides a very powerful competitive advantage. Companies want to use this information to provide a positive experience for customers and possibly to engage customer in a ”relationship” that enables the company to provide better and better service.” (Rogers & Peppers, 2011, p. 39.)

All in all, the readers are starting to become more and more important to a newspapers revenue shares when the revenue share collected from circulation operations is increasing while the advertising sales are decreasing. The role of subscriptions and single copy sales in the formation of revenue is emphasised because the advertising sales have been diminishing. The statistics indicate that the shift from advertiser to reader as a source of revenue can be seen, further emphasising the role of a reader. It seems on the basis of the statistics, presented in Figure 2 (OSF 1, 2017), that the change has taken place after the economic crisis hit the Finnish newspaper industry. During that time, there is an evident change in the statistics, both the circulations and single copy and advertising sales sunk (OSF 1, 2017). Impact on advertising sales has influenced especially newspaper companies’ financial stability, profitability, and future prospects.

The previous studies have reported that the modernist ideal of transmitting information of importance to everybody has been central in the self-perceptions of Finnish press journalists (Aula, 1991; Heinonen, 1995; Puranen, 2000; Ahva, et al, 2014). The report conducted by Ahva and her colleagues on how the Finnish journalists perceive their work and how they describe the current state of Finnish journalism (Ahva, et al, 2014, p. 1). Their results indicate a strong emphasis on the normative roles of a newspaper (reporting truthfully, be an independent bystander, analysing the current affairs, be the supervisor of the politicians and the corporate life, offer knowledge as a base to form political decisions and enlighten audiences) (Ahva, et al, 2014, p. 9).

They also state that most of the journalists interviewed have majored in journalism (Ahva, et al, 2014, p. 6), and the ones holding an academic degree, such as master's, took a more positive attitude towards working for a company operating in a different field of business than journalism when compared with the journalists who held lower-level degrees (Ahva, et al, 2014, p. 23). According to their findings, it seems that economic attempts to influence the journalistic practice or work of a journalist are rejected actively, which has its roots in the traditional autonomy of an editorial office (Ahva, et al, 2014, p. 26). In an earlier survey, the increased importance of economics was identified and also increasingly surpassing the ethics of journalism (Jyrkiäinen, 2008, p. 57).

As Hujanen has noted in 2008, “whereas audience research-based news practices are perceived to hold commercial potential, the motivation for public journalism stems from a concern over losing the democratic potential of journalism” (Hujanen, 2008, p. 187). This implies that the normative role of a newspaper might be emphasised even though the economic times put the reader and the customer in the driver's seat when it came to the formation of revenues and profit. According to the principles of value formation, every customer is not necessarily worth the same treatment in order to gain the most profit. This line of thinking represents the discipline of media economics and especially the discipline inside business economics called Customer Relationship Management (CRM). CRM is a business approach, in which the objective is to create, develop, and enhance relationships with carefully targeted customers and, in this manner, improve customer value and corporate profitability and lead to maximizing the shareholder value (Payne, 2005, p. 4).

In the recent media studies, this aspect has been gathering more and more attention (see Hujanen, 2008; Viljakainen & Toivonen, 2014; Alasuutari, 2014). For instance, Alasuutari highlights the need for qualitative research concentrating especially on the emerging ways of perceiving the media as a part of society and politics since the users of media content are moving toward individualistic userships rather than members of public, and the business models are facing challenges (Alasuutari, 2014, p. 87).

The different audience roles, user, player, customer, subscriber and reader seem to be having more and more weight in the newspaper business. This implies change both in the research and in the journalistic practice. The emphasis of audiences has been reported also by Küng in 2013.

--Here the challenge is perhaps more innovative recombination than pure innovation. Truly 'new to the world products and services' are rare creatures. The majority of successful business model innovations are actually combinations or recombinations of existing elements. Thus, the media's innovative energies are perhaps best devoted to finding ways to extend existing competencies and assets in new fields, and to redeploy people, processes or products in new ways or for new markets, than to creating new into the world media concepts. In an ideal world, innovation should bring growth. And digital technologies have brought growth. They have created new ways to reach, connect with and engage with audiences. Those audiences are engaging enthusiastically, and investing heavily in gadgets and infrastructure that allow this to take place. The established media industry has, however, found it difficult to profit from this boom. (Küng, 2013, p.10. )

However, Hujanen states that the "The use of audience research methods in news work is a neglected area in research of journalism" (Hujanen, 2008, p. 183). Finnish newspaper companies possess only a limited number of customers when it comes to readership. Most of the domestic newspapers that are the biggest players in the market are regional newspapers. Finland has only one daily newspaper that can be considered nationwide, and that is the Sanoma Group's Helsingin Sanomat (*Helsinki's Newspaper*). The industry in Finland is concentrated, and the size of the market is limited due to the challenges posed by the language.

The previous chapters have indicated the primary setting of this study. In the focus of this thesis are the audience roles occupied in the thinking of Finnish daily newspapers' editorial offices' managers and the audience roles they identify in relation to CRM, the objective of which is to create, develop and enhance relationships with carefully targeted customers, i.e. the roles, and in this manner improve customer value and corporate profitability and lead to maximizing the shareholder value. In the heart of the CRM, as well as this study, is this: CRM works only if the targeted and most valuable customers are first identified, then turned into parts of CRM tools and then into better profits. Traditionally, the journalists have been emphasizing the normative purposes of a newspaper instead of perceiving the economic sides (Ahva, et al, 2014, 9).

According to Vu (2014, p. 1096), already in 1960 Gieber stated the process of selecting news to have no direct relationship to the wants of readers. A similar argument has also been presented by MacGregor (2007) in his article "Tracking the online audience: metric data start a subtle revolution". Also Gans (1979) has come to a similar conclusion that journalists pay almost no attention to the feedback given by the audience and that journalists simply put together content they think would interest their audiences. According to Vu (2014, p. 1097) the technological constraints were one of the excuses, no longer existing to the extent for example in the 1960's. What is even more worrisome, a study conducted (Boczkowski & Peer, 2011) reported that journalists' and audience members' choices of news do not intersect.

According to CRM, in the focus of a business should be this targeted customer; however, a manager of an editorial office might emphasise the importance of a reader instead of the customer. Thus, the first research aims to discover, which of the three roles, reader, subscriber or a customer, can be identified in the managerial thinking by examining this with semi-structured interviews. The second research question is designed to examine whether the managers perceive the newspaper as a customer good or a merit good: is it a service providing value to the targeted customer or serving a social needs and fulfilling its role more as a merit good? The third research question looks into the implications of these different roles, what has happened if they have identified the role of a reader or the subscriber or the customer as the key role, are there perhaps some tools to take into account the targeted customers' needs and expectations? In the following parts of this chapter, the key terminology is defined, the contexts of conducting this study are overviewed briefly, and the structure of this thesis is presented.

### **1.3. Definitions of Terms**

The starting point for this study is the concept of audience and the roles within that audience. The strategic managements consider the audience from the perspectives of business, under the definition of commercial audience research, whereas the communication theories can be considered to be interested in the social contexts, such as uses and gratifications of media in order to sell the audience information to both advertisers and media organizations (see Phalen, 2006, p. 623-624).

The communication theories have traditionally seen the members of audience exposed to the media content as receivers who either accept or reject the content they have received. This view had been common especially at the time when a newspaper was still considered as a medium of mass communication, which is usually defined as “a one way process that consists of conveying a message to a relatively large audience” (Kunelius, 2004, p. 17). There is a key problem with this perception of a passive member of an audience as an individual who simply agrees or disagrees with the content on the basis of personal expectations and likings. On the basis of strategic management, a company ought to produce only goods that either have a demand or that create a demand (Ashayeri & Lemmes, 2006; Lee, 2001; Peppers and Rogers 2011). The production of a product and/or service in question has a cost (usually the producing process includes fixed costs and variable costs) that needs to be covered by the company. This leads to a situation where a product or service produced has a value to the customer in order to get the customers to accept the product and/or service and possible gain goods (such as time, money) in return from the customer (see Küng, 2013; Porter, 2004), and the company produces value to the shareholders. Ålström and

Westbrook see an opportunity in customizing according to the needs of a customer, which are discussed in detail in later parts dealing with value and CRM theories:

“Therein, the factory is the heart of the business, working together with other functions to bundle services with products to anticipate and respond to a wide range of customer needs. -- Products which are self-customizing do not necessarily have to be customized by the end-users themselves. Who will undertake the role of customizing at the product will of course vary with the industrial structure and technology.” (Åhlström & Westbrook, 1999, p. 271)

Both strategic management and communications theory do not provide a clear and cohesive definition of the audience roles, of which roles is this audience consisted, who is the customer in the given contexts of media, and how the roles of the audience are defined (see Kunelius, 2004; Küng, 2013; Phalen, 2006; Porter, 2004). Much of the previous research on audiences has been concentrating on defining the concept from the standpoint of cultural studies, reception analysis research (for instance how audiences interpret media), and the reconceptualization of the term (see Hagen & Wasko, 2000; Hay, et al, 1996).

According to Livingstone (1998), the audience as a concept is referring to a series of relationships established among the media and the public and rooted in social and cultural values: “Audience is neutral of the economic assumptions of market, the political assumptions of public or mass or nation and the idealism of community” (Livingstone, 1998, p. 17). Therefore, the audience is used in this study as this definition is presented by Livingstone.

In line of audience researched applied in the broadcasting media field, it has been argued that programmers deal with audience both as citizens and consumers but also as clients, players and enjoyers (Syvertsen 2004; Meijer, 2005, p. 31).

“The vision shared by network executives about their audiences is particularly important in order to design participation strategies, as the type of involvement associated with a client or a consumer seems quite different from that related to a citizen or an activist.” (García-Avilés & Hernández, 2012, p. 432).

As Syvertsen highlights (2004, p. 364), in media research, the twin concepts of citizens and consumers have been discussed extensively, and as is customary, there has been only a little focus on what serving the people as citizens vs consumers would involve, and less thought has been given to serving them as consumers. She states:

“-- namely it is better to be a citizen than a consumer and, therefore, broadcasters should serve us more in the former capacity and less in the latter. -- serving the viewers as

consumers is perceived as intrinsically negative within academic research on public broadcasting.” (Syvertsen, 2004, p. 364).

However, there could be also negative outcomes of serving the varied interests of audience.

“--Personalized information services simultaneously add value both for consumers and producers and could be traded as part of value-added publishing strategies (Berghel, 1999). Even if most researchers implicitly assume a Web-based environment (Ihlström & Palmer, 2002), customized printing is now technically feasible at low cost (Pitta, 1998)“. In (Kaplan, et al, 2009, 10).

In addition, three different roles are identified and defined in relation to broadcasting:

“-- it is fruitful to distinguish between three different ways that broadcasters could serve the public as consumers. -- first, viewers could be served as audiences, as accumulated numbers that may be used to attract advertising revenue or legitimate the licence fee; second, they could be served as customers, as people buying products and services directly from broadcasters and allied companies; and third, and more tentatively, they could be served as participants or, even better as players.” (ibid).

The “player” in Syvertsen’s work refers (Syvertsen, 2004, p. 364-365) to the new playful forms of participation enabled by internet, and therefore, these forms are not included in this study since the main focus is the printed form of a newspaper. All in all, it seems that the defining difference between these audience dimensions is the money transaction. The definitions of these roles are, at this point of this study, only tentative, as the objective of this study is to provide the conceptualizations given to the roles by the media managers of the editorial offices of the Finnish daily newspapers.

Often times, the customer and reader are distinguished by the transactional dimension. If there is a transaction (money or other goods assimilated) between the publisher and the receiver, the other party involved is classified as a customer. If there is only an access but not a transaction, the receiver is considered as a reader. An audience is a group formed by the roles presented in Figure 3, adopted from the PWC’s revenue model.

The three audience roles used in this study are based on the business model presented by the PWC in the report conducted 2009 and also on the three interest group definitions proposed by Stähler (2009). However, these definitions are tentative since they are one of the key research topics of this study, and therefore, the tentative definitions are presented in the findings part of this thesis.

As presented in the Figure 3, the audience roles are distinguished by the nature of transaction and tentative value exchange between the given role and the newspaper publisher. For instance, the

role of a reader is presented Figure 3 to be formed by subscribers and single copy buyers. These two transactions are based on value exchange. The subscriber gives money and time to acquire a newspaper and its contents, and in return, the newspaper publisher provides the content and delivery service in case of a printed newspaper worth the money and time invested by the subscriber. In a single copy buyer's case, the delivery service is not part of the commodity since the buyer finds her way to the product or service and not the other way around, i.e. delivered to the buyer.

However, this role is characterised by the money transaction, and in return, the single copy buyers expects to get his or her money's worth of newspaper content. The classification of the roles in Figure 3 leaves out the role of a reader, who has access to the content without any other value transaction but time.

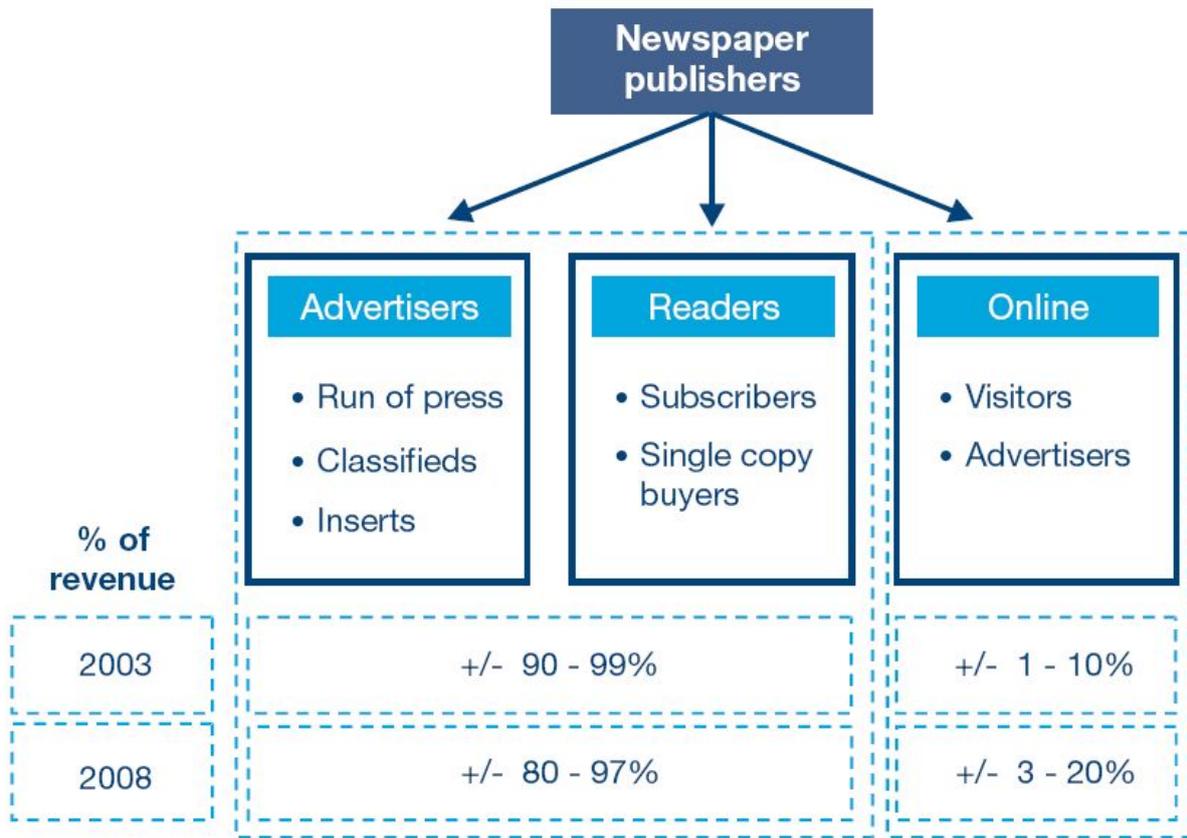
The time being spent on consuming the content is what the reader, without money transaction, is willing to offer to the newspaper published, and in return, this kind of reader expects to get content worth his or her time. From the perspectives of revenue and business model, the lateral dimension of the reader role does not seem very profitable in the light of subscribers being the biggest stream for revenue and profit as seen in Figure 2.

The PWC takes a look from the business perspectives and distinguishes three main groups as the basis of the newspaper publisher's revenue model, giving less significance to the normative roles of journalistic practice. To avoid representing this gap, the third dimension of the reader role excluding the money transaction is included in the role of a reader in this study and discussed in detail later.

The focus of this study lies in the printed newspaper excluding the online outlets, presented in Figure 3 as under title online, for the newspaper company's content. Hence, the terms online visitor and online advertiser are not included in this study, yet recognized as part of the revenue formation process in a role of a reader.

The PWC report (2009) does not provide definitions to these terms presented in Figure 3 but uses term "readership" to clarify that there is a relation between a reader and a newspaper publisher. This term readership is this study indicates in a same manner that there is a relation between the publisher and a reader.

FIGURE 3. The Revenue Model of Newspapers (PWC, 2009, 9).

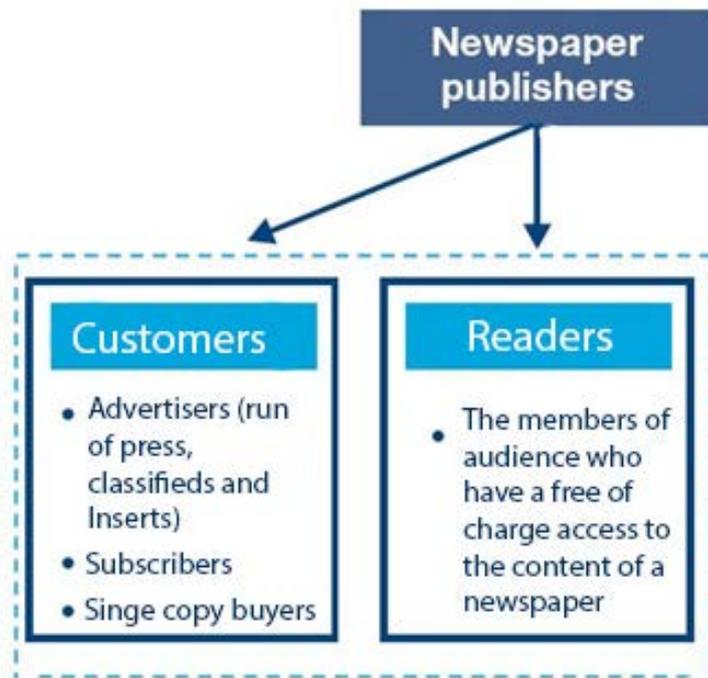


However, this relation does not include any transactions of goods, for example, in order to buy, subscribe or purchase access to the publisher’s content. To describe this kind of a relation, term “customership” is used to indicate the relation plus the transactions. The difference aimed to distinguished by the use of these two terms is that a readership might entail expectations that need to be met, such as a reader put time and effort in to enjoy the content and in return gets entertained and gains new knowledge, but in the customership, these are no longer simply expectation but requirements and entitlements that need to be met in order to preserve the relation with a customer.

The definitions and relation of a customer and a reader are outlined in Figure 4. The roles formed in the PWC’s model presented in Figure 3 are regrouped and slightly altered. Advertisers are renamed as customers to provide broad definition to all the roles including money transactions. The advertisers, subscribers and single copy buyers are on this basis in the same category named as customers since they form the basis for revenue and profit due to the money transaction. In the other category, readers are all the other members of the audience who have access to the content

but do not provide money only in return for consuming the content. These are important to the newspaper publisher as well but not necessarily as essential as the customers since these readers do not provide revenue per se. The importance of this role is examined in regards of the dualistic revenue model of the newspaper publishers and discussed in the theory chapter.

FIGURE 4. Definition of customers and readers.



The terms “customer-centric” and “product-centric” are relying on Figures 3 & 4, and the definitions presented in them of a reader and a customer and in relation the customership and readership, but also on the definition presented in a research conducted by Viljakainen and Toivonen in 2014.

“Even though media products have both immaterial and material components (the content and the platform/ medium), their central characteristic is the ability to satisfy specific client needs related to the content’s informative, persuasive, or entertaining value (Arrese Reca, 2006). The knowledge embodied in the content—not the medium—**has always been the main** source of competitive advantage for media companies. People do not experience media products as isolates, but interpret their value as tightly linked to their unique life situations. Thus, we can conclude that the service-orientation is inherent in the media sector in terms of its interest in the use context and in customer collaboration.” (Viljakainen & Toivonen, 2014, p. 20.)

The term product-centric implies the service nature of the newspaper, whereas the customer-centric refers to the aspects expected from the product i.e. the nature of it. These two are

inevitability to entwine some extent but also the differences need to be understood in order to serve the customer the most fulfilling and profitable. Hence, this aspect is included in this study and defined by the respondents to gather knowledge of the definitions and the implications of them.

#### **1.4. Personal Interest and Motivation**

The personal interest for this study stems from my occupation as an editor-in-chief of the membership magazine *Motiivi* published 10 issues per a year by the Trade Union for Public and Welfare Sectors JHL. In addition, it is a desire to understand and be able to foresee the outcomes and outlines of the undergoing change in the media. I have chosen to concentrate solely on the printed form of a newspaper since the business model of the printed newspaper has been a topic of my interest ever since starting my training to become a journalist. In addition, journalism education has traditionally been and still continues to be focused to a large extent on the culture of printed newspaper (Hovden, et al, 2016). For instance in 2011, the majority part of measured in credits, of my bachelor's studies concentrated on themes as journalistic practice, including courses such as journalistic work in practice (TV, radio and editorials), grammar studies, media institutions and regulation and the history of media - leaving only 6 credits in total of 180 credits to the theme media institutions from the perspectives of media economics and consumerism (Uta, 2011).

The dualistic model, where a reader is turned into a secondary revenue cycle, has always been so intriguing to me and so challenged by the economic and technological times that it became the focus of my study. Also, the perspective of ethics related to concentrating the production on serving the needs of the customers is one of the key interests of mine and thus included in this study also are the contradictions with ethics and how they are perceived by the managers. The diverse roles of the audiences have also been a central issue to me in journalistic practice, in which I have often observed a difference between journalistic thinking at the editorial office and the more commercial thinking in the marketing department. The tendency of referring to the role of a reader in the editorial office and pleading to the ethics of the journalistic practice seems often to take place at the cost of the role of a customer, even in situations where it might be more beneficial from the business model perspective to concentrate on the role of a customer. Often times, there is a strong ethical approach to the content and processes producing it in the journalistic practice in my experience.

However, these two are not necessarily contradictory rather co-existing. For example some theatres produce a more customer-appealing performance in order to cover the costs of less popular and possibly more artistic values-embodiment pieces. As (Meijer 2005, 32) describes: “Reasoning from an artistic logic, audience orientation means surrendering to commercial values which can only lead to a levelling-off of quality”.

This notion of the co-existing values, aims and expectations of journalists, audiences, customers and shareholders are the drivers leading me into media management studies. When completing my bachelor’s degree in journalism and mass communication in 2011, I chose to concentrate my degree work on examining how young people at the age of 16-17 years comprehended the economics behind the media. The economics behind the journalistic practice were already an interest of mine back then. During studies in the media management’s master’s program, I came to realize how little the strategic media management and its dimensions had gained attention of the researchers but also the media managers and how different the culture and approach to the economics were between in the thinking of managers conducting the journalistic practice and the ones holding a profession more on the business side of a newspaper company, for instance marketing managers and managers from the circulation department trying to increase the number of subscribers. This thesis is my contribution to finding a way to combine these partly and possibly differing interest and by doing so, intertwine the journalistic research tradition more together with the research tradition concentrating on managerial, business and economics issues.

Furthermore, the highlighting need for understanding the customer has been gaining attention by media scholars only recently, which makes the area less researched. Thus, this study aims to offer new knowledge in the field of media economics and strategy from the points of views of audience and customer research but also break new ground in this important area of media management and practice.

## **1.5. Structure of Thesis**

This thesis has been divided into six chapters. The first chapter summarizes the seminal terms of this study and defines the key concepts and terminology. The second chapter reviews the literature forming the theoretical frame. This is followed by the third chapter presenting the chosen methodology, the formatted research questions paired with the hypotheses and the ways this thesis has been conducted

The fourth chapter concentrates on explaining the ways the analysis has been executed and presenting the tentative results gathered by the analysis. Chapter five assesses the findings in regards to previous research and their findings but also overviews the limitations of this study. Lastly chapter six summarizes the results into conclusions and offers tentative implications for media managers and media practice. All referenced and appendices are presented as a final part of this thesis.

## **2. THEORETICAL FRAMEWORK**

The following chapter discusses the theoretical framework and establishes the academic grounding of this study. The chapter begins by laying out the theoretical dimensions of the research examining the audience roles in regards to business models. The framework combines two research traditions typical to media management: the tradition of social and management sciences. Within these two traditions, especially the following theoretical lines, are the foundation of the theoretical framework of this thesis. From the discipline of social science, the audience research within it uses and gratifications tradition (U&G) combined with the tradition of management research in which the theory of competitive advantage and value chain analysis are taken to more closer examination focusing especially on customer relationship management. The aim is to examine these four (audience research, U&G, value chain analysis and CRM) theoretical aspects, and how these are possibly connected and contradictory.

These four have been chosen to examine the audience roles both from the media management's perspectives but also from the media and journalism research stemming from the tradition of social sciences. These two research traditions, media management and social sciences, in which particularly journalism and mass communication are selected due to the different approaches they offer to the similar phenomenon: the audience. The aim has been to stress these two equally in order to avoid imbalance in the theoretical framework. This has been conducted by including two theoretical frameworks from the media management's tradition (Porter & CRM) and two from the social sciences tradition (U&G and Audience research). These two are partly contradictory, but at the same time, they are providing wider perspectives on the same matter: audience roles, and by doing so these two sides can be considered as two sides of the same coin.

As Mierzjweska and Hollifield describe, most theory in media management research is drawn from organisational studies, and management theory is considered as distinct from economic theory, although it can include economic performance among the dependent variables examined (Mierzjweska & Hollifield, 2006, p. 39). The key theoretical approaches used in media

management studies are management theories (44%), economic theories (33%), giving the communication theories only a small significance (5%) (Mierzjweska & Hollifield, 2006, p. 41). If taken in closer investigation, it is evident that the distribution of media management theory is divided mostly among strategic management theories (54%), technology, innovation, creativity theories (21%) and audience/media consumer/behaviour theories (12%) (ibid). The theoretical framework is not weighed accordingly because the aim is to provide new insights without affecting the primary setting beforehand. The audience roles are in focus, and thus, it is important to let them emerge from the data of this study to secure the objective conclusions.

The theoretical framework of this study is based on both the strategic management theory and the audience, media consumer and behaviour theory. The object of this study is to provide a cohesive theoretical grounding by entwining these two approaches (management theories and communication theories) together by examining a topic researched previously by the both traditions: audience roles.

The first section addresses the basis of the business model crisis of the newspapers publishers, which is followed by a section on Porter's value chain theory as a macro framework for discussing the customer relationship management theory (CRM). The basis of CRM lies in the different customer groups identified by the value they entail in regards to revenue and profit a company acquires from these customers. The theoretical grounding of CRM lies in the well-established framework of Porter's concept of competitive advantage and value chain analysis. (Bligh & Turk, 2004, p. 56.) In CRM, the customer is defined through value both to the company but also expected by the customer in return. This expected value is linked with the research tradition of the uses and gratifications theory (U&G theory), which is concentrated in examination of the expectations presented by the audience to the media contents (McQuail, 2000). Finally, the chapter will end with a review of the weaknesses of the chosen theoretical framework.

## **2.1. Segmentation in Journalistic Practice**

This section addresses segmentation in journalistic practice. The focus of this section is on the segmentation tool called RISC and particularly on the RISC Monitor tool. Although, there are other segmentation tools, the previous studies, that will be discussed in detail in the later parts, have been examining the segmentation tools applied by the editorial offices in Finland have reported that the most common approach is the RISC. In the passing years, segmentation has

gained more and more attention as part of journalistic practice applied in everyday work of newspaper companies. One of the underlying causes is the faltering business model.

As Professor Picard has noted in his work (2006a) *Capital Crisis in the Profitable Newspaper Industry*, the highly profitable and long successful newspaper business model has been challenged. Both advertising and reader markets are mature and declining in most Western societies, as Picard remarks. He continues by arguing that the outcome of this ongoing challenge of digitalisation in the newspaper field could potentially lead to a wider range of customer choice of both main customer groups: readers and advertisers. Picard expects tough competition between the different media to emerge as the both main customer groups have limited budgets for time and money they are willing and able to spend with a medium. (Picard, 2006a, p. 12). Thus, the importance of a customer to a company will likely draw more attention inside organisations in the Finnish newspaper market. However, according to Picard, “in many instances, management, journalists and industry critics appear to have a skewed vision of what it is that investors expect” (ibid). This does not imply nothing has been done. For instance, the newspapers have aimed to improve their market conditions in the recent years by “altering journalistic content and its presentation, by improving customer service, and slightly altering their business models” (Picard, 2006a, p. 12). The measures of innovative efforts are only effective if “if they are accompanied by strategy-driven reorganization and reconfiguration that produces new value, improves the quality of products and services, creates something new, and attracts new customers” (ibid). Thus, the managerial level plays a key role in adapting both the strategy-driven reorganisation and reconfiguration but also executing the innovative initiative to seek out new value.

The obstacles along this path are many, while newspaper companies are confronting a crisis of value creation for investors because it seems their ability to grow appears limited. The consumption trends are not in their favour, and profits are anticipated to diminish during the years to come, and high levels of uncertainty surround these corporations not least because the probabilities of disruptive platforms, forms of distributions and forms of content to emerge are changing while the technology keeps on developing.

“For this situation to change, owners must demonstrate new value by demonstrating long-term stability while also creating new products and business models that emphasize their ability to establish connections (and interactivity) with readers using a range of different technologies.-- Forward thinking requires newspaper companies to rethink their roles as creators and purveyors of information. Nowadays newspapers still try to create lasting value, the business fundamentals of who they are, what they are, and how they serve readers and advertisers need to be examined by newspapers.” (Picard, 2006a, p. 12.)

Also, the recent developments in revenue structure of newspaper companies have heightened the need for information regarding their most important customer group. According to the statistics published by Statistics Finland, the percentage of revenue derived from advertising sales is decreasing its importance as the main source of revenue. For example, in 2009, the main revenue source shifted from the advertising sales to the subscriptions and single copy sales for the first time during the years 2002-2012. Since 2009, advertising sales have only once been able to regain their importance as the main source of revenue, which was in 2011. However, in 2012, the breakdown of newspaper sales was 50/50 between the two sources of income. (OSF 1, 2017.)

These implications all together can be regarded as indications of an emerging need among the Finnish newspaper companies to orient towards customers by knowing their customers, their wants, needs, how to fulfil them but still serve the public need and public role a newspaper has as product in the societal context. Especially in the light of following citation, the need for cooperative projects conjoining different operations together could be an indication of the evolving need for CRM and any management types of such. The more customer-centric approach is needed since the readers expect the nature of the product be more personalised, more as a service including a form of interaction or at least providing a sense of it to feel relevant yet unique to each member of the audience (Viljakainen & Toivonen, 2014). On this conclusion Picard has also landed:

Large amounts of material arrive on the pages from news services and syndicates but this same, or nearly identical material, is widely available in other places. Thus it is not surprising that the average reader doesn't bother with three-fourths of the newspaper content they've purchased; in time, consumers become unwilling to purchase them at all, especially when much of the content is available elsewhere for free and at a time when they want to read it. -- To create lasting value, the business fundamentals of who they are, what they are, and how they serve readers and advertisers need to be examined by newspapers. What is offered in print must be unique and extremely relevant to the lives of readers. To do this might mean publishing not one but different types of newspapers for varied audiences in their markets. And because newspapers gain the attention of regular readers for only about three percent of their waking time, new delivery methods are necessary to entice customers at different parts of their day." (Picard, 2006a, p. 12.)

This need for change was in the focus of Picard's media future initiative in 2006. Picard discovered that the majority of the 42 publishers and top newspaper company executives worldwide, who answered e-mail questions for Picard's report *Business Models of Newspaper Publishing Companies*, believed content generation, distribution and advertising to be the areas in which most cooperation will develop. In other words, different parts of the value chain will cooperate more with each other in the future than they now do, which is also the starting point for this study.

“Targeted advertising is expected to become the main area of cooperation, although advertising is ranked as second most strategically important organisational unit. The editorial department is ranked number one as a strategic organisational unit, but cooperation involving content generation is ranked second. This reveals an unclear operational topic of the companies’ strategies and way of thinking. (Dal Zotto & Picard, 2006, p. 4.)

This “unclear operational topic” is the key fundamental in this study. Why it that targeted advertising is expected to form the main area of operation instead of targeted content created by the newspapers’ editorial offices and journalists? How the have the biggest newspaper companies (when ranked by their circulation figures) tried to define the targeted audiences, their needs and taken into account the expectations in the production of content?

Picard suggests (Dal Zotto & Picard, 2006, p. 4) that newspaper publishing companies recognize too late new opportunities because they are too anchored to their traditional business and models. He continues to argue: “this is seen in the fact that experimentation is considered to be the least important force playing a role in investment decision making at a time when the dynamism of the media industry requires an entrepreneurial spirit” (Dal Zotto & Picard, 2006, p. 4).

Have there been, in Finland, any attempts to define and indicate the needs of an audience and the newspaper publishing companies’ targeted groups of that audience? There are a number of studies conducted on relations of media, media content, and Research Institute on Social Change (RISC) Monitor, both in Finland and in international context (see for example Alasuutari, 1999; Burton 2010; Hujanen 2013; Hujanen 2008; Väliverronen, 2012; Suhonen, 2010). Also it is most probable that the research and development departments, marketing and circulation departments of media corporations are conducting research of their own on their audiences, their preferences and creating various typologies in order to divide the audience into different categories/segments/reader profiles and such. These reports and tools are not likely to be public due to the privacy policy of a company. This is one of the reasons why this study focuses on examining to which degree the media managers of the editorial offices in the biggest daily newspapers take into consideration the needs of the audience roles. The indications of customer-centric approach are discussed in lateral chapters.

Professor of Journalism Jaana Hujanen, currently at the University of Helsinki, has conducted a research article in 2008 *RISC Monitor Audience Rating and Its Implication for Journalistic Practice*, in which she focused on the application of RISC Monitor in the context of Finnish press journalistic practice. RISC Monitor is a research program tool is based on two research traditions.

The most recent one being the Research Institute on Social Change (RISC) started to study attitudes in five big European countries in 1980. The most used part of the RISC Monitor, if measured in adaptability and applicability, is the three dimensional sociocultural map, and the four grouped classification model built based on attitudes and values (Suhonen, 2010, p. 6).

In the past decade many researchers in the Finnish media field have noted that many newspaper, magazine and TV-program companies have been applying RISC Monitor and its results aside from the marketing of their advertising operations, to develop journalistic content (see Hujanen, 2004 & 2008; Lehto, 2006; Pietilä, 2007). For instance, according to Suhonen, the typologies based on the results of RISC Monitor guide the points of views selected and provided in the journalistic content. As an example, he mentions the newspaper companies Keskisuomalainen and Aamulehti, Aamulehti has claimed to be the first mover on applying this procedure (Suhonen, 2010, p. 5). However Hujanen approaches the RISC Monitor through the audience role instead of the customer and value. (Hujanen, 2008, p. 183). She also remarks that the tool of RISC Monitoring applied in the Finnish newsrooms' RISC Quadrant divided people into four population segments: Social Priority, Social Stability, Individual Exploration and Economic Priority (Hujanen, 2008, p. 185).

This guides the journalistic practices to take these four categories into consideration but leaves out the value and direct customer points of views and disregards the aspect of personalisation of the content to the liking of the most relevant customer. Thus, the CRM approach as a journalistic practice could be seen as a continuum for this RISC Quadrant approach in a more detailed form. Of course, the emergence of more efficient and useful online analytics tools is playing a part in the ways new information is gathered directly by editorial office on its direct customers, readers and advertisers for their benefit.

This study continues to examine these conjoint possibilities in Finnish newspaper publishing companies. The academic grounding of this study is based on but not limited to the strategic dimension of media companies' editorial operations and how they deal with targeting, profiling and producing content according to these definitions of readers as well as how the management of editorial offices have tried to detect and possibly nurture the relationship between those organisations and the end-users. In order to be able to focus on the relationship between the different roles of a targeted audience, it is important to understand the theoretical basis of a newspaper company's value creation, i.e. at which point in the company's process and operations value is created.

One of the well-known strategic tools to detect where a value of a given company is produced is Michael Porter's Value Chain Analysis. A considerable amount of literature has been published on strategy, customers' wants and needs, media gratification and usage, and also on the ongoing struggle the newspaper companies face with their traditional business model. However, a smaller amount of research and literature has been concentrating on conjoining this literature. These studies include, among many others, theory of customer relationship management (CRM) and the uses and gratifications theory, and research in the field of communication and mass media discipline. The next sections of this chapter will provide a brief overview of the key aspects of the four theoretical approaches. The first section aims to summarize the key aspects of the audience research and the U&G tradition within it. The second section will concentrate on CRM, and the last section will provide a connection between the expectations of the different audience roles and the business model of a newspaper.

## **2.2. Audience Research Tradition**

In the tradition of audience research the first concept of audience emerged in the late 1900's. The "second era" of audience research was initiated by the technological development of movies in the 1920's. Ever since the audience has been researched by the media companies, broadcasters, movie production companies and by media and communication scholars. The research of audiences is almost as old as a phenomenon as the audience itself. The early audiences formed by the emergence of the movie industry and film as a medium sparked worry concerning the effects of mass communication on the audiences and society as a whole. (McQual, 1997, p. 5-9.) From the historical perspectives of audience research, the audience has been perceived as a passive receiving part of the communication process. It has also been considered as an object of communication rather than as a subject. Especially in mass communication research (MCR), the audience has been considered as an object that is influenced passively by the communication, which is closely tied with the agenda setting research (Hujanen, 2007, p. 52).

In the past decades, the audience has been defined more and more as an active counterpart that is more resilient to influence of media and guided by wants, needs and expectations (Livingstone & Lunt, 1994, p. 71-72). Instead of perceiving the audience as an object, it is defined more as an active subject who not only receives the messages and is exposed to them but uses, and maybe even knowingly selects, the messages and contents accordingly to their needs, wants and desires (Silverstone, 1994, p. 133-144). This line in audience research is named as "audience

ethnography”, and that perceives the media consumption in the context of social and economic structures and their power relations (Hujanen, 2007, p. 54). The concept of the audience in this study is drawn on this definition.

According to McQual (1997, p. 16), the audience research can be divided in three traditions: structural, behavioral and socio-cultural. The uses and gratification theory is based on the behavioral dimension of audience research since it focuses on predicting, explaining and examining the choices, reactions, motives and objects of media usage (McQual, 1997, p. 21). As an academic approach, “The Uses and Gratifications” possess a long-standing history in media and mass communication research to find out the reasons that drive people to media contents. The main focus of this theory is to understand and study the gratifications and uses of media, in other words how, why and with what intentions media is used and consumed. Within many years this theory has provided and continues provide insight into how different media and content have been adopted and embraced.

### **2.3. Uses &Gratifications Research**

The Uses and Gratifications (U&G) research has been specializing in this matter since the 1940’s. Its roots are in a media effects research that was established as a part of a radio research conducted B. Lazarsfeld in the early 1940’s.

The Uses and Gratifications approach stemmed from the need to seek an answer to what the gratifications that both attract and hold audiences to the types of media content and kinds of media (in technological terms) that satisfy their needs that usually are social and psychological. Its main focus is still what people do with media and communication and the two widely recognized scholarly fathers of this traditions are Dennis McQuail and Berelson Lazarsfeld. (Kunelius, 2004, p. 118-119; McQuail, 2000, p. 68-73.)

McQuail (2000, p. 68-73) has distinguished four main gratifications behind media usage:

1. Relaxation: an attempt to escape everyday life, routine and its complexity, experiencing and easing person’s own emotions.
2. Personal relationships: medium and its content offer company and good topics for social encounters.
3. Own identity: Using media to strengthen person’s own values, work with personal

issues in life and to be able to understand life and the personal point of view of the world around an individual.

4. Acquiring knowledge and information: Gathering information of the world, society and environment and habitat that surrounds a person.

According to Fortner & Fackler (2014, p. 271), Berelson Lazarsfeld has also noted a fifth gratification in the newspaper context. He remarked, while doing a research of newspaper gratifications during the 1945 strike among the industry, that the reading itself offers a satisfaction at the basic level of needs regardless of its content (ibid). Hence, the newspaper reading itself as a ritualistic safety habit forms the fifth gratification. Today the scholars tend to favour this typology of five (Ruggiero, 2000, p. 12).

These five gratifications are likely to be considered as the reasons why a reader wants to consume newspaper content. It could also be seen as the value the reader gets from reading a newspaper and why the reader continues to do so. Content of a specific newspaper might stress some of these five gratifications more than others and focus usually tends to vary from day to day. For instance, the news criteria in an editorial office of national newspaper can be assumed to vary from a regional one that likely highlights the major local news events of its circulation area more than the national one, for example by giving more room for those news items in the paper.

Regional newspapers tend to give more importance to local issues and news topics, which can be seen as the strengthening cultural values stemming from the region or as gathering the information from the living habitat, i.e. the specific region. These different news criteria are likely to affect the value chain of a company, the content creation values, criteria and processes, and in so forming and shaping the grounding for competitive advantage established by that value chain.

However, the U&G traditions concentrate on matters of upper-level instead of focusing on the target groups of a given company, which can be taken as far as singling out a unique online reader by modern online analytic tools. The results of the U&G research tradition need to be taken in consideration while producing media content but the views of target groups, potential audiences, readers, subscribers and even customers cannot be limited to it as it does not provide as detailed and in-depth information of customer groups to be used as the single information basis for applying CRM.

## **2.4. Customer Relationship Management (CRM) Theory**

The CRM stems from the need to understand the customer groups wants, needs, gratifications and sources of value for which the customers are willing to pay i.e. what is the value a customer receives from the product or service purchased from the company. The reason behind this interest is that CRM is a tool concentrating on distinguishing different customers by their different profitability, potentiality and needs often supported by technical applications, software and techniques (Bligh & Turk, 2004, p. 7). The aim is to help a company to satisfy the most profitable and potential customers, i.e. the key object is to deliver exceptional value to the customer and by doing so also collect long-term profits from concentrating on the right customer groups.

One has a need that requires daily fulfilment and for that reason the newspaper has to arrive daily and the subscriptions are the answers to this. In many cases in Finland there has traditionally been a fairly low-level of competition over the printed paper readers in a certain region since there had been only one or two newspaper titles published in a given area depending on the size of the population. However, the situation reverses when considering the online news outlets and the level of competition can be considered to be pretty high since the only barriers between the international media outlets are payments and language skills.

The marketing operations part of the newspaper's value chain can be handled in-house or it may be subcontracted to an external company or a call-centre. As Küng remarks better customer knowledge allows a newspaper to focus its content, processes and service more closely on the needs of its readers. (Küng, 2008, p. 40). Küng also points out that the newspaper readership is characterised by strong brand loyalty, which provides a basis for customer lock-in and a barrier to entry for new players (Küng, 2008, p. 39).

These arguments indicate that better customer knowledge does not only help the reader to get more value for his or her money but also the company to increase their understanding of their customers, which is in the very core of Customer Relationship Management (CRM) and could lead to better profits.

Küng describes this, in her body of work, as an ambitious strategy that can be applied with the use of Internet to strengthen the relationship with existing (print) customers by creating a dialogue by using a CRM strategy. Another way to apply the CRM strategy would be to develop the online newspaper into local portals or e-commerce platforms. (Küng, et al 2008, p. 166-167). In spite of

that the newspaper companies are highly dependent on advertising, which is why they try to stabilize that revenue by making long-term advertising contracts (Picard, 2011, p. 53).

The advertising revenue has been surpassing the subscription revenue until recent years in Finland. The newest data available indicates that the revenue gathered from subscriptions has surpassed the advertising revenue for the first time in a decade year 2009. This would make the industry more dependent on customers and subscriptions than on advertisers. It should almost certainly have an impact on newspapers strategies in the long run, for example whether to print or focus on online operations.

TABLE 1. Share of Newspapers' Revenue Sources 2000-2015. (OSF 1, 2017)

*(Until 2009 revenues of printed newspapers only. From 2010 onward, revenues of digital sales are included. In addition to advertising proper all classifieds including announcements, notices, column advertisements and public offices are also included.)*

Year	Advertising	Subscriptions and single copy sales	Total
2000	58	42	100
2001	56	44	100
2002	54	46	100
2003	53	47	100
2004	53	47	100
2005	54	47	100
2006	55	45	100
2007	55	45	100
2008	55	45	100
2009	48	52	100
2010	49	51	100
2011	52	48	100
2012	50	50	100
2013	47	53	100
2014	45	55	100
2015	45	55	100

CRM theory deals mostly with customers and with the value received both by the customers and the company in a transaction. Porter's value chain and differentiation theory is built on the idea of every part of a company's value chain is a possible source for strategic differentiation that could lead to a market leadership. Every piece of the value chain has its own potential to deliver exceptional value perceived by the customers.

One objective of this study is also to take a look at the current state of Customer Relationship Management (CRM) by concentrating on the roles that managers of editorial offices in the biggest newspapers in Finland give to the audiences and how they comprehend the implications of these different roles while planning and leading the content-producing processes.

This study seeks to provide an answer for how CRM, the roles of the newspaper audiences and the everyday work are possibly conjoint but also contradicting. The contradiction in CRM for newspaper companies and media companies in general is their product centrism. Media companies are, and to some extent even need to be, very product centric companies and due to this they tend to emphasize sometimes the content on the cost of customers. They all claim that the content is king, not the customer, even though the profit usually makes the kingdom. Can there be a king without a kingdom?

Customer Relationship Management has reportedly increased the profitability of a customer base by distinguishing the most "cash cow" customer from the less profitable ones. In so, it claims to help the companies to focus on the right customer group with right amount of resources. In short, CRM strategy has been reported to improve company's profitability, expand the customer lifetime value, enhance customer loyalty and increased the barrier to shift from one company's customer to another's (see Buttle, 2009).

The dualistic business model is likely to create a tension inside a company producing content and products that serve also merit goods as well as the business means as the revenue and profit. A newspaper has to fulfil both the profit goals and the 'merit goods' value as well. It has to serve the needs and wants, i.e. fulfil the expectations laid upon the product both by the shareholders and the audience. However, these expectations, especially in regards to the audience, are difficult to meet without knowledge. These expectations have been called gratifications in the longline tradition of users and gratifications theory that will be presented in the following section of this chapter.

This section has reviewed the key aspects of the value chain tool for the newspaper company. However, so far there has been a little discussion about, how newspaper companies ought to serve the needs of customers and how to deliver everyday value formed by the five gratifications to the customers. Traditionally the focus of the news criteria forming has been on ethics, how to maintain objectivity in the intensifying race of the breaking news.

The concern has been (Kormelink & Meijer, 2014, p. 754) that the quality of journalism is diminishing and at the same time ratings, circulation figures, hits and shares are gaining more importance in determining the content of journalism. Press releases are gaining power over the news topic selection since the editorial work has become more and more fast paced, and as authors conclude an audience perspective can be associated with propagandistic commercial approach that excludes professional autonomy (Kormelink & Meijer, 2014, p. 755). In 2016, a study drawn on the data based on the views of representing the Finnish editorial offices, reports that “economic journalist” is emerging (Hujanen, 2016, p. 32). This approach of journalistic practice highlights the economic dimensions. As Hujanen states:

“When the ideals and needs of journalism and business intertwine, it seems that the boundary between journalism and advertising practices that are seen as ‘good’ and ‘acceptable’ and those that are seen as ‘bad’ becomes blurred. The emergence of the liquid journalist economist may thus foster and reflect a fundamental change in professionals’ understanding of journalistic ideals. In the present study, when inventing and discussing new business models for journalism, key persons in the newsrooms and media companies transferred a considerable amount of their power to define ‘good’ and ‘bad’ advertising and journalism practice to readers. Because the wishes of the sponsors and advertisers are also being increasingly taken into account when developing journalism and new business models, it is likely that the notions of ‘public service’ and ‘autonomy’ are being and will continue to be redefined when they are translated into the everyday codes of journalistic practice”.

(ibid.)

However, the critical analysis of the values created and maintained by the consumer gratifications has gained only some attention even though as Meijer states: “quality still serves as the pre-eminent standard for judging public service media as well as first-rate journalism” (Meijer, 2012, p. 754).

## **2.5. Porter’s Competitive Advantage and Value Chain Analysis Tool**

Michael Porter considers differentiation as one of the three generic strategies that can be derived from company’s unique attributes and sources of value. According to Porter even adapting one of the three generic strategies can help a company to gain a competitive edge over its rivals and gain a better market position. For instance differentiation could be built on a company’s product,

delivery system or marketing approach. (Porter, 2004, p. 11) Before employing these theories to examine how media content and products lay the basis for a newspaper company's differentiation and value prospects, it is necessary to address the basic principles of Porter's value and differentiation theories in the following paragraphs.

Porter discovered that a competitive strategy grows out of a sophisticated understanding of the rules of competition that determine an industry's attractiveness (Porter, 2004, p. 4). The ultimate objective of competitive strategy is to cope with, and ideally to change, those rules in favour of the firm. In the media industry the gratifications and the value perceived by a customer forms the basics of the competitive strategy that distinguishes products from one another. (Porter, 2004, p. 4).

This indicates that the nature of media products is diverse. On the other hand media products are consumer goods, but at the same time these products are not solely measurable in economic terms and these are pertinent to the social, cultural, democratic and political life of society. This raises questions about this tension in the nature of media products. How do the media management professionals think of their readers, mainly as customers or as citizens, and are there complications in their thinking that create problems for the business? This will be discussed in the later parts of this thesis.

Porter bases the argument of competitive strategy as the way to distinguish products from others on the five competitive forces influencing in an industry regardless of its market context and product or service type. These competitive forces include the following the entry of new competitors, the threat of substitutes, the bargaining power of buyers, the bargaining power of suppliers, and the rivalry among the competitors that exist (Porter, 2004, p. 4).

Porter's value chain is a tool, an analytical concept, designed for analysing the sources of competitive advantage (Porter, 2004, p. 33). Its background lies in organisational theory. The meaning of value in value chain concept is defined in the concept from an economical and financial standpoint. Porter defines value (2004, p. 38) in competitive terms as the amount of buyers who are willing to pay for what a company provides them. In media context the concept of value is dualistic and as Picard remarks (Dal Zotto & Picard, 2006, p. 3) goes back to moral philosophy and economics.

“Besides fulfilling the economic premise of being cost-efficient and/or generating profits, media products and services also bear a considerable cultural dimension in that they have to respond to the value objectives of society (Chan-Olmsted, 2006, p. 2-3). Furthermore, the media industry consists of a very heterogeneous array of products and services ranging from print, audio-visual and electronic media to the so-called new or digital media. All these segments bear very specific characteristics both in their value creation as well as in their market environment (Bode, 2010, p. 9-10).” (Baumann, 2013, p. 78.)

The intrinsic and instrumental values news organisations, such as newspaper organisation possess, do not necessary translate into exchange value, which is determined separately in the marketplace (Dal Zotto & Picard, 2006, p. 3). He continues and emphasizes that the value problem in news organisations is crucial to the challenges faced by news organisations today (Dal Zotto & Picard, 2006, p. 3) since all of the biggest newspapers in Finland are primarily market-based as well as joint-stock companies. These Finnish newspapers must produce exchange value not only to survive but also because of the Limited Liability Companies Act in Finland: “The purpose of a company is to generate profits for the shareholders, unless otherwise provided in the Articles of Association” (Finlex, 2013: §5).

As described on the previous page, the value chain tool is mainly designed for analysing the sources of competitive advantage. In the literature, the term value chain tends to be used to refer to a model, figure or a process flow describing the value created by different stages and processes in the workflow that makes products and services available to consumers (Picard, 2011, p. 264). The value chain dissolves a firm into its strategically relevant activities in order to understand the behaviour of costs and the existing and potential sources of differentiation (Porter, 2004, p. 33).

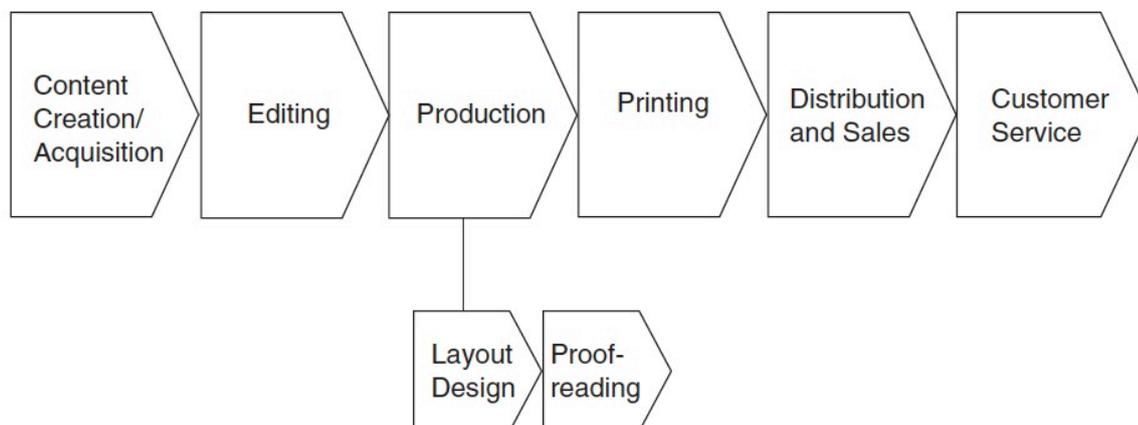
As one of the key researchers in the field of Media Management and Economics Lucy Küng, summarizes the as follows: “value chain analysis in the original sense involves analysing each activity from the perspective of the ‘value’ it adds to the final profits or service and this is known as margin. Thus, the model implicitly assumes that competitive advantage is created through scale, through vertically integrating as much of this value chain as possible” (Küng, 2008, p. 19). These prospects do not take in consideration a horizontal integration inside a conjoint corporate that houses several media brands, products and so-called silos of content creation that might provide an opportunity benefit from content producing synergies.

The sign of an implementation of the value chain tool has been generally understood as profits. The concept is built around a chain reaction as Küng describes (2008, p. 19): “the more competitive the value chain of an organisation, the more overall product’s value exceed the sum of its parts, the more overall margin can be released as profits”. As she continues, this model is

created through scale, which has been the main focus of a newspaper company as a producer of a mass media product. The business logic has been succeeding on the basis of economics of scale, and the first example of benefiting from this line of thinking can be considered the “penny papers”, which were the cheap to buy, tabloid-style mass produced newspapers from the 1830s onwards and usually sold by youngsters in the street corners of cities. The long-standing business model for the newspaper industry was driven by the high level of fixed costs (Küng, et al, 2008, p.157; Meyer, 2004, p. 206).

Nonetheless, a newspaper is never merely a result of mass production; it has other values built in it. Hence, a newspaper company will not likely ever be able to concentrate solely on the value chain analysis; maximizing its profits by making its organisational value chain as profitable as possible. The product, as well as the company, has also other gratifications, mentioned in the previous section, to serve. Küng (2008, p. 19-20) points out that the value chain analysis is usually conducted in circumstances concerning the extent of horizontal control along the value chain or concerning economies of scale and scope (whether to concentrate on a niche market product or to leverage sources across many segments).

FIGURE 5. Newspaper Publishing Value Chain (Küng, 2008, p.39).



The value chain of a newspaper had been divided according to Küng and the model in Figure 5 into five main parts. These will be discussed in detail in the order of appearance.

### 1. Content, creation/ acquisition & editing

As a first remark Küng points out that the content for a newspaper can be created internally or externally (Küng, 2008, p.39). The cost structure of an editorial office is usually divided into three main overheads: editorial, distributional and delivery costs. Editorial overheads are the largest fixed costs (Doyle, 2013, p. 9).

In the newspaper business the capital requirements are high (Picard, 2011, p. 44). One should possess enough capital to hire journalists, secretaries, cleaners and all the other staff needed but also to either buy their own printing press or purchase the printing press services. The printing press costs are the biggest single cost there is in a newspaper company. In addition the fixed costs, production costs, distribution costs, and first copy costs are high in the newspaper industry (ibid). All in all this implies that the once the company and its functions are established, the costs are starting to decrease. For example the content for the very first copy of the press run is expensive to produce but the following press runs are cheaper because the content itself already exists.

According to Küng (2008, p. 39) “the ratio of internal to external content reflects the paper’s editorial voice and positioning and brand values”. She continues that a quality paper will source over half its content in-house and have a large permanent journalistic staff as a result, because the bought-in material is usually cheaper than the in-house content: “Mass market papers tend to have fewer in-house journalists, and free newspapers yet fewer, with those they do have primarily engaged on reworking copy from news wires and other external sources.” (Küng, 2008, p. 39.)

An implication of this is a corporate umbrella over different media contents benefiting from synergy in content creation and also in Küng’s argument; the emerging conjoint media organisations, that not necessarily form a company own their own but rather produce content conjointly on the basis of a formal signed agreement.

For instance, The Alma Media Corporation and five other newspaper publishers in Finland started a partnership to establish Lännen Media Oy. The new company produces journalistic media content for 12 regional newspapers in western and northern parts of Finland. The participating newspapers will form a joint national editorial team gathered from their current editorial staffs by the end of 2014. The content will be produced for print, digital, online and mobile channels. Other conjoint forms of cooperation at the content producing level have taken place since. For example the regional newspapers Keski-Suomalainen, Savon Sanomat, Karjalainen, Etelä-Suomen Sanomat, Itä-Savo, Länsi-Savo, Kouvola Sanomat and Kymen Sanomat announced 15th of March 2016

that they start cooperation on the content producing level. This means at the operational level that these newspapers share pieces of news, themed content to each other but also coordinate who sends journalists to the big sport events (Marmai, 2016).

Not only does the editorial content need editing and creation but also the advertising content. Küng reminds that the activities of these two types of content are closely linked since “the advertising income subsidises the newspaper’s cover price” (Küng, 2008, p. 39). These two exist in a symbiosis. In many cases the amount of adverts determines the number of pages a newspaper issue will have. Fewer adverts will reduce the amount of pages of an issue (ibid).

As discussed above the processes of generating unique media content and editing the existing created content into new are strategically important. The importance of editing and repackaging increases, while the amount of original unique content decreases and more and more content is being circulated from one newspaper to another (Picard, 2010, p. 50). Repackaging and reutilization of the once created content is becoming a new way to seek ways to create more value, i.e. a way to squeeze every drop out of the once paid fruit. For instance the content producing companies owned by other media outlets are likely to circulate once created content and simply edit the content to please each of the owner company’s end-users’ needs, of which the new conjoint operations can be considered as an implication. This editing stage involves turning content in the seemingly fresh form such as text, graphics, and adverts and so on (Küng, 2008, p. 40). This could be seen as a spin-off of the journalistic content, a term often used to refer to a by-product produced as a reference to the original one.

## 2. Production

The creation of the newspaper products is continuous, especially in the era of online journalism and online media outlets. Content production usually involves turning content in the form of something into consumable formats like text, graphics and adverts, coherent product (Küng, 2008, p. 40).

The uniqueness is built on the layout, design, proofreading and way of approach that usually are characteristic to a given newspaper in question. The product creation is on-going and there is a continuity of packaging, which gives some characteristics of packaged goods to the products. The production is usually strongly structured and the process orientation tends to be coordinated also. Stemming from those aspects the production of media products is commonly faced with process of management issues. The production is in most cases also time constrained, which in practice

means that the value of the product is tied more or less to the time. (Picard, 2011, p. 7.) Usually competitors cannot duplicate products but they can be imitated. Küng notes the boundaries between editing and production blurred in the digital age and journalists are increasingly engaged in proofreading and layout (2008, p. 40).

Using material from the free press releases and imitating or even copying the material produced and distributed by the other newspapers can diminish the costs of the content creation. However, it is reported that this kind of pack-journalism drives the paying customers away and irritates them (Boczkowski, 2011, p. 127).

### 3. Printing

This phase of newspaper production is both labour and equipment intensive (Küng, 2008, p. 40). At this stage the digital prototype is turned into a physical product (ibid). Some newspaper publishers do not own printing machinery but acquire this service via subcontracts. It is common that the publishers who do own one seek to utilise it to a maximum level, i.e. sell the capacity to the fullest by making subcontracts (ibid). In practice it means that the vacant printing capacity is usually sold out, even offered to a competing publishing house with a reasonable margin. The reason is that the high utilisation lowers the costs (ibid).

### 4. Distribution and sales

Newspaper firms tend to also have complex logistics, which means that the newspaper distribution varies according to the geographical area but also on the basis of whether it is distributed to a wholesaler, retailer or by the publisher (Picard, 2011, p. 53; Küng, 2008, p. 40). For instance some papers in Finland are delivered during the early morning, whereas people who live outside the publication's main market region tend to get their paper along with the daily mail. Both customer groups pay the same amount of money for the subscription.

Subscription sales are a way to ensure the revenues remain relatively stable, although it is very costly to deliver newspapers to every doorstep in Finland where geographical distances are a factor. (Küng, 2008, p. 40). In spite of that the newspaper companies are highly dependent on advertising, which is the reason why they try to stabilize that revenue by making long-term advertising contracts, as mentioned previously (Picard, 2011, p. 53). As noted in the previous paragraph of this section of this thesis, some of the newspaper firms in Finland have their own distributing department or subsidiary group/company in order to reduce the costs but this also sustains the direct sale contact with a reader, which Küng remarks (ibid).

## 5. Customer Service

In a newspaper context the customer service includes selling, managing subscriptions and receiving the customer feedback, i.e. the feedback from the readers (Küng, 2008, p. 40). This is one of the parts of the value chain where the editorial staff and the customer service/marketing staff collide and benefit from smooth co-operation

The marketing costs to the potential readers and/or subscribers are low. The product, a newspaper itself, is a medium and therefore every product is already an advertisement for the media company. Also the habitual usage explains the lower marketing costs. (Picard, 2011, p. 44.) This leads us to examine the question how the gratifications are linked with value created by a company and the course of value and how this potential is related to CRM.

So far, this chapter has argued that the audience research and CRM research can be considered to include similar aspects in regards to examining the audience roles and the newspaper publishers' customers. The theory suggests that CRM might increase the value perceived both by the media companies publishing newspapers and the value perceived by the consumers of the media. This requires the media companies to distinguish, detect and serve different the parts of an audience considered as the most valuable in regards to revenue and profit. This calls for examining and detecting the audience roles and the revenue streams stemming from them. The main themes of this study are directly related to this dilemma, what are the roles detected by the managers of editorial offices to an audience, to what degree the managers indicate a product-centric or more customer-centric attitude towards related to the audience and the product, i.e. the newspaper itself and what implications these roles bear in managerial work. These three research questions are introduced in more depth in the following part of this chapter.'

## **3. METHODOLOGY**

### **3.1 Research Questions**

The objective of this study is to develop an insight and understanding of the various roles that the concept of audience takes in the editorial managers' thinking in Finnish newspaper publishing companies (N= 4 companies). The objects of study are thus the audience roles among the leaders of Finnish newspaper organizations, analysed with regard to central theories of media

management described in chapter 2. The study is based on semi-structured theme interviews with editors-in-chief and editorial managers (N= 11 interviewees) of the largest newspaper publishers according to the print paper circulations in Finland (for the description of the data collection and method, (see the section 3.2. Data Collection Method and section 3.3. Data). This study concentrated on addressing the following questions paired with hypotheses:

RQ1: In what sense do the managers' of editorial offices in the biggest newspapers in Finland consider different roles of an audience and what similarities and differences occur between the editorial managers perception of these roles and in conceptualizing them?

H1: Editorial managers do not speak about customer but rather a reader when making decisions concerning the content they produce. However, the CRM theory is grounded to the conceptualisation of value creation through customer targeting, i.e. the primary customer making the most revenue, and how the company benefits from being able to concentrate the operations on serving the primary customers' needs.

This research question is formed in pursuit of an answer, what is the current state of conceptualisation of audience roles. Is the customer in the centre of operations of an editorial office when considering the newspaper? It is important to include this aspect as the first research question in this research because this question and especially the answer that follows it could be a limitation for CRM in this application. This question is also paving the path for the second research question. The application of CRM is important due to the following reasons. Firstly, it is sometimes hard for media companies to comprehend the market as customers. For these companies the market is usually referred to as readers or even far more importantly citizens due to the dualistic business model but also due to the nature of 'merit goods'. Secondly, as described briefly in the introduction the customer of a media firm is not always right. Sometimes the news topics need to be brought to daylight even though the given topic will not please every customer, let it be a reader or an advertiser.

RQ2: To which degree do the respondents indicate a product-centric perspective or a customer-centric perspective, and how the two are conflicted but potentially also connected, and how do they determine the roles of an audience in regards to sources for revenue?

H2: A product-centric perspective is likely to be indicated more often than the customer-centric or even service-centric. Editorial managers tend to regard a reader as an end-user of the content as well as an active participant of a civil society instead of simply main source revenue. The prediction is the product centricism will appear more in the editorial managers' answers than the service aspect included in the customer-centrism.

The second research question provides a standpoint for the nature of the media product. Is it merely a consumer good or a mean in a democratic context? What really is in the core of editorial office operations if not a reader, to whom the content produced, and is the value a factor in it?

RQ3: What are the implications of the different roles of an audience, and how are the different characteristics of these roles taken into consideration from the editorial managers' standpoint?

H3: The managers define the aspects of the different roles in different matters which is likely to cause contradictions. A reader is a customer and the product is bought on the basis of value it entails to the customer, this has a bearing on the criteria and values applied while producing content, selecting the topics and themes for journalism. The third research question aims to compare the theory standpoint with the data indicating the way the managers perceive aspects of CRM, i.e. the standpoints paving a path for applying CRM.

The third research question paired with the hypothesis is designed on the basis of the suggestion for the future research presented in the media management research (Phalen, 2006, p. 634). Phalen suggests that one future research topic could be: "What are the likely effects of new technologies on program decision-making?" (ibid). The reasoning behind this is that the new technologies offer a source of feedback that goes beyond the traditional ratings information. The presumption according to Phalen is that the range of opinions expressed and the ease of discovery could affect decision-making processes in production and programming (ibid). Hypothesis 3 is drawn on the basis of Phalen's presumption.

To conclude this chapter, the literature identifies CRM as a way of creating value since a more customer-centric approach is needed also in the newspaper business (see Küng, 2008; Picard, 2006a). Previously this has been taken in consideration in regards to the role of a reader by applying RISC Monitor and executing Readership Studies. This study concentrates on examining what is the current status of defining the roles of an audience and understanding the customership in order to define the most relevant customer in regards to value and customer-centric approach among media managers of editorial offices in the Finnish newspaper companies. The following chapter describes the methods used to conduct this study.

### **3.2 Data Collection Method: Themed Interview**

The data was collected by conducting a qualitative semi-standardised questionnaire in a form of interviews i.e. a discussion with a purpose. "One of the more popular areas of interest in qualitative research design is that of the interview protocol. Interviews provide in depth

information that pertaining to participants' experiences and viewpoints of a particular topic" (Turner, 2010, p. 754). The use of qualitative analysis is well-established approach in social studies (Alastalo, 2006; Bechhofer, 1996; Erola & Räsänen, 2007; Payne, et al, 2004).

According to (Lindlof & Taylor 2002, p. 173) interviews are well suited to understand the social actor's experience and perspective. As Lindlof and Taylor note the persons selected for interviews usually ought to be selected only if their experience is central to the research problem (Lindlof & Taylor, 2002, p. 173). Thus 11 managers of editorial offices from the biggest daily newspapers in Finland have been selected to be the interviewees of this study. The data collected in this semi-structured interview manner consists of stories told by 11 media manager professionals gathered from the experience and insights of professionals who work daily in middle of the shifting media economics and business.

The method applied in this research is frame analysis which is based on both the qualitative and quantitative research, putting emphasis on the qualitative approach.. The qualitative content analysis is a preliminary phase for the actual frame analysis in order to identify the three main themes for formation of the frames. According to Hsieh & Shannon the qualitative content analysis is a research method conducted through a subjective interpretation of the data with systematic classification process of coding and identifying themes or patterns (Hsieh & Shannon, 2005, p. 1278).

The interview method is also chosen for this study because of the great opportunity it provides to examine the framework in which native conceptualizations of customers and readers are understood by the managers of editorial offices (Lindlof & Taylor, 2002, p. 174).

In 3 out of 11 interviews the time allowed to do the interview was limited by the respondents to 30 minutes per a respondent. The limitation was presented at the beginning of the first interview; the time needed was included in the query if a manager was willing to do the interview in the first place. Possible other outcomes than agreeing to the time limitation could have been to postpone and reschedule, which could have led to a total decline or timeframe challenges regarding the thesis process. Thus, the interviewing time had to cut by a half and the questions had to be limited to the ones that concentrate most closely on the three research questions regarding the three interviews. The background information of the respondents was gathered all in the same manner, but the inquiries dealing with details and trying to scan for deeper insights was lacking from the three interviews due to the time limitations.

Interviews in this research are used to acquaint and identify the main phrasing and concepts of customer, reader and their relationship management. The interviews are used to form and confirm the research hypotheses about motivations underlying behaviour and attitudes of media managers in editorial offices and of the dynamics and possible conflicts between nurturing readership and customer relationship management.

The questioning was planned to be as open ended as possible and also to encourage respondents to communicate possible underlying attitudes, beliefs and values concerning the dynamics between readership and customership. Indirect questioning was applied in the latter parts of the interview guide, for example in question number 6, how would you define a customer and a reader, what are the differences.

The questions are arranged and formed in the same order as the research questions. The initials to deal with the theme of the first research question, in the middle of the questionnaire are the ones aimed to gather data for the second research question and final section designed to gain insights of how the possibly conflicting roles and perspectives are affecting the everyday work and how they have tried to overcome the possible tension but also to examine the possible benefits and similarities. The reason why the semi-structured interviewing was selected is that it leaves room for other themes to emerge that a researcher might not been able to take in consideration beforehand, it gives more relevance to the study since “the predetermined nature of structured interviewing is aimed at minimizing errors. However, structured interviewers are aware that interviews take place in a social interaction context, and they are influenced by that context” (Fontana & Frey, 1994, p. 364).

The non-standardised interview guide of this research was formed by following steps. First, the problematic and interesting aspects were identified, what possible problems there were when it comes to satisfying both the needs and wants of a customer and of a reader at the same time with the same product. In the second phase each of the puzzles were written down into separate piles that seemed to be topically related. After this these clusters were edited and rearranged several times to obtain an order that captures the phenomenon. The third and last step, before applying the interview guide to the respondents, the hypotheses were drafted based on the possible probes of research questions. The probes are instructions to pursue particular sub-topics, reminders to the interviewer to be sure to check on each (Gilbert, 2008, p. 255).

Hence the probes were formed side by side with the hypotheses and the research questions. Methodological research warns of the many effects interviewers have on the respondents' statements (Gilbert, 2008, p. 255).

Usually, the questions used in the interviews need to be modified to test emerging ideas that were not taken in consideration in the planning phase. Also new interviewing sites and respondents may be needed or chosen so that one can see how far the developed theory can be generalized. (Rubin & Rubin, 2005, p. 63.) After the first interviews, the semi-structured questionnaire was evaluated on the basis of relevance, phrasing and order of questions. In addition, the questions for the interviewees who had limited the interviewing time to 20 minutes were selected on the basis of the few first interviews, what seemed to be well-suited questions in regards to the coverage of the data and relevance when compared to the research questions and objectives of this study.

The evaluation of the interviews, questions used and generalizability are one of the reasons to discover if the saturation point is reached or not. The constant checking up on the data, questions and research questions ensures that when the data gathering is finished, all the research questions should be answered and sufficient material should have been produced to form a rich and nuanced report. The design also ensures that when the whole project has come to its end, the results will be on target, convincing enough, and important. All in all, this means that the whole report is generalizable (Rubin & Rubin, 2005, p. 63).

Interviewees should be chosen on the basis of how well they are fleshing out the tentative theory, modify the theory on their experiences, or steer away from a non-productive avenue of inquiry. (Rubin & Rubin, 2005, p. 64.) Interviewees should be both experienced and knowledgeable in the given field of academics. They should also have relevant, first-hand experiences, since it is critical to have in making the results convincing. (Rubin & Rubin, 2005, p. 65.)

### **3.3. Sample**

This research project was a qualitative analysis study of data gathered by semi-structured interview. In total 11 respondents of managerial positions in the editorial offices were selected from the three biggest daily newspapers according to (Media Audit Finland 2016) yearly official audited circulation figures. The list of names and professions of the respondents is presented in the Appendix 6. In addition three more respondents were selected from a company formed only in year 2014 by the 12 biggest daily newspapers in Finland. All of the interviewees were selected on the basis of their profession and position in a given organisation.

The aim was to concentrate on the managers of editorial offices. Five of the 11 interviewees held a position of Editor-in-Chief, other six are Editing Managers. Four of them are women and seven are men. The interviews were mainly conducted on a person-to-person. Two of the interviews were executed over internet video call. The managers were picked out by their peer references. Hence the depth of professional understanding and relevance of the data in this study could partly be considered to be based on the peer references. After the first interviewee agreed the person was asked to recommend a colleague from the editorial office for the interview.

The managers and editors-in-chief of the four editorial offices were approached via an email message inquiring possible managers of editorial offices in these three organizations willing to participate. “Purposive sampling is described as a random selection of sampling units within the segment of the population with the most information on the characteristic of interest” (Guarte & Barrios, 2006, p. 277). “The selection of sampling units in purposive sampling is subjective since the researcher relies on his or her experience and judgment-- In spite of this shortcoming; purposive sampling remains popular among researchers in the social sciences (ibid, p. 277).

Since the managers of the biggest daily newspaper of Finland were the most challenging to get as respondents, an element of snowball sampling was added to the interview guide applied in respondents from Helsingin Sanomat, asking for referrals to additional participants (see Appendix 6). The snowball sampling is also known as the “chain” or “referral” sampling (Biernacki & Waldorf, 1981, p. 141). “The method yields a study sample through referrals made among people who share or know of others who possess some characteristics that are of interest to research” (ibid).

### **3.4. Data Collection Procedure**

Data collection took place over one-month period. The interviews were scheduled and conducted in one month period from the 11<sup>th</sup> of April until 13<sup>th</sup> of May in 2016. During one data collection day as many interviews were conducted as possible at the one editorial office at a time. Three of the editorial offices were selected by the TSN metrics ranking that lists the biggest newspapers by their circulation yearly. One of the chosen editorial offices differs from other three based on the three dimensions hopefully adds to the data new perspectives.

Firstly, with the differing content producing editorial office the primary customers are other newspapers. Secondly, it is owned by the other newspapers i.e. its primary customers own the company. Thirdly, the reader, subscriber and even the advertiser are only the second main target

group, not the first, which usually is the other way around in the other three editorial offices included in this thesis.

The reason why this editorial office has been included in this data is simply to study if there are implications how the managers in this particular editorial office see the reasoning behind the reader versus customer relations. The main purpose is to compare if there are any implications of different kind of approach in the editorial discourse when it comes to the customers and readers in the editorial office of which main source of revenue is formed by other newspapers i.e. other media outlets run by other media companies instead of subscription and advertorial revenues.

In two out of the 11 total interviews, the interviews were conducted via video call inside the editorial office's meeting room. In these two cases it was the wish of the respondent to participate via video call instead of meeting. It was a way to include two respondents despite the long distances in the data. However this way of participation gave room for some unexpected interruptions such as other phone calls but in the end it only lengthened on the interview instead of cutting it shorter than agreed.

“An interview can be a one-time, brief exchange, say five minutes over the telephone, or it can take place over multiple, lengthy sessions, sometimes spanning days, as in life-history interviewing”. (Fontana & Frey, 1994, p. 361.)

The average duration of an interview was about 40 minutes, including the time-limited 30-minute interviews. The longest interview lasted 48 minutes and 2 seconds. These ranged from morning (10 am) to afternoon (3 pm). The shortest interview lasted only 13 minutes and 50 seconds. The interview questions and the overall topic of this study were emailed with the first email requiring the possibility to interview them. A voice recorder was set on the table in front of the interviewee and activated with the respondent's agreement. The questions concentrate on the three themes defined by the research questions: the definitions of the three roles of an audience, the indications of product-centric versus a customer-centric approach and the implications of these different roles and perspectives in the everyday work of a manager in the editorial office.

The questions were sent as an attachment along the first email requesting the willingness to participate in the research.

In the final phase of data collection, the information gathered by notes and recordings was written out as transcriptions while listening the tapes and writing down the content. The parts of the interviewees' vocal communication that could not be considered as speech, such as sighs, coughs and mumbling were not included in the transcriptions. The transcripts and original audios are

possessed by the author of this thesis for further needs, notices and questions. After the whole data was transcribed, it was possible to proceed to the analysing phase, which was prefaced by formation of an analysis frame.

### **3.5. Analysis Method: Frame Analysis**

Different methods have been proposed to classify, analyse and categorize data gathered by semi-structured interviews. One of the most well-known and most used tools regarding the social sciences research of the media and especially natural as well as social contexts are the discourse analysis, agenda setting (connected with the passive perception of audience and MCR tradition) and the framing theory.

The discourse analysis standpoint is based on the social constructivism of language and the implications represented in it, resulted from it and stemmed from it. The focus is on the ways of language is used and the meanings conveyed in it. However, there are certain drawbacks associated with the use of discourse analysis in this study. Firstly, the definitions of the audience roles are not cohesively defined in the previous academic research in regards to newspaper publishing, and thus, the definitions tend to vary (Hujanen, 2007, pp. 51-51). Since there are no established definitions of the audience roles it would leave less room for these definitions to emerge if they were resting on the theory. Secondly, the discourse analysis is in the search of answers to the questions how language is used to express and how different matters and phenomena are produced in the use of a language. This might offer an interesting perspective if the definitions of the previous research ought to be tested, how the definitions are aligned and maybe contradictory in the speech of editorial managers of the editorial offices of Finnish newspapers. Nonetheless, the object of this thesis is to examine the definitions of the audience roles given by the managers of editorial offices' of the Finnish daily newspapers and in addition take in consideration what is the framework in which these meanings are given, especially the possible attitudes and opinions.

In the tradition of audience research and especially in the uses and gratifications research, two analysis methods have been gaining scholarly attention. These two are agenda setting and framework analysis. Agenda setting has been focused on the question: what is on the agendas set by media? According to agenda setting, media sets the agenda in four ways: 1. media chooses from large number of subjects the ones it considers most important, 2. media decides how much on-air time or space on the page a certain topic gets, 3. media defines some topics as more important than others and in doing so, sets a news agenda, and 4. audience/public/people

comprehend and attain the significances given to the topics/news by media as their personal one. Agenda setting does not provide answers to the questions concerning the content: how the content takes into consideration the different audience roles; are there customizations done according to the expectations of different audience roles; and are the attitudes in approaches feasible to be identified. Agenda setting as a method might come into question as a method if the focus of this study was altered to: do the different audience roles have a bearing on the agenda setting of Finnish media managers representing the biggest daily newspapers in the country?

However, the focus of this study lies in the audience roles and how the managers consider these roles define them in regards to revenue and business model; as well as indicating either customer-centeredness or readership-centeredness and what the possible implications are. The method designed to research the frames set by the media in content is known as frame analysis. It is often used as a method to analyse the contexts in which the meanings are given to the matter represented by media.

This qualitative approach was first put forth by Erving Goffman in his work “An Essay on the Organization of Experience” (1974, p. 1986). The starting point of the framing theory is a frame to which Goffman refers to as the basic elements of definitions of a situation that people build up in accordance with the principles of organization which govern the events and the subjective involvement of those people in the situations (Goffman, 1974, p. 10-11). As Erkki Karvonen (2002, p. 79) notes, the basis of Goffman’s framing lies in the definition of the situation which presents the question to the people involved in the situation: what is it that is going on here?

This is the key question that people present themselves in social situations in order to get ahold of which frame to utilize (Goffman, 1974, p. 2; 10; 13; 21-22). Thus, context plays a role in the selection of a frame since all frames involve normative expectations (Goffman, 1974, p. 345). The key element of the framing theory lies in the relation of people and social situations. Frames define the nature of a certain event and call for utilization of a recognized frame to be suited for the given situation. According to Goffman, the frames define how a person should act in a given situation, and in this sense frames are elements combining the individual and the community together. By doing so, the frame sustains and renews. All in all, frames renew, sustain and build a sense of reality by experience taking place in social situations but also in the relation of a given situation and its circumstances as a part of the whole surrounding situation. (Karvonen, 2002, p. 78). The object of a frame analysis is to comprehend how given elements are connected into meaningful frames in certain prevailing circumstances (Creed, et al, 2002, p. 37).

Different authors and researchers have conducted the frame analysis in a variety of ways. One of which is Entman's (1993, p. 52) approach based on presenting four key questions to the data: 1) What is the problem emerging from the data, 2) What is the cause behind the problem, 3) What moral deductions are made in the texts, and 4) What solutions are suggested for this problem and what are the implications evaluated from the given solution. Some of these four questions suggested by Entman and presented to be used as a tool for forming a framing analysis are more relevant in regards to this thesis than others. As Horsti (2005, p. 71) proposes, the power of frames is foremost based on the selection to emphasise some aspects and effacing others. This study applies the approach presented by Entman (1993), which lays its ground in the data collected and in the schemas and themes emerging from it by asking the tentative questions based on the three research questions.

Thus, the frames in this study "are used to organize or structure message meaning". The starting point of the analysis of this thesis is in the framing theory and analysis which Goffman (1974, p. 11) defines as "a slogan to refer to the examination in these terms of the organization experience". The frames are tentatively based on but not limited to, the audience roles presented in the theory chapter (see PWC, 2009; Phalen, 2006). Hence, these frames can be considered as a continuum for the sociocultural meanings of the audience research conducted as a part of the media management research (Phalen, 2006) and communications research (Syvertsen, 2004).

The frame analysis in this research was prepared according to the procedure used by Horsti (2005) and Entman (1993). The frames emerged from the data while close reading the data i.e. transcriptions, multiple times, by presenting the following selected questions provided by Entman in order to emphasize the themes from the research questions: 1) What are the problems in the themes customer, subscriber and reader, 2) What are the implications (cause) stemming from the three different roles and the possible contradictions included in them, and 3) What solutions are suggested to these problems or contradictions.

The first of the questions is the basis for the frame concentrating on the roles of an audience. The second one aims to distinguish the dilemma of being product-centric versus a customer-centric, and the dilemma of dualism stemming from the dualistic role of a newspaper, on one hand it serves as a matter of democracy and higher values in society, and on the other is business supported and owned by the shareholders. The third question concentrates on finding the implications of these dualistic attitudes that guide the operations of newspapers' editorial office and its everyday work as a content producing part of a given company.

At the beginning of the data analysis the parts dealing with the concepts of customer, reader and subscriber, as well as the categories of these three for the formation of the analysis frame, were detected from the text mass with the use of the three questions presented previously and formed in accordance to the work of Entman (1993) and Horsti (2005).

This approach is described as inductive category development. “Researchers avoid using preconceived categories to flow from the data. Researchers immerse themselves in the data to allow new insights to emerge (Kondracki & Wellman, 2002) in the beginning of forming the analysis frame, defining the terminology and categories the data was read repeatedly to achieve immersion and obtain a sense of the whole. This is the usual way to start conventional content analysis. While doing so, the data is read word by word to derive codes (Miles & Huberman, 1994; Morgan, 1993; Morse & Field, 1995) by first highlighting the exact words from the text that appear to capture key thoughts or concepts. This was done by a hand and a several different coloured highlight markers; a different colour was chosen for each concept. After that, the meanings of each term were defined in so the meanings of the each one of them were constructed in the context of the data itself. This approach made possible to find three dominating frames prevailing the dynamics between customer, subscriber, and reader.

The three roles of an audience were formed by a process of conventional content analysis starting with observation and by asking the three questions to then be able to form the roles and frames. The roles that lay the groundwork for the frames are derived from data. The frames consist of the questions presented in the theme interviews aligned with the three key questions formed accordingly to Entman’s approach.

## **4. ANALYSIS & FINDINGS**

The previous chapters have addressed the research conducted in the fields of audience research and media management and aimed to shown the possible links between the different academic traditions and approaches. The chapters have also argued why the given methods are chosen and how the data has been gathered, assessed, and the crucial concepts defined. This chapter presents the main results obtained from the analytical procedures, describes the results and offers tentative answers to the research questions defined in the earlier chapters. All translations of the material from Finnish to English in the analysis, discussion and findings, and in appendices were completed by the author.

The first research question is designed to examine the audience roles. Therefore, the main answer to this question is formed by examining the roles through identifies frames. While analysing the data, the frame of a subscriber emerged from the material. This chapter consists of the following; first, the key aspects of the three frames are explained beginning with customer role, followed by the presenting subscriber role, and finally reader role. As described in the previous chapter, the final dimensions of all of the roles were finalized by detecting them from the data via close reading followed by NVivo data analysis, adding a quantitative standpoint.

The second research question is examined and answered by concentrating on analysing, with the help of NVivo program offering a quantitative perspective, how the product-centeredness emerges from the frames. Lastly, the third research question is answered by conducting a qualitative analysis of the interviews in order to notice possible tensions and contradictions among the audience roles identified.

#### **4.1. Frames & Audience Roles**

From the data emerged three frames as the basis of forming the audience roles, the product-centric vs. customer-centric frame and the implications of these lateral two. Two roles, customer and reader, were drawn on the definitions presented in the theory chapter. The third role was detected on the basis of data: a subscriber. In the data, this third role emerged as an independent role equal to the two roles suggested by the theory. Hence, the frames of the audience roles were the frame of a customer, a second frame of a subscriber and a third of a reader. These three roles and their formation are discussed in the following. Each role is presented in the context of the questions aiming to gather insights on how the managers have defined the roles in relations to the industry's business model. Then, these responses are analyzed and presented in the context given by the respondents in the data to secure the transparency of this study.

After the three roles had been distinguished from the data, the whole data mass was run through software called NVivo that supports data analysis for qualitative and mixed methods research. All pages of the transcription were run through the NVivo's Word Frequency Query. The words referring to information identifying the respondents, such as names of the newspapers they represented, names of the circulation areas, and names were deleted after the data run. The result was arranged in alphabetical order in the Microsoft Excel program. In the next phase, the words reader, subscriber and customer were detected along with their stemmed words from the mass and distinguished into separate columns. The term "reader" included words "reader" and stemmed words such as word "reader profile" (mallilukija) and its stemmed forms. The term "customer"

included then word “customer” and other words stemmed from the basic form but also the shareholder newspaper companies, who are the primary customer of the content producing and distributing company involved in this study and its data.

Two test runs with NVivo revealed that the data needed editing. For instance, all questions and terms presented in interviewer’s questions were included in original data. The quantitative number of words, such as customer and reader, which describe each of the main three themes, were higher due to the interviewer’s questions included in the data. Thus, the questions, clarification of questions, and possible remarks made by the interviewee were deleted from the data, and then it was run through NVivo again. At the beginning, the Word Frequency Query was run through the data with a filter that left out all words under minimum length or 6 characters. This demarcation was done to exclude the less relevant words, for example the expletive ones, from the three themes: customer, reader and subscriber. In Finnish, all of the three include at least six characters, words “subscriber” (tilaaja) and “customer” (asiakas) entail seven characters, and the word “reader” (lukija) six. The limitation was set on six characters. After the first round of queries executed with the NVivo program, all of the queries were repeated twice and a third time to ensure the results remained the same in case there was a mistake in clicking the queries’ options and classification parameters. All the results remained the same.

The result of most frequent words is presented in the Table 2, and the indication is that only one of the three main themes was in the top 10 of the most frequent ones. However, this query distinguishes every stemmed word as its own piece of data and classifies it into its own row. Thus, the different forms of the one term are not summed together but instead separated. This explains the difference between the numbers later on.

TABLE 2. Top 10 Words Analysed with the Word Frequency Query.

Word	Count
Our (meidän)	213
Then (sitten)	171
We have (meillä)	117
A lot (paljon)	96
To it (siihen)	92
Are (ollaan)	67
Will be done (tehdään)	64
<b>Reader (lukija)</b>	<b>60</b>
In a way (tavalla)	59

The Word Frequency Result as a whole was run through an illustration tool in NVivo to form a Word Cloud. As the Word Cloud and the Word Frequency Result indicate, the most common words are “our”, “then”, “we have” and “a lot”. The hierarchy of a Word Cloud is built on the importance and count of a given word. Hence, the most used word gets the most space as well as the biggest font size in the Word Cloud (see Appendix 4).

After the most commonly used words were analysed, NVivo was used to examine the contexts in which the three main themes were used with NVivo’s Text Search Query. The context of the use of the theme was also detected and presented in the Word Tree formed with NVivo. All three Word Trees of the three themes are presented as appendixes of this thesis in Finnish (see Appendixes 1-3).

The Word Trees have not been translated in order to maintain the nuances of the native language in which the data was gathered. The contexts responding most interestingly to the research questions were highlighted in the Appendixes 1-3, translated in English, and then transformed into a table (see Tables 2-10). In the following parts of this chapter, this has been conducted the same way with each of the three roles: Customer, Subscriber, and Reader. After forming the three Tables 3, 4, and 5, in English, three of the contexts have been selected on the basis of relevance and ponderability in regards to the research questions and then presented as in original Q&A format in English.

#### ***4.1.1. Customer Role***

The questions used to form the customer frame and examine the role from the managerial perspective were the following.

To whom do you produce content inside your editorial office? Have the management inside the editorial office been defining the target group of your newspaper? How do you define a customer and a reader? What kind of changes have you noticed in the perceptions of a customer and a reader during the last five years? What kind of a customer is the most relevant to the newspaper? What kind of expectations do a reader and a customer have? Can you identify some of the differences or contradictions between a customer and a reader? What are the problems in the themes?

The first Text Search Query to detect the use of different words referring to the three roles of the audience was executed with the word “customer”. At this point, personal and professional details were cleaned from the interviewees words, and all questions and comments presented by the

interviewer were deleted from the data. Then, it was analysed with NVivo. NVivo detected 165 references to the word “customer”. The context of the use customer is presented in the word tree formed with NVivo in Appendix 1 in Finnish.

Most of the answers, including a mention or a reference to the theme “customer”, were gathered into the data as answers to the questions (see Appendix 1), which are the questions dealing with the dilemma: who are the newspapers’ customers and which of them is the most relevant.

TABLE 3. How Has the Role Customer Been Represented Based on the Data?

<b>Customer (165 references)</b>
The one who pays for the output
Readership, who is the customer
A reader is also a customer
Our reader is a paying customer
Also an advertiser
Expects to get from us
Is a good customer. Very loyal.
A reader versus a customer
As readers we do not use the term customer
A reader and it is not automatically same as a customer
From the point of view of content the most relevant...
Do you mean a reader by a customer?
The one who buys the product
In that case, I would say that definitely a reader
A customer pays and this leads to a customership in one way or another

Let us now consider these data findings in their full context. In the following, the customer role and its possible tensions with the other two audience roles are discussed in detail in the original answers of the respondents. The following findings provide a tentative grounding to answer the research questions 1 and 2. The interview questions paired with the answers are a result of the data run described above. The context sentence given by the Word Tree and NVivo’s Text Search Query have simply been matched with the question that preceded the answer containing the part NVivo selected. The part involved in the results and reported by NVivo are underlined. There were some suggestions that the most relevant customer is a person who lives in the circulation area of the newspaper represented by the respondent and who consumes the content they produce. However, this was not necessarily a paying reader, i.e. a subscriber. As few of the interviewees said:

“What kind of a customer is the most relevant?”

From the point of view of content, the most relevant is actually any Finnish person who is interested in the surrounding world. From the point of view of the advertising department or the circulation department, the customer is seen in a different perspective, that purchasing power... -- but I think that the content producer does not have to think that way. There are different roles here.” *B2 Managing Editor*

”What kind of a customer is the most relevant?”

The customer perspective in your questions is to a representative of an editorial office a bit... We think of a reader, and it is not automatically same as a customer. These are probably other aspects related to a customer, at least in the way I see it, that the person is a paying customer, the one who purchases a product, and there are other readers as well than just customers. The most relevant... well, here, it is the one geographically living in our circulation area who hopefully pays of our content”. *C1 Editor-in-Chief*

”What kind of a customer is the most relevant?”

Nowadays, the customer is over 50 years old, has middle income and represents the middle class, keeps track of the society pretty closely, quite an ordinary Joe. The 50’s and 60’s generation is the average reader. They are loyal customers to us. -- That is a good customer. Very loyal. A customer pays, in a way or the other. When you pay for something, then that something has a certain value. If you use something for free, then the customership is very weak. – Okay, let there be those kinds of readers and customers, but we cannot put too much emphasis on serving them. We have to put effort in paying customers.” *A3 Editor-in-Chief*

“How do you see the roles of a customer and a reader?”

In a way, they are combined in our work. Previously, thinking has been that the editorial office is way more separate from the circulation department and advertising department. We have always used different terms: we have spoken about a reader, and the circulation has spoken about a customer. I do not know if we work more together than previously, but the separation has diminished in a way, partly of course because we have to be more aware that our reader is a paying customer since we have fewer and fewer paying customers than we had before. It does not show in our journalistic content or approach. Not one bit has been slipped from the ethics and the Guidelines for Journalists. We produce journalism and gladly have we noticed that we produce it to the right people who order our paper. If I think all of the 15 years I have been in this industry, it has not lead to the situation where we have a commercial of a certain grocery store on one page and a positively done piece of journalism on the other. As the roles converge, it leads to us to think of those people for whom we make the news and stories instead of thinking I am the great journalist who is saving the world, then I am thinking more of myself.” *A1 Managing Editor*

“How do you define a customer and a reader?”

The customer is a person who is also a reader but who might find us on a random basis or visit us once week or a year, on our web page or so. There is a clear difference; a customer is a very important. In order to get readers turn into customers... we have put too much of an emphasis on readers and on that mass. It is easy to get them: it is easy to produce a onetime online hit from time to time and with that manner gather a huge number of visitations. So what? If it is not continuous, if the interest does not continue, then it is a struggle. An advertiser is also a customer, yet a different kind. An advertiser buys the customership, the partnership, and that relationship is then a different kind. We in the editorial office deal only a little with them, it does not show in our work at any rate.” *A3 Editor-in-Chief*

The role of the respondents have described could be summarized in the following sentences. A customer is a source of revenue and profit. On the basis of the answers of the respondents of this thesis, the implication suggests that the source can refer to a person who is a subscriber but this category also includes people who buy advertising either directly or through a company. In the next part, the focus moves from the role of a customer to a role subscriber.

The theory suggests that CRM might increase the value perceived both by the media companies publishing newspapers and the value perceived by the consumers of the media. This requires the media companies to distinguish, detect and serve different the parts of an audience considered as the most valuable in regards to revenue and profit. The customer role has traditionally been the biggest source for revenue, but in the recent years, as presented in OSF 1, 2017, the shift has emerged from customers to subscribers, a role discussed in detail in the next section.

#### **4.1.2. Subscriber Role**

The second Text Search Query with NVivo was conducted with the word “subscriber”. The query returned only 34 references. The context in which the word subscriber is used is presented in NVivo’s Word Tree form in Appendix 2. After the Word Tree was formed, the most relevant context sentences were underlined with a colour, translated and formed into Table 4.

TABLE 4. How Has the Role of Subscriber Been Represented Based on the Data?

<b>Subscriber (34 references)</b>
And still others than subscribers
No longer measure newspaper's subscribers
Who are not our subscribers
Which profiles are our subscribers
We produce to all Finnish people, practically our subscribers
They are in that case printed newspaper's subscribers
Services, ergo are either printed newspaper's subscribers
Or then our digital service and contents subscribers
We aim to be so useful as a product
That nor paying customers
Then we follow up what kind of
Subscriber to our digital services
At the moment we simply want

The number of references to the role “subscriber” is clearly lower compared to the customer (165) and the reader (266). The following will consider these data findings in their full context: the role of a subscriber and its possible tensions with the other two roles of an audience. The findings provide a tentative grounding to answer the research questions 1 and 2. The interview questions paired with the answers are a result of the data run described above.

The context phrases collected in the Table 4 were given by the Word Tree, and then NVivo’s Text Search Query’s results have simply been matched with the question that preceded the answer containing the part NVivo selected. The part involved in the results and reported by NVivo is underlined. As the few exemplary quotes indicate, the definitions of the three different roles of an audience overlap:

“How would you define a customer and a reader, what are the differences?”

“They ought to be pretty much the same, in a way, people who are not our subscribers are our customers, because we keep them in our minds in a same way as the others, because we want them to read our newspaper. We use the same criteria to produce content to everyone, and they all do bring money in since the all in all numbers are vital to the advertiser. Even though a lot more important to us are the ones who are our subscribers in our everyday work, we do not think if a piece is done to the one who pays to us. We think we ought to do content that makes more and more people to pay for it and subscribe to our content.” *A1 Managing Editor*

”In what way do the readers of printed and online content differ from each other?  
“There are online a lot of those who are not subscribers.” *D1 Editor-in-Chief*

“What are these segments and how many are there?”  
“-- eight or ten nowadays. Main segments are easily recognizable, which profiles are our subscribers and which potential and other target groups.” *D1 Editor-in-Chief*

“How would you define a customer and a reader, what are the differences?”

”If we forget all advertising customers, then we do have a big group of readers who I interpret as customers, those who pay for our services, thus they are either our printed newspaper’s customers or a subscriber to our digital services.”  
*C3 Managing Editor*

The role of a subscriber according to the analysis based on the NVivo Queries and the respondents answers could be summarized as following: a subscriber is formed on the basis of a money transaction, where a person or a company purchases the right to receive digital or printed content and consumes the purchased media content by reading, watching or listening online or in a printed form after paying for it. In most cases, this has been seen as the one who ordered the service or the content. The third analysis part will explore the final role of three frames reader, and in the last

part of this chapter, a tentative answer to the third and only remaining research question will be provided.

#### 4.1.3. Reader Role

The final and third query was made for the word “reader”. The result was 266 detected references to the word “reader”, implicating that this role of the audience and the frame of it is the strongest one on the basis of this data. The context of the use of ‘reader’ is presented in the Word Tree formed with NVivo in the Appendix 3. In the following Table 5 the most interesting contexts from the Word Tree have been translated and gathered together.

TABLE 5. How Has the Role of Reader Been Represented Based on the Data?

<b>Reader (266 references)</b>
Then it is a customer, not just a reader, who makes infuriating calls to us
For example, how a reader of ours can save money or
Grab to it automatically because of the topic
In which we recognize the current
Offer something that our reader cannot get anywhere else
To which we concentrate on or the reader to whom we primarily concentrate on
Potentially interesting media platforms in the advertising department
Way better that our reader is our paying customer
Two kinds of customers and a reader
There is a long tradition of a way of thinking that a reader is a annoying sting in the ass
This is a peculiar business because
Being so useful as a product that
Taking in consideration the different needs of readers
The circulation figures of newspapers have dropped
Expectations can be contradictory

As Table 5 indicates, many of the respondents show an understanding of the necessity of being able to detect the needs of a customer, the three dimensional role of the audience and also the possible contradictions related to the three roles. A few of the most relevant contexts are put together with the original interview question and the answer to provide deeper insights into these indications. The majority of the participants referred to the word “reader” while the theme of the interview dealt as well with the role of a customer. The comments below illustrate these different approaches.

“Do you call in these conjoint meetings, including the representatives of the shareholder newspapers readers as customers, and talk about their needs and ways of meeting the needs, and has there been a change in the amount, increased or decreased, of that kind of talk?”

“This is a good question. Easily we discuss in the meetings how the organization is working because it needs to be working before a customer even noticed the fulfilment of the needs, after all that is the way to fulfil them.” *B1 Editor-in-Chief*

”How do you see the role of a reader aside from the customership?”

It is the same thing; the continuous subscribers are after all paying yearly about 400 euros; it makes a customer and not just a reader who makes infuriating calls to us. We have a long road ahead if we want to learn customer service. In this industry, there is a long line of thinking that a reader is an annoying sting in the ass and whom we have tried to avoid at any cost, but that approach worked for the industry only a bit over 100 years. It will be a long road to walk to learn to understand the diversity of our readers, that all of them are not from the same wood but partially have different needs.” *A2 Managing Editor*

”What kind of a customer is the most relevant?”

Paying reader who prefers to subscribe to the whole package, including the chargeable online content. Also, the advertiser is a customer of a newspaper, even though not from the editorial office’s standpoint. We should not forget that we have two kinds of customer and a reader. This is a peculiar business because it supports our commercial business to have readers who do not subscribe to our content. Especially in the online operations, we need those kinds of readers in order to be able to sell advertisements to those online contents.” *C3 Managing Editor*

”You mentioned earlier that in the journalistic way of thinking these are separated. Have you noticed, has there been some kind of change in that thinking during the last five years?”

“Probably the awareness of the industry’s situation might have changed the thoughts. I bet every journalist knows how difficult the times are in this industry and that the advertising sales are in trouble: the circulation figures have dropped and content is being read for free online. After that, online content has been put behind pay walls and other similar solutions have been developed and emerged. Also, as the awareness increases, the reader has been perceived as a customer in financial aspect, but I do not think it has had a much of an impact on the journalistic content; at least, I have not seen cases of it. Of course, we think that we produce interesting content that attracts but I have not noticed that there would have been slipping on the journalistic principles and ethics while making content. We still do pieces on issues and topics that are not always hits online but are important to be reported and that is what guides our work. *B2 Managing Editor*

What comes through from the respondents’ answers seems to be the contradictions not only between the three roles of the audience but also the dualistic business model of the whole industry. On one hand you are serving the higher principles of journalism and the reader on the side who is seen in the principles as a member of the surrounding society.

As argued in previous chapters, Picard has suggested (Dal Zotto & Picard, 2006, p. 4) that newspaper publishing companies recognize too late new opportunities because they are too anchored to their traditional business and models. The emphasis on the reader role can also be

considered to validate Picard's notion, but also as an implication of the strong normative tradition and role of a newspaper. The dualistic business model seems to be causing a clash between the subscriber role, perceived as the biggest source for revenue, and the reader role, indicating the newspapers' normative dimensions as merit goods. After all, a newspaper has to fulfil both the profit goals and the 'merit goods' value as well. It has to serve the needs and wants, i.e. fulfil the expectations laid upon the product both by the shareholders and the audience.

On the other hand the aim is to produce a steady stream of revenue and a good profit which requires meeting the readers but also the advertisers' needs and possibly turning them into subscriptions or continuous advertisements. The role of a reader could be summed up as: a person who consumes media content by reading, watching or listening online or in a printed form without necessarily personally paying for it. They are needed in order to attract the advertisers for example online based on the number of page loads which is what attracts to buy the online advertising. A reader is a potential source for revenue and profit if able to turn into subscription relationship. Thus the following three roles indicated on the basis of the analysis can be summed in the following Table 6 and crystalized into a Figure 6.

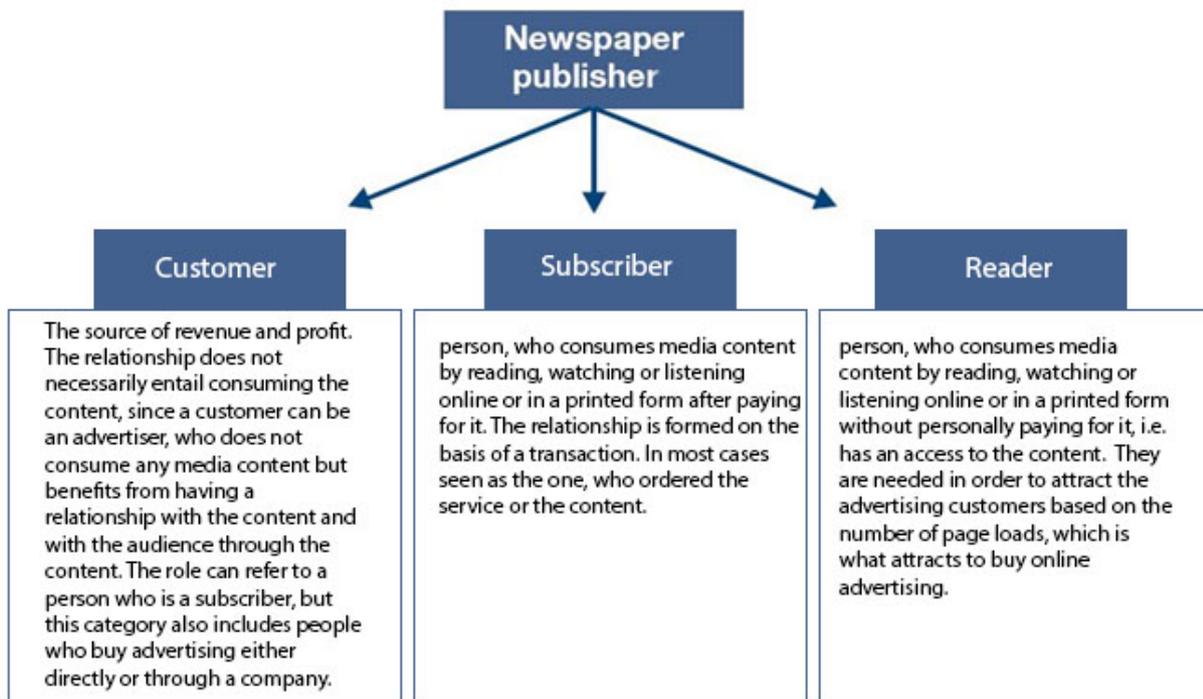
It has been argued in Chapter 4, that the theory suggests that CRM might increase the value perceived both by the media companies publishing newspapers and the value perceived by the consumers of the media only if the media companies are able and willing to distinguish, detect and serve different the parts of an audience considered as the most valuable in regards to revenue and profit. According to the findings, the managers of editorial offices refer most commonly to the role of a reader.

Although, in the light of statistics and suggestions of CRM, the reader is not the biggest source of revenue, but instead a subscriber. Therefore, an emphasis on the managerial discourse ought to move more on the direction of a subscriber role instead of a reader when it comes to the content planning and creation processes if the newspapers' seek to benefit from CRM, and its practice. In the following Table 6, the audience roles drawn on the findings are presented followed by Figure 6 that summarizes the roles into a visualisation.

TABLE 6. The Main Audience Roles in regards to the Business Model.

The role	The definition formed through a synthesis of theory and data analysis	The dimensions of the roles as presented in data
Customer	<p>The source of revenue and profit. The relationship does not necessarily entail consuming the content, since a customer can be an advertiser, who does not consume any media content but benefits from having a relationship with the content and with the audience through the content. The role can refer to a person who is a subscriber, but this category also includes people who buy advertising either directly or through a company.</p>	<p>The One Who Pays For The Output                      Readership, Who Is The Customer                      A Reader Is Also A Customer                      Our Reader Is A Paying Customer                      Also An Advertiser                      Expects To Get From Us                      Is A Good Customer. Very Loyal.                      A Reader Versus A Customer                      As Readers We Do Not Use The Term Customer                      A Reader And It Is Not Automatically Same As A Customer                      From The Point Of View Of Content The Most Relevant...                      Do You Mean A Reader By A Customer?                      The One Who Buys The Product                      In That Case I Would Say That Definitely A Reader                      A Customer Pays And This Leads To A Customership In One Way Or Another</p>
Subscriber	<p>person, who consumes media content by reading, watching or listening online or in a printed form after paying for it. The relationship is formed on the basis of a transaction. In most cases seen as the one, who ordered the service or the content.</p>	<p>And Still Others Than Subscribers                      No Longer Measure Newspaper's Subscribers                      Customers Who Are Not Our Subscribers                      What Profiles Are Spot On Our Subscribers                      We Produce To All Finnish People, Practically Our Subscribers                      They Are In That Case Printed Newspaper's Subscribers                      Services, Ergo Are Either Printed Newspaper's Subscribers                      Or Then Our Digital Service And Contents Subscribers                      We Aim To Be So Useful As A Product                      That Nor Paying Customers                      Then We Follow Up What Kind Of                      Then Our Digital Services                      At The Moment We Simply Want</p>
Reader	<p>person, who consumes media content by reading, watching or listening online or in a printed form without personally paying for it, i.e. has an access to the content. They are needed in order to attract the advertising customers based on the number of page loads, which is what attracts to buy online advertising.</p>	<p>Then It Is A Customer, Not Just A Reader, Who Makes Infuriating Calls To Us                      For Example, How A Reader Of Ours Can Save Money Or Grab To It Automatically Because Of The Topic                      In Which We Recognize The Current                      Offer Something That Our Reader Cannot Get Anywhere Else                      To Which We Concentrate On Or The Reader To Whom We Primarily Concentrate On                      Potentially Interesting Media Platforms In The Advertising Department                      Way Better That Our Reader Is Our Paying Customer                      Two Kinds Of Customers And A Reader                      There Is A Long Tradition Of A Way Of Thinking That A Reader Is An Annoying Sting In The Ass                      This Is A Peculiar Business Because                      Being So Useful As A Product That                      Taking In Consideration The Different Needs Of Readers                      The Circulation Figures Of Newspapers Have Dropped                      Expectations Can Be Contradictory</p>

FIGURE 6. The Main Audience Roles in regards to the Business Model of Newspapers.



How these different needs of these three different roles defined through the frames are detected, analysed and turned into everyday tools of editorial offices will be examined in the following part of this analysis chapter.

## 4.2. Product-centeredness in Frames

The questions used to form the dualistic frame of customer-centric and product-centric frame were the following:

If the newspaper is considered as a service, how does the newspaper serve a “customer” and a “reader” and how ought it to serve? If the newspaper is considered as a product, what kind of a product is the newspaper to a customer and a reader, and what kind of a product ought it to be? What are the roles of a newspaper, and which of them is the most important one? 2) What are the implications stemming from the three different roles and the possible contradictions included in them?

The data classified separately into documents under each newspaper’s name was run through NVivo’s Word Frequency Query with a search of the words “product” and “service” and their stemmed forms. The results indicated the number of references by each newspaper, and then the results were arranged as a Table 7 with Microsoft Excel and the percentage shares of each were

calculated. The results obtained from the preliminary analysis of frequencies of the words “product” and “service” are set out in Table 7 and supported by the following insights gathered from the interviews.

“If you consider the newspaper as a product, what kind of a product is it to a reader?”

“-- I really cannot compare it to any other product. I guess it is a commodity of some sort, but not necessarily a necessity. If you think of the printed paper, it longer is the kind of necessity as it used to be.”

“What kind of a product ought it to be?”

“A necessity. -- If you combine the online, printed and other forms that you can think of for a newspaper we should combine them together and make it to be a necessity product.” *B2 Managing Editor*

“How would you define a customer and a reader?”

“If we forget the advertiser all together, then we have a large group of readers of whom I interpret to be a customer the ones who pay for our services, either they are subscriber of our printed paper or our digital content”. *C3 Editor-in-Chief*

“If you consider the newspaper as a service, how does it serve a reader?”

“-- By providing useful knowledge, solutions. We have really been trying to learn how to tell what, how, why, when. Instead of presenting and simply stating a problem, we try to offer solutions. That is one way how we should serve but also by providing contexts, background information, different comprehensions and opinions. We also tend to think that we should serve by providing something that our reader cannot get from anywhere else, if the story, idea or a piece of news feels new and unique, are we able to tell something a person is willing to pay for that makes him or her our subscriber?” *A1 Managing Editor*

“How do you see the role of a reader alongside with the customership?”

“We have a lot to learn in customer service. We have tried to get a hold of the needs of the readers by forming the reader profiles. – The customer service includes all forms of contacting, how you reply to people, how you talk to them and what kind of picture people get of this company due to our own way of presenting ourselves. It does not cost much to be nice to people at the personal level.” *A2 Managing Editor*

Over half of the references are made by those surveyed from Helsingin Sanomat in total 58 percent whereas the least is found in data gathered from Aamulehti and Turun Sanomat, only 10 percent each. One of the possible explanations for this is likely to be the difference in the numbers of interviewees. The use of words could be distorted because there is one person less in the data gathered from Helsingin Sanomat when compared with the others including three persons each.

TABLE 7. Distribution of Keywords Product and Service Mentioned per Organisation.

<b>The name of the organisation</b>	<b>A Product</b> (number of references)	<b>A Product</b> (share of the total in percentages)	<b>A Service</b> (number of references)	<b>A Service</b> (share of the total in percentages)
Helsingin Sanomat	28	58 %	18	31 %
Lännen Media	10	21 %	20	34 %
Aamulehti	5	10 %	15	26 %
Turun Sanomat	5	10 %	5	9 %
Total	48	100 %	58	100 %

The results of the word “service” tentatively indicate that the role of a newspaper is more often referred to as a service in Lännen Media’s data. In total 34 percent of all references of the word service were made by Lännen Media. Although the dispersion of the figures is not that wide among the top 3, it seems evident that the Turun Sanomat uses the least both of the words product and service while answering the interview questions such as ‘What are the most important roles of a newspaper’. This is partly due to the time limitation set by the respondents to the interview. Only 20 minutes were allowed per an interview. This forced reduction in the amount of questions presented and concentration on gathering the data for the main themes of this thesis by asking questions 1, 2, 5, 8, 10a, 10b, 11 and 12. Thus, the aspect of product-centrism and service-centrism was not included in the data to the same extent as it was in the data gathered from the other three organisations.

The most striking result to emerge from Table 7 is the amount of references to the “service” compared to the number of references to the “product” at the row for Aamulehti. It is the single one to stand out as the newspaper referring more often to the word “service” and the stemmed forms instead of the word product and its stemmed forms. For this reason, the figures in the “service” column have been highlighted with the colour red. There are in total 16 percentage points more references to the word service than there are to the word product.

Thus, the use of reader profiles may be linked to more customer-centric approach as there are more references to the word service than there are to “product”. In addition, Aamulehti reported to be the only one revealing that they had previously applied the Research Institute’s Social Change (RISC) Monitor in order to monitor social change among people by analysing their lifestyles, attitudes and values. This suggests that there might be causality between the tradition of using customer segmentation, profiling or RISC Monitoring and the customer-centric approach (see Hujanen, 2008, p. 186). The tentative indication of these links can be perceived as guideline but it

cannot be turned into a conclusion that an organisation indicating a history of using RISC Monitor automatically is more customer-centric than others since this study covers only one of those cases. The findings are partly at odds with the hypotheses that the managers of editorial offices indicate a more product-centric than customer-centric approach.

So far, this chapter has considered the three roles of an audience in the light of the analysis. Let us now turn to the implications related to these three roles before summarizing the findings and proceeding to the conclusions.

### **4.3. Tensions between the Frames and Audience Roles**

As stated by (Lai & Ku 2003), in a traditional newspaper the relative importance of news is determined by an editor, referenced as managing editor in this thesis (In Kaplan, et al 2009, 9). According to Kaplan (ibid) Lai & Ku continue by arguing that this is not the best way to serve clients with diverse interests. In the light of the statistical trends of the circulation figures, it seems evident that the newspaper publishers can no longer afford to lose subscribers in numbers since according to the breakdown of the revenue streams in the statistics the subscribers are the main source of revenue.

As an attempt to serve the diverse interests a number of tools and techniques have been developed, for instance adaptation of RISC Monitor as an editorial tool guiding the content-making processes (see Hujanen 2016; 2008). As Hujanen (2016) reports: “there are signs that the role of the liquid modern journalist is evolving towards that of the liquid journalist economist. At the level of middle management, a liquid journalist economist can easily combine the traditional journalistic ideals of public service, autonomy, and objectivity with those of product development, marketing and advertisement” (Hujanen, 2016, p. 32). However, this does not take in consideration the other possible outcomes (all but financial) of emphasising the diverse interests of the readers and subscribers.

Nevertheless, Sunstein (2001) and Collins and Butler (2003) made critical statements about individualized newspapers, their dangers, and negative implications for society. The problem is that readers can limit themselves to certain very specific points of view. These critical sentiments thus argue that the freedom to choose and customize news messages has undesired welfare consequences. Furthermore, it is almost impossible to discover new areas of interest by browsing through the newspaper: “If all my information is personalized, how will I ever learn anything new?” (Silverstone, 1999, p. 20). This point of view is supported by Tewksbury and Althaus (2000) who, in a study of university students, found those who read the online edition of the New York Times read fewer international and national political reports than readers of the traditional printed version (Kaplan, et al, 2009, 10).”

The question presented by Silverstone (1999) is at the very heart of the phenomena raised by the social media and especially Facebook (see Guardian 2016; The New York Times 2016). The customization of the contents according to the different audience roles and their diverse interests and expectations might also affect the strategies and the customer base of a newspaper publisher. Previous researchers have reported contradicting outcomes.

“-- some researchers suggest that customers are willing to pay a price premium for customized products, because they perceive higher value due to a more appropriate product specification in terms of their needs than the best standard product available (Peppers & Rogers, 1997; Pine, 1993; Pine, et al, 1995).“ (Kaplan, et al, 2009, 11).

Other studies indicate (Kaplan, et al, 2009, 15; McCutcheon, Raturi, & Meredith, 1994; Zipkin, 2001) that audience is not willing to pay price premium for individualized newspapers.

Consequently, managers attempting to implement a mass-customizing strategy are concerned only with technical or organizational aspects. Yet, before implementing a mass-customizing strategy, it is essential for management to know whether customers actually appreciate this new concept and are willing to pay for it.“ (Kaplan, et al, 2009, 15.)

For these reasons further research of how the varied interests of the different audience roles are taken into consideration and adapted as a part of journalistic practice by media managers is needed. However, the concern of the audience getting the power to influence the decision making regarding the newspaper contents could also be considered from another standpoint.

“ -- The factory is the heart of the business, working together with other functions to bundle services with products to anticipate and respond to a wide range of customer needs. -- Products which are self-customizing do not necessarily have to be customized by the end-users themselves. Who will undertake the role of customizing at the product will of course vary with the industrial structure and technology. (Åhlström & Westbrook 1999, p. 271) “

From this perspective, the third research question concerning the implications is crucial since the managing editors responsible for determining what topics to cover could be gaining more importance as a gatekeeper for the fulfilling the expectations. This could potentially lead to a more valuable position inside an organization. The implications are discussed in more detail in the next section of this analysis chapter.

#### 4.4. Implications of the Audience Roles

The questions used to form a frame to examine the implications of the dualistic frame of customer-centric and product-centric frame were the following. How do you take into consideration the most relevant “customer” and “reader” in your editorial office? How are the differences or similarities of the definitions of a “customer” and a “reader” present in your everyday work? What kind of wishes and needs does a “customer” have? What about a “reader”? How do you get knowledge of these wishes, needs and wants? How has your newspaper tried to fulfil these expectations of the most relevant customer? How are these expectations combined with the everyday work? In what kind of situations do you revisit the expectations? Are there some contradictions stemming from the differences between a customer and a reader? What kind of a dialogue does your editorial office have with the advertising and circulation department, provide a few examples? What solutions are suggested for these problems or contradictions, i.e. what are the tools to cope with the different expectations of the audience in its three roles?

To the question of how the newspapers were to identify the needs of a reader and a customer Helsingin Sanomat, Turun Sanomat and Aamulehti indicated that they have a tool specifically built to serve this need but not all of the organisations wanted to provide the tool for a part of the study. Lännen Media had executed a visualisation to demonstrate how they define for whom the content is made. The only one without any kind of tool relying solely on the readership research and its results is Turun Sanomat. Thus the answers are taken in a closer examination and the results of NVivo’s word frequency query are classified into rows by the newspaper they represent.

TABLE 8. The Breakdown of the Frequency of the Three Audience Roles

<b>The name of the organisation</b>	<b>A Customer</b> (number of references)	<b>A Subscriber</b> (number of references)	<b>A Reader</b> (number of references)
Helsingin Sanomat	44	16	63
Lännen Media	53	7	83
Aamulehti	38	8	54
Turun Sanomat	32	3	67
Total	167	34	267

What is striking about the figures in the results presented in Table 8 is that the media outlet with the highest number of references to the audience role customer is the Lännen Media owned by the shareholding newspapers. The least references are found in the data gathered from Turun Sanomat. This suggests a link may exist between having an actual tool, i.e. reader profiles or customer profiles, or an illustration of the customership or readership and the customer-centric

approach. The portions were turned into percentages and the total portion of each role in a given company was compared with whole amount of all three roles in the references put together. Table 9 represents the breakdown of the shares.

TABLE 9. The Relative Share of The Roles Mentioned per Organisation.

The name of the organisation	Customer role		Subscriber role		Reader role		All roles	
	Share	N	Share	N	Share	N	Share	N
Helsingin Sanomat	36 %	44	13 %	16	51 %	63	26 %	123
Lännen Media	37 %	53	5 %	7	58 %	83	31 %	143
Aamulehti	38 %	38	8 %	8	54 %	54	21 %	100
Turun Sanomat	31 %	32	3 %	3	66 %	67	22 %	102
The average share of each role and the average number of references made	36 %	41,75	7 %	8,5	57 %	66,75	25 %	117
Total share of each role and total number of references made	36 %	167	7 %	34	57 %	267	100 %	468

Every figure that exceeds the average percentage is highlighted with the colour red in order to make easier to distinguish the results. The amount references exceeding the average number made to the role “customer” are made by the representatives of Lännen Media and Aamulehti.

The highest amounts of references exceeding the average of the role “subscriber” were collected from the Helsingin Sanomat data. Lastly, the role of a “reader” is emphasised more in the results of Lännen Media’s and Turun Sanomat’s data.

This suggests that the Lännen Media’s respondents use more variedly the words “customer”, “subscriber” and “reader” than the respondents from other organisations. Helsingin Sanomat stands out from the Table 10 as one using the most of the references of the word “subscriber” but also referring a fairly average amount to the other words as well. Turun Sanomat is clearly the one using mostly word “reader” when discussing the roles of an audience. The difference between the share of references made to the words “customer” and “reader” is surprising since the “subscriber” can be seen as the biggest source for revenue making the subscriber the primary customer.

TABLE 10. Number of Overall References to the Roles Mentioned per Organisation

The name of the organisation	The total amount of references to all roles	The total amount of references to all roles in percentages
Helsingin Sanomat	123	26 %
Lännen Media	143	31 %
Aamulehti	100	21 %
Turun Sanomat	102	22 %
Total	468	100 %

The Table 10 presents which of the four organisations use most the words “customer”, “subscriber” and “reader” when examined as a whole. One third of all the references to the three roles of an audience were made by Lännen Media. All in all, the dispersion of the percentages does not vary greatly. The least amount of references was 21 percent from the Aamulehti’s data leaving the difference between the most and the fewest at 10 percentage points.

If we now turn to the implications of these differences, the ways the insights and information of the expectations of the “customers”, “subscribers”, and “readers” are gathered vary, also at the level of an organisation but also at the level of a single respondent.

Some prefer the traditional readership study or audience survey depending what the tool provided. Some stress the use of analytics of online content. Most of the interviewees reported having repetitive discussions with the advertising and circulation departments to gain insights that guide their journalistic practice. This is a result also reported on the basis of similar data studied and conducted by Hujanen (2016):

“For example, at Helsingin Sanomat, people from the newsroom and those from the financial and PR department met several times a day. As stated by one interviewee, there no longer existed any journalist who would flinch at someone from the “economic side” of the company making a suggestion about journalistic content.” (Hujanen, 2016, p. 31.)

Two of the interviewees described the situation in contradicting manners as follows:

“How have the managers of the newspaper been defining the target group?”

“We have executed the segmentations of our target groups for the purposes of the journalistic practice but also the advertising department. They do not guide our work but do help us to define different groups. -- how much a single journalist uses them at the everyday work, probably not much.” *D2, Managing Editor*

“How would you define a reader and a customer?”

“-- To the customership I would say that we in the charge of the editorial office think of the reader for whom of course we make the important and interesting content. That person is also a customer but customership is more related to the advertising department and circulation department because they have customers and customers subscribe to a newspaper and customers buy adverts. To us they are readers.” *C1 Editor-in-Chief*

Some of the interviewees of this study also indicated that the needs of a “reader” are guiding the work of journalistic practice in the form of reader profiles. As CRM theory suggests the focus should be in serving customer, maintaining, renewing and nurturing the customer relationship. These notions are echoed by the following quotes from the data.

“How does your newspaper aim to fulfil the expectations of the most relevant customer?”

“Our goal as a product is to be so useful that a reader cannot cope without it or let’s say so useful that the reader is ready to pay for it. What it means in practice, is challenging because there is no such thing as an ideal person as in a customer but rather our readers as a group are formed from different people who have very different interests. If we go about producing a good product for one group of people, it could turn out that two or three other groups do not care for us any longer. We try to find a guideline that does not please everybody but satisfies the need for information.” *C3, Managing Editor*

”Do you refer to the readers as customers in the conjoint meetings with the shareholding newspapers and do you talk about the needs of their customers and how to fulfil them? If so, how has this changed, is there more this kind of talk?”

Of course we talk about that but there is far too little this kind of discussion in journalism. If we sell lamps or burgers, then you bet we talk about what kind of lamps a customer needs and of what kind of burgers the customer wants to eat. In journalism the starting point is in the social context that justifies the action and also provides a meaningful source of motivation to many. I come to work every day and I get paid, but the payroll has never been the most important thing. There is another motivator in this; I would do this work even if no one paid me for doing it. -- Many journalists are like that. And then there are the ones who feel like being in a service business, for those kinds of journalists I am always looking, who want to talk about a customer, who figure out what is the context in which a piece is read, where at it is read, what need it fulfils. And these needs can be very different, on one hand it can be thirst for knowledge but quite as well it can be something else. It is a common belief that people want knowledge but I think that is overrated. Knowledge is the basis of this all, but the thrill and experience people look for is a much wider concept.” *B1 Editor-in-Chief*

“How does this differ from a RISC Monitoring?”

In RISC the readers were divided into four groups according to their values and attitudes. – RISC is a pretty broad tool to use but it can give some guidance how to target the journalistic content accordingly. -- Now we have reader profiles that provide very accurate information in their ways of using media.” *A3 Editor-in-Chief*

“Do you some kind of a target group or RISC tool?”

Concretely we do not have a RISC analysis in use or a table indicating that types of readers but in the process of making we have outlined different reader profiles who we try to reach and who we would like to reach.” *C1 Editor-in-Chief*

“What are these segments? How many of them are there?”

“It is a trade secret... but I think there are eight or ten of them. The major segments are easy to identify, which of them are our subscribers, potentials and other target groups.” *D1 Editor-in-Chief*

It seems the managers of editorial offices are willing to have an open dialogue when it comes to ideas and suggestions. However, this raises an important question about the power-making decisions regarding the journalistic content and it was presented also in the answers. The right to make decisions is very strictly protected and kept in the hands of managing editors and editors-in-chief. Only one of the respondents indicated that the advertisements could be considered as a part of the content that serves the customers' needs, which in the newspapers' case is the “subscriber”.

“ -- surely there are many kind of functions that are more varied than usually people tell, that a newspaper reports news. Of course a newspaper is that too, but is way more than just that, it is only the tip of an iceberg. And certainly the advertising on the paper serves the customer by letting you know where you can buy products at an affordable price.” *B1 Editor-in-Chief*

This ethical guideline can be seen clashing with the basic idea of Customer Relationship Management (CRM), which is grounded in the idea of serving the customers' needs. The idea of “customer” needs has its roots in Maslow's hierarchy of needs but is not limited to it in the era of e-commerce (Chang & Wu, 2010, p. 89). The CRM and its strategies are designed to ensure that the companies focus remains on the most valuable financial asset: its customer base.

As (Peppers & Rogers, 2011, p. 3) phrases: “No company can succeed without customers. If you don't have customers, you don't have business. You have a hobby”. By recognizing these needs of customers, the company can serve the needs. Different product and profit strategies have been developed to ensure that a need gets satisfied with a most profitable product from the company's point of view. Thus the products and services can be for instance luxury goods, scope through scale goods or even mass produced goods. Each one bears a given meaning in the company's competitive strategy as explained earlier in the theoretical framework of this thesis.

Could the possible tension be solved by including the editor-in-chief in to the board of directors, since the editor-in-chief has the final say, concerning the media content produced by the editorial office?

“We don't actually discuss with media marketing and sales operations. Sometimes they suggest if we (refers to the editorial office in general) could be involved with a conjoint event or they give us tips for news. That aside, the greetings from those operations arrive to us through the board of directors of which our editor-in-chief is a member. We try to keep our media content as distinguished as possible from the commercial content. It is a crucial aspect to ensure the objectiveness and creditability. We might have on the front page of our online publication an advertorial but we tell if it is a paid commercial content that a company has wanted to buy on our front page.” *A2 Managing Editor*

“I don’t know if there are patent conflicts in the interests of a customer versus a reader. After all readers are eager to threaten to end their subscriptions if we do not please them, and you cannot please everyone. We cannot surrender the power to make decisions concerning the content of media even to our readers, because I do not think that would make a good product in business sense if it did not upset readers. However there is a conflict to some extent online. There are a lot of commentators in our online news who bring zero profit in our company and yet have very strong opinions of our media content. I would much rather listen the feedback from a paying subscriber. In the end of a day we produce pieces of news to the large group of readers because also the members of that group change quite a bit. People take temporary subscriptions and our goal is to get new customers from that group of temporary readers.” *C3 Managing Editor*

The Finnish mass media contents are monitored by The Council for Mass Media (CMM, in Finnish JSN). It was established in 1968 and operates as a self-regulating committee and does not exercise legal jurisdiction (JSN, 2008).

“Its task is to interpret good professional practice and defend the freedom of speech and publication. -- The journalists and other personnel engaged in media who have affiliated to the CMM have, ipso facto, committed themselves to advancing and upholding the ethical principles of the profession.” (ibid 12.4.2017.)

The second article of the Guidelines for Journalists and an Annex issued by CMM on 1<sup>st</sup> of January 2014 states that:

“Decisions concerning the content of media must be made in accordance with journalistic principles. The power to make such decisions must not under any circumstances be surrendered to any party outside the editorial office.” (JSN, 2008.)

Also another respondent indicates that the board of directors is the forum for managers to get together to share insights, lessons learned, go through fiscal figures and also discuss the point of views of each operation. In addition it seems that the board of directors is the place to influence the editor-in-chief when considering adapting customer oriented approach. As one of the respondents puts it:

“The most tangible situation in which to go through and investigate the different matters from the point of views of each department of the organisation is the board of directors of which our editor-in-chief is a member. In the editorial office it is typical for the managing editor to discuss with the circulation department upcoming events and whether or not they are worth of a piece of news or not from the editorial standpoint. There are two sides in an editorial mind. Firstly, the circulation department might want to have a journalist attending the event to interact with the people there, answering and taking the feedback from the readers present and the event itself might be news. -- Secondly, we produce multiple special issues and supplements yearly of which over 20 are related to a planned main theme. We think over the themes together with the advertising department and partly also with the circulation department to able to identify what kind of themes, topics and trends are emerging and popular and if we should do a supplement on a specific trending topic. It is very natural for us to do a supplement that is in synchronization for example with the changing of the seasons such as gardening supplement in the spring and one about Christmas in December and so on. We usually plan a marketing calendar; it is theme plan for the whole year. The advertising department can present their own wishes to us concerning the yearly plan. -- Usually the case is that we in the editorial office want to do a supplement for, let’s

say for families with kids, and then we hope the advertising department thinks our idea for a supplement is a good one and that they will sell advertisement for our supplement. -- But we are very strict about the principle of editorial office and the journalists who are part of it are doing the content. Of course we welcome all tips for news and stories from the advertising department but we, in the editorial office, decide if it is worth a story or not. The supplements are journalistic ones, not merely advertising supplements. -- Our goal is to connect with our media content all the people living in our circulation area and this makes us think in collaboration, editorial office, advertising and circulation departments, what could the new products be, for instance in digital operations. *CI Editor-in-Chief*

Thus far this thesis has argued that three audience roles can be identified in the editorial managers' thinking in regards to revenue generation model of a newspaper and its most feasible customers. In addition, the analysis implies that there is a more reader-centric perspective that connects with the product-centrism as a part of the journalistic practice. As an implication of this, different degrees of tools have been developed by the editorial offices in order to identify the most feasible customer and its interests of topics. Two of the four companies represented in this study have a very detailed tool that concentrates on the service aspect. For instance, one of these two has a timeline indicating which segment can be reached via certain medium at a given time giving a guideline to the journalistic practice applied in the editorial office. The next chapter draws the principal conclusions on the basis of the analysis and findings discussed in this chapter.

## **5. DISCUSSION & CONCLUSIONS**

### **5.1. Theoretical Contribution**

The objective of this study has been to increase knowledge and the current state of understanding for the different roles of an audience in the editorial office's managerial level as a source for revenue, value and profit. The purpose was to examine how the managers refer to a member of an audience and how they define the different roles in regards to business model applied in the newspaper industry. The following discussion is structured under the three themes presented in the three research questions of this study that aim to provide observations based on the data of this study in the light of the previous studies conducted in this specific field of media research.

The empirical research was conducted in two phases. Firstly, the data was gathered and then coded according to the descriptions used to define the roles of audience. In the coding phase a third role emerged from the data, and this was included in the analysis as a third role. Secondly, these three roles formed the frames of an audience. These findings of the two analytical phases are intertwined and support each other but also the previous studies conducted on a similar topic yet. The three seminal roles of audience are represented together with the definitions in the following

to provide an answer to the research question #1: In what sense do the managers' of editorial offices in the biggest newspapers in Finland consider different roles of an audience and what similarities and differences occur between the editorial managers perception of these roles and in conceptualizing them? The hypothesis #1 was that editorial managers do not speak about customer but rather a reader when making decisions concerning the content they produce, which has proven to hold true on the basis of this study and its results.

***Proposition 1. The role mostly considered in journalistic practice is a reader.***

The most references in the answers of all questions were made to the role reader. It was mentioned 266 times by the respondents in the data gathered leaving the role of a customer (165 mentions) and a subscriber (34 mentions) behind. Firstly, one of the reasons behind the phenomenon could be historic point of view. Before the online media outlets the printed product was the way to get the news in the morning accompanied by televisions and radio news. Thus, a reader was more likely to be a customer since the barrier to entry the content of a newspaper, was very limited yet non-existent. In 2008 Hujanen came to the conclusions on the basis of her research that the RISC Monitor helps journalists to serve their readers in multiple roles: as consumers, consumer citizens and politically active citizens (Hujanen, 2008). Since the main focus of her project was on the dimensions of civic journalism these three roles differ from the definitions of this study and its findings. However there might be some links detected to the roles in Hujanen's work (ibid). However, these possible similarities and differences cannot be discussed in detail since definitions of these three roles are not provided in Hujanen's study (ibid).

The technological development has changed this setting (Napoli, 2010). The media content can be consumed almost free of charge anywhere, anytime by anyone leading into more fragmented market and dispersing customer base (Viljakainen & Toivonen, 2014, p. 23). The time, money and willingness to spend it on certain media outlets are fragmented (Picard, 2006a, p. 10). This has pushed the companies to find new ways of fulfilling the expectations of their readers but it also has an implication on the business model of a newspaper.

Secondly, the rapid pace of the changes has forced the editorial offices to change demanding the skill set of the journalist and the managers to develop accordingly. Although the background information gathered from each respondent indicate that the formal training of the interviewees working at the managerial level is mostly the same. The participants of this study represented mostly alumnus of the same university and even major: journalism and mass communication in the unit of mass communication, media and theatre. Since the Media Management is a fairly new

field in the tradition of media research it is likely that the education in past decades had not been distressing the need for business model innovation, the underlying business logics and sources for revenue and profit.

Thus, the data and findings could offer tentative implications of the similarity, possibly even strengths and weaknesses, of a certain academic background. Only one or two of the respondents had a background in economics or in marketing. Most of the respondents had majored in either linguistics or social sciences and many of them indicated that they had been promoted a step by step, in other words they were accomplished journalists whose skills were noted and later on promoted. This leaves room for discussion in future research, whether or not a skilful journalist is a skilful manager as well or should there be additional training in the field of economics, HR and business before proceeding in managerial positions.

In addition to defining audience roles, this study has examined the product-centeredness and customer-centeredness drawn on the research question #2: to which degree do the respondents indicate a product-centric perspective or a customer-centric perspective, and how the two are conflicted but potentially also connected, and how do they determine the roles of an audience in regards to sources for revenue? The seminal hypothesis #2 has been that a product-centric perspective is likely to be indicated more often than the customer-centric or even service-centric. Editorial managers tend to regard a reader as an end-user of the content as well as an active participant of a civil society instead of simply main source revenue. The prediction is the product centricism will appear more in the editorial managers' answers than the service aspect included in the customer-centrism.

***Proposition 2. The respondents indicate product-centric approach rather than a service-centric.***

The emphasis of the Finnish journalism took a turn in the 1990's when the movement of civic and public journalism arrived and since then the journalists have been looking for new ways to emphasise the role of the newspaper as a resource of merit goods such as civic society and participatory citizenship (see Ahva, 2004; Heikkilä, 2001). However, it has been stated that the printed forms will likely go through gradual erosion in the following years pushing the magazine but also the newspaper sector towards transform into more service-centric because of both general and sector-specific drivers. (Viljakainen & Toivonen, 2014, p.23). As they continue: "value-in-use cannot be first produced and then sold, but the consuming process is an indispensable part of value creation" (Viljakainen & Toivonen, 2014, p. 27).

There are early signals of similar emerging trend in the data of this study. Two out of four companies represented in this research can be identified to have a more service-centric approach than a traditional product-centric approach which makes half of the companies included in this study. The respondents from Lännen Media who used the word “service” more than a “product” in their descriptive answers when compared to the whole data mass. The second most was the regional newspaper Aamulehti which has reported (Hujanen, 2008) to have adapted the RISC Monitoring tool around the year 2008 but since moved on to other tools. This notion is aligned with the previous results: “RISC-based practices both reflect and are leading to an increase in the influence of media owners and advertisers in defining the practices of journalism” (Hujanen, 2008, p. 195). However, the differences in the figures behind the percentage numbers are small and definite conclusions on who or how many of the four biggest newspaper companies, when compared by their circulation figures, are the most service oriented ones cannot be made.

In the focus of this study have also been the implications as defined in the research question #3: what are the implications of the different roles of an audience, and how are the different characteristics of these roles are taken into consideration from the editorial managers’ standpoint? The seminal hypothesis has been that the managers define the aspects of the different roles in different matters which is likely to cause contradictions. A reader is a customer and the product is bought on the basis of value it entails to the customer, this has a bearing on the criteria and values applied while producing content, selecting the topics and themes for journalism. The third research question aims to compare the theory standpoint with the data indicating the way the managers perceive aspects of CRM, i.e. the standpoints paving a path for applying CRM.

On the basis of the analysis and findings a following proposition has been formatted.

***Proposition 3. There is an on-going change from serving the audience to serving the customer at the managerial level of a newspaper’s editorial office.***

The respondents have indicated in their answers the following. Firstly, the amount and frequency of discussions conducted conjointly with the circulation and advertising departments have increased during the past five years along with the awareness of business model challenges in changing and fragmenting media market.

Secondly, the needs are discussed more often and there is more talk about them than before in order to meet the expectations of the audience better. For instance expressions such as thrills, experience and entertainment repeat in responses which can be considered as a signal of emerging service-centrism. An implication of this can be found in the conclusions of a magazine study:

“Our interviews revealed that the focus has shifted from printed products to solutions – atypical development in advanced servitization” (Viljakainen & Toivonen, 2014, p. 25).

Thirdly, all representatives reported to using some sort of a tool that recognises the expectations of a reader. Two of those were given for background information purposes of this study. One of them was described in detail in one of the interviews and one relied more on the traditional readership research. One of the tools was so detailed that it included a table cross-referencing the time of day with the matching reader profile. This table guided the timeframes of publishing and also the themes and topic selection.

## **5.2. Limitations of the Study**

Before proceeding to examine the conclusions of this study, it is most important to overview the limitations of the conducted research, the weaknesses of the chosen method, relevance and possible shortcomings.

While analysing the results accomplished with NVivo tool, some small differences were noticed in the numbers. In the transcript version including all the data gathered from the respondents but lacking the part of the interviewer’s questions and comments in order to avoid biased results, the program indicated different numbers as a result than if the data was run through as separated into different documents under the name of each organisation and then analysed with the program. The program was used in exact same manner and the same analysing program was initiated in the same exact way. One would need a thorough understanding on NVivo and its parameters to be able to truly distinguish what might explain the difference.

However, the results differed only by one and the difference is presented in the analysis tables in this research. One reason behind this might be the different stemming forms of a given word. For example, one of the respondents referred to a newspaper as a product with an expression “commodity”. Hence it is not included in the tables since the matching word NVivo selected in consideration was “product”. Since the accuracy and the amount of data are limited in this study we cannot make generic conclusions but rather distinguish emerging changes, trends and examples.

All in all, the findings of this analysis might be perceived partly differently by the interviewees due to the possibility that the findings do not accurately represent the data. For instance one of the respondents did not agree with the words used by the interviewer instead of a customer, the respondent wanted to refer to the role with the word “reader” and criticised the interviewer for

using the word “customer”. In the next question the word was switched to “reader” to make a concession and continue the interview. However, this seemed to be a detail that won the respondent on the interviewer’s side since in the next answer the respondent agreed to use the word “customer” instead of the “reader”. Nonetheless it has a bearing on the accuracy of the figures presented in the analysis chapter.

One possible way to avoid this in the future if using the qualitative analysis could perhaps be a referential adequacy, member checks and prolonged engagement, for example in the form of a second interview round during which the respondents get a chance to address the content coded out by the researcher of the first interview. Another challenge of the conventional approach to content analysis is that it can easily be confused with other qualitative methods such as grounded theory method (GTM) or phenomenology. These methods share a similar initial analytical approach but go beyond content analysis to develop theory or a nuanced understanding of the lived experience. The conventional approach to content analysis is limited in both theory development and description of the lived experience, because both sampling and analysis procedures make the theoretical relationship between concepts difficult to infer from findings. At most, the result of a conventional content analysis is concept development or model building (Lindkvist, 1981; Hsieh & Shannon, 2005, p. 1280-1281). The model building can be seen having similar aspects as the frame building and therefore utilised as a tool for frame formation.

Another body of findings concerns the effects of the interviewer’s behaviour and conduct of the interview. The interviewer effects have been controlled in this study to ensure they do not endanger the validity or reliability of response. However, there are limits to the extent of matching that can be achieved. There are also limits to the interviewers’ ability to conduct interviews the same way every time, and differences in respondents and the interview context. (Gilbert, 2008, p. 256.) Such doubts have been taken in consideration at the best of the knowledge and skills of the interviewee and the conductor of this research, especially in the transcription phase. The record has been made as fully and as accurately as possible for scrutiny during analysis. For example some interviews have been conducted via computer-mediated communication as a real-time web camera interview. In the transcriptions a difference could not be identified between the respondents’ answers in face-to-face interviews and ones made via web camera.

Although, this in mind the data should be dealt as stories, some parts might be exaggerated and some undermined but it gives us a guideline of the current situation regarding the possible controversies between customership and readership inside an editorial office. For instance some

respondents might provide accounts of their experience, why the reader has not been perceived as a customer, or even give explanations for their behaviour, such as the media ethics or corporate policies or code of conduct in editorial offices that prohibit them from perceiving the reader as a customer and a main source of revenue (Lindlof & Taylor, 2002, p. 173).

The possible interpretive coloration that managers might add just to seem professional and increase their credibility as professionals has been tried to minimize by making the interviews anonymous. However, usually respondents in this case, also known as informants, offer stable long-term patterns quite well (Lindlof & Taylor, 2002, p. 178). This is the reasoning behind the interview questions concerning the implications of change during the last five year period (see Appendix 7). The stable comprehensions of long-terms shifts and insights on developments being the strong suits of the method and to outline frailties, for example: distorted memories or even false recalls of details of particular events (Lindlof & Taylor, 2002, p. 178). Informant interviews require often an hour or even more and tend to range, even in some of the cases of this study, widely across the experiences and knowledge of the informant (Lindlof & Taylor, 2002, p. 178). The questions of this study have been organized and prepared in order to ensure that the different discourses can be compared and cross-referenced for the data analysis and write-up (Lindlof & Taylor, 2002, p. 178).

However, the data and conclusions drawn from it should be observed with care. They are stories and insight shared by a group of managers who can also be perceived as gatekeepers to the everyday work that goes on in editorial offices and is then done and renewed by journalists. When it comes to the work of a manager, it sometimes might be that they are ill-informed about what actually happens at the lower or even at the middle levels of their organization (Lindlof & Taylor, 2002, p. 177). Therefore this study has aimed to avoid too broad of generalizations throughout the report.

While conducting the interviews, the objective was to present the questions the same way each time, but their sequence and probe were altered for more information. This approach allowed for adapting the research instrument to the respondent's level of comprehension and articulacy, and handling the reality that in responding to a question, people often also provide answers to the questions meant to be asked later (Gilbert, 2008, p. 246-247).

In data collection, a typical problem that rises for the researcher is the way of treating the data gathered by interviewing: is it credible to approach data as if it were the one and only truth or could there be multiple ways of experiencing and seeing same issues (Silverman, 2005, p. 48).

Therefore, it is by no means a simple task to address the best way of approaching gathered data in every situation. The data gathered by interviewing may possess straight access to the experiences, or it can be seen simply as a collection of personally coloured narratives. Both points of view can be accepted as a way of approach but only if the choice is explained and justified. One should always think carefully through if the data collecting method truly is the most suitable one for the research topic and question and why (Silverman, 2005, p. 48).

The main issues in this interview method in general are not only the distortion caused by the presence of an authority but also the way the organizational context is dealt with, and as a last crucial key point, the interaction between respondents is not only possible but also unavoidable (Silverman, 2005, p. 116). The most important point to remember in starting to analyse the gathered data is to stay open-minded. It is likely, if not even inevitable, that the theory, the way of approaching the data, and the research project structure will need to be redesigned, continuously. The researcher needs to keep on building on new findings, while gathering still more evidence to support that, testing, and changing the emerging theory.

Another key issue in qualitative interviewing is called socially desirable response theory, which means that the interviewees might answer according to what they believe to be the right answer or at least the answer that the researcher wants to hear instead of the actual truthful answer. On this point, the attempt to gain the interviewees trust cannot be over emphasized. Trust could be won by giving encouraging feedback during the meeting or indicate that the researcher himself or herself is on the same side of the issue if the topic has good and bad sides in it. One option is always to begin with easier questions that are not so personal.

Of course, the researcher might also want to consider sharing some sort of personal information in the beginning of the meeting/interview. This information could be topic-related, such as their own personal experiences, the own example deriving from life experience, or other similar information. In this way, the interviewee might not feel uncomfortable while sharing private and personal life experiences in the narrative form.

Data collected by interviews may be analysed by two different methods. Firstly, the given answers and data can be seen as gateway to the actual truthful reality. That is also the most popular way of approaching data. In this approach, data is considered as describing some external reality, such as facts or events, or internal experience, such as feelings and meanings. This approach is applied in this study and described in the analysis chapter of this study.

The first possible technique to handle data can be seen as whole a way to emphasize the realism in the given answers in a similar way that the journalism uses its interviewees and their answers. It aims to display a gritty realistic answer to the research question (Silverman, 2005, p. 154). This has been the reasoning why NVivo has been included in the analysis, to provide more objective answers on the basis of statistics and not just on the basis of qualitative analysis. The most obvious issue in this approach can be seen in the generalizability. The generalizations are based on the answers given by a limited amount of respondents. One might always doubt whether or not a reliable saturation point has been actually reached in the number on respondents (N=11) and, therefore, the creditability and generalizability can be questioned.

The qualitative approach of this study is based on the idea of abandoning the attempt to treat respondents' accounts as potentially true pictures of reality and rather as formations of one-time-only situations in that given context, time, space and with that specific researcher. This means that the analysis is leaning on the assumption that both the researcher and the respondent are interacting and sharing something mutual and important, which can then give an access to the true vision of the reality (Silverman, 2005, p. 154). One of the companies represented in this study through the respondents differs from the other media companies because its main purpose is not to compete with other editorial offices but to produce content to be shared among the editorial offices of the owning companies. Hence, the customers are not only the readers of the owning newspapers but also the companies itself as shareholders. This third aspect to the dualistic relationship between readership and customership was the main reason the respondents were added to the research.

However, it is important to keep in mind that the three respondents, interviews and data gathered from this company have a different aspect in addition to the customer-reader-dimension, which is that in business to business the primary customer is not the reader but another company. This difference mostly impacts on the needs of the direct customer, and in this way, the CRM approach chosen because the company sells its products (the media content) to another business (retailer or a wholesaler). This is called a Business-to-Business (B2B) situation. Since this thesis concentrates on examining the focus while making decisions of the product, i.e. the nature of the content, the part of which deals with the ways of identifying and considering a customer in the production phase, remains the same despite the customer group and business model behind it.

As Hsieh & Shannon have stated, one challenge of this type of analysis is failing to develop a complete understanding of the context, thus failing to identify key categories. This can result in findings that do not accurately represent the data. According to Hsieh & Shannon, authors Lincoln

and Guba (1985) described this as credibility within the naturalistic paradigm of trustworthiness or internal validity within a paradigm of reliability and validity. Credibility can be established through activities such as peer debriefing, prolonged engagement, persistent observation, triangulation, negative case analysis, referential adequacy, and member checks. (Hsieh & Shannon, 2005, p. 1280.)

This chapter has reviewed the three main frames of an audience but also described and explained the methods used in in this research to gather, asses, and transcript, and analyse data in this thesis. Having defined the analytical tools and examined the way the data was collected, the following section will discuss the findings and the analysis of the data done by using the analytical framework described in previous pages. The next chapter provides analysis and principal findings.

In similar studies in 2008 and 2010, there were indications of growing interest in studying the readers' values and attitudes by applying RISC Monitor (see Hujanen, 2008; Suhonen 2010). In 2014, a similar study (Viljakainen & Toivonen 2014) was conducted to the publishing professionals from the top management level revealing that there is an increasing service-orientation in the magazine publishing sector but that it also might indicate a change in the entire traditional media sector and markets. The report by PWC in 2009 states that: "Readers expect to be part of the intellectual debate and to be able to contribute to 'their' newspaper, both in terms of commenting on stories and in providing content" (PWC, 2009, p. 15). These notions strengthen the indications of this thesis and are aligned with them.

### **5.3. Suggestions for Future Research**

Future research is needed in the field of strategic media management to increase the knowledge of the field but to develop both the discipline and the industry internally. The possible new dimensions could combine the different theoretical traditions also present in this study that seem to deal with the same manner only from different perspectives. It might be fruitful to research how these intersect but also differ and what benefits might be able to stem from combining them in the prospects of media industry's value creation. Is the future of printed papers and dailies a market niche product; are the days of mass media over? Also, a comparative study with the same focus as in this thesis might provide further insights when concentrating on the managers representing the marketing and circulation departments of newspaper publishers.

From the journalistic practice and organisational viewpoint, it could be intriguing to examine how the adaptation of the different customer profiling tools has been possibly affecting the revenue

gathered from subscriptions. The question at hand seems to be, does every customer deserve to be treated in the same manner when it comes to customer service, needs, and expectations? And if not, what are the future possibilities to offer personalisation? For example, The Finnish Public Broadcasting Company YLE has developed a mobile app in which one can set preferences of seeing content produced and published on favourite topics whereas others are hidden from the main feed of that application.

When considering the ethical dimensions, the most crucial question is: what the adaptations to customer expectation do to journalistic practice and the journalism itself as a means to represent identities and offering ways to form identities. What might be possible benefits stemming from synergy between the customer profiling tools formed, renewed and maintained together and between different operational departments of a media company or inside the company and also including the most loyal advertising customers. In short, what outcomes would these have to open the raw customer data concerning the readers and subscribers within the organisation but also with the advertisers? Also, one of the companies included in this study concentrates on B2B operations but in the discourse of their managers they tend to refer to people instead of other companies represented by people. This dilemma might entail a fruitful prospect for future research, why the managers tend to perceive the advertisers more as people than as other companies and what possible implications of this would entail?

In addition, the customization though identification of audience roles can have undesired social consequences. What kind of people is willing to pay a price premium for customized journalism and what implications would this possibly have? Can newspaper publishers afford to pass on customization as a practice and at what cost?

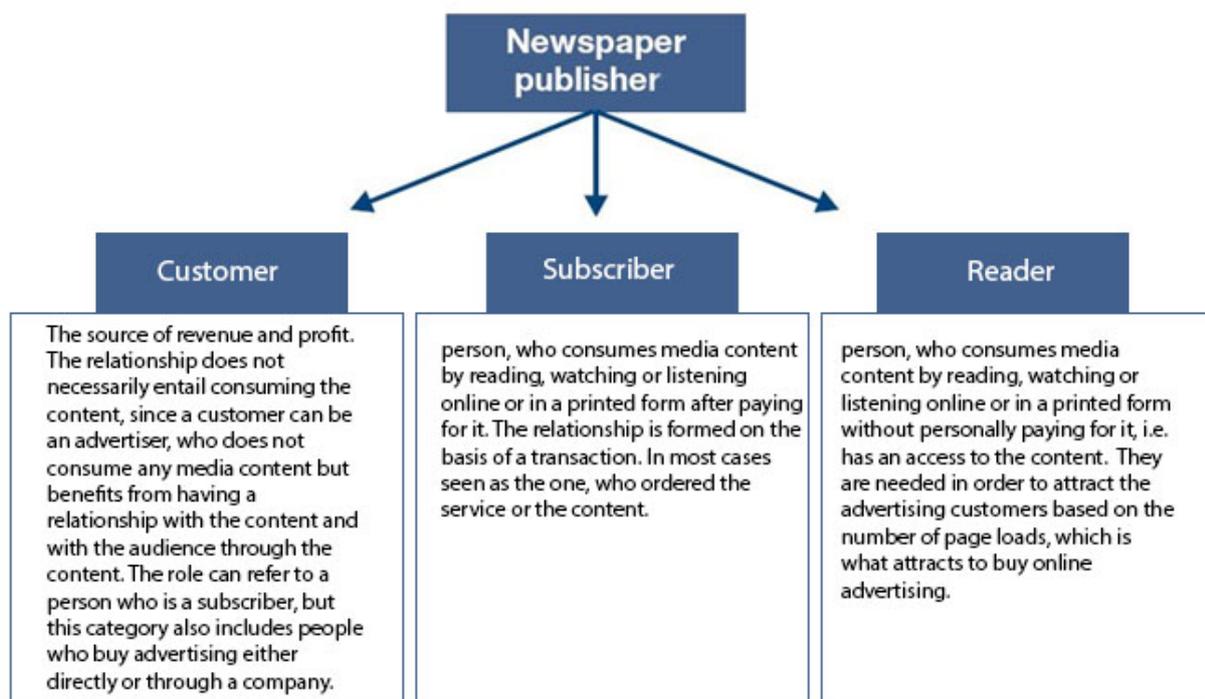
## **6. SUMMARY & IMPLICATIONS FOR MEDIA MANAGERS**

This study has examined audience roles in the editorial managers' thinking of the biggest daily newspapers in Finland. The data has been collected by using themed interviews consisting of 11 respondents from the editorial offices of the biggest daily newspapers in Finland and the transcriptions of their answers. Three of companies represented in this study: Helsingin Sanomat, Aamulehti, and Turun Sanomat are selected on the basis of their circulation figures and one of the companies Lännen Media is chosen on the basis of its position in the Finnish media market as a company selling the journalistic content to the other newspapers instead of directly to the readers and/or subscribers. Two audience roles could be formed on the basis of theory; however, a third role emerged from the data: "subscriber".

The analysis method has been frame analysis that combines quantitative and qualitative tools. The quantitative analysis has been conducted with the NVivo analysis tool. The approaches and methods used are aimed to produce scientifically grounded and applicable insights into prospects of media management. After the data was turned into transcriptions, it was analysed and organised into tables and then aligned with the qualitative analysis and findings. In the chapter 5: Discussion & Conclusion the findings are specified in the context of theoretical framework outlined in the chapter 2. The results indicate three audience roles and verify strongly the three seminal hypothesis of this study.

The three audience roles, which can be identified in the editorial managers' thinking, can be summarised as presented in the Figure 6. On the basis of the findings and theoretical framework, the most important role is the subscriber and its importance seems to gain more and more importance according to the statistical findings in Chapter 4 and based on the OSF 1, 2017. However, there was a contradiction found in the editorial managers' thinking, they tend to emphasise the reader role leaving only a least attention to the subscriber role. The following suggestion can be drawn on this: in order to benefit from CRM and move towards more service-centric approaches, the subscriber role ought to be emphasised more both in the editorial managers' thinking and in the discourse.

FIGURE 6. The Main Audience Roles in regards to the Business Model of Newspapers.



The establishment of these three audience roles in the discourse of editorial office could substantiate the underlying economic bearings these roles have in regards to revenue model and their importance in the formation of revenue and profit. This could reassert the emergence of “journalist economist” as reported by (Hujanen, 2016, 32). These roles and their establishment as journalistic practice might benefit strategic management of editorial offices, and especially the economic dimensions of the management and the revenue formation, because the roles conceptualize the financial dimensions of these roles. However, the boundary might be blurred as journalistic and economic practice entwine.

The results whether or not the hypothesis hold true can be crystallized into following arguments.

**1. Editorial managers do not speak about customer but rather a reader when making decisions concerning the content they produce was proven to hold true in practice.**

The current situation according to the results of this study indicates that editorial managers tend to emphasize the meaning of reader role when it comes to the audience roles of a newspaper. However, the findings imply that the emphasis of a customer is growing and likely to keep on growing, which is aligned with the previous studies conducted in this field of research. Also, the dispersing customer base along with the value chain analysis reveals that more attention to the most relevant customer is needed in order to strengthen the customership and profit/revenue (i.e. making sure the subscription is rather permanent than periodical).

**2. A product-centric perspective is likely to be indicated more often than the customer-centric or even service-centric.**

The dispersing customer base along with the value chain analysis reveals that more attention to the most relevant customer is needed in order to strengthen the customership and profit/revenue (i.e. making sure the subscription is rather permanent than periodical).

**3. The managers define the aspects of the different roles in different matters which is likely to cause contradictions in the implications of these roles.**

Some of the companies represented in this study report having developed tools for identifying the desires of different audience roles. The degree of precision varies. Some tools provide a timeframe and a suggestion for a medium to use for publishing content on certain topics in order to reach a specific audience role. Others are more approximate guidelines to be used as a part of a planning process. Although, a use of such tool might

indicate better revenue and profit figures, it also has a social implication. If the different audience roles are given the power to choose the content to each liking, there is a possibility, they will limit themselves to specific points of view and outline the possibility to attain new points of view and learn something new but different to their liking. The customization through identification of audience roles can have undesired social consequences.

As noted in the previous chapters of this thesis, there is an on-going change in the business of newspaper publishing. The aim is to focus more on the audience role forming the biggest, and hopefully, the steadiest stream of revenue. Tools and practices are currently being developed in order to distinguish this audience role and also the desires, uses, and gratifications of this role. Some publishers are ahead of their competitors, whereas, some are only now recognizing the need to improve the customer- and service-centeredness. All in all, the adaptation of Customer Relationship Management as a part of journalistic practice indicates to benefit the newspaper publishers.

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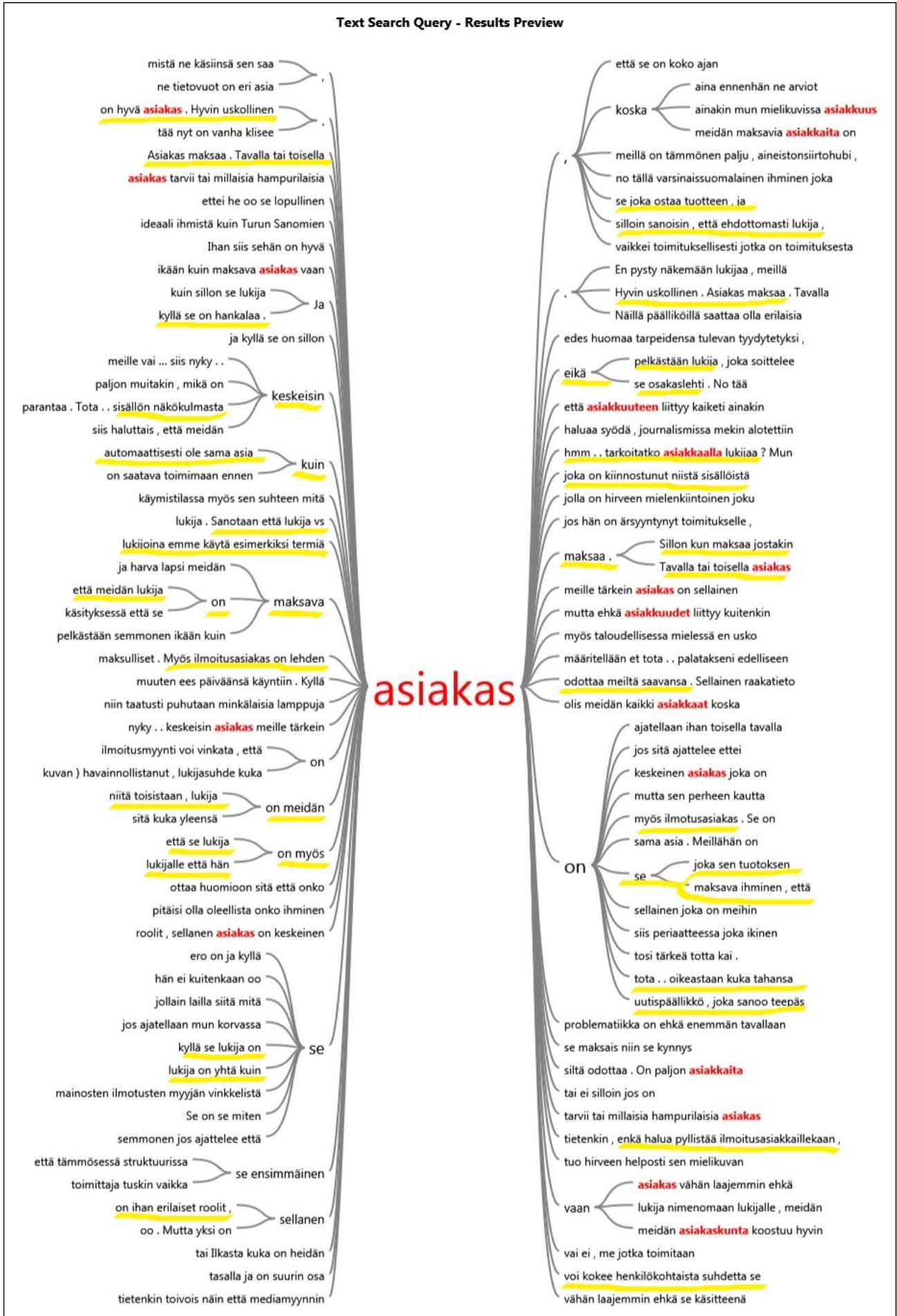
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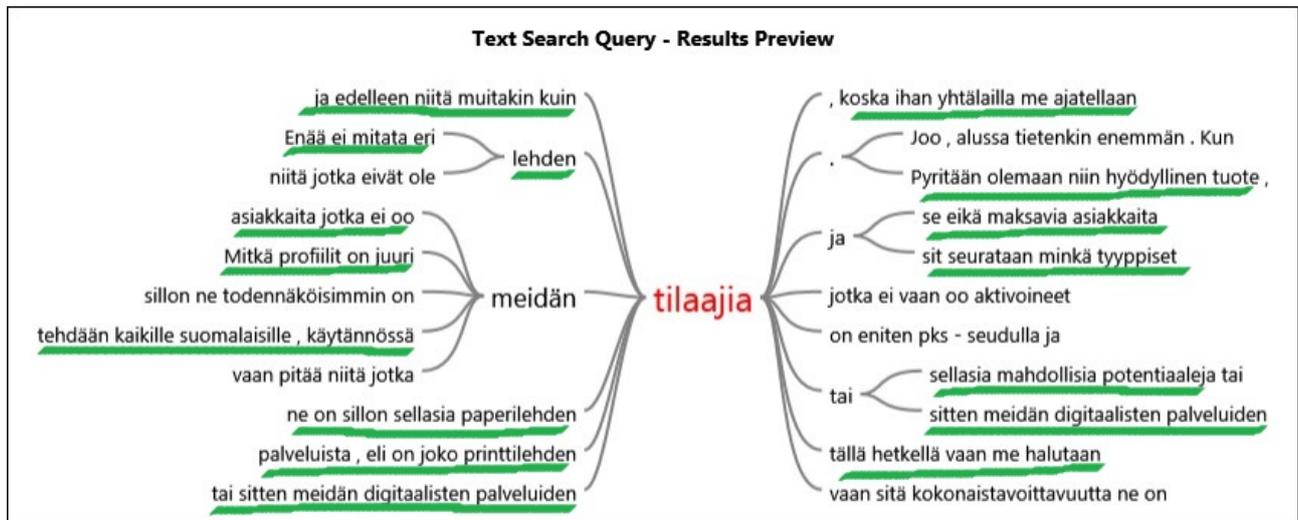
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# APPENDICES

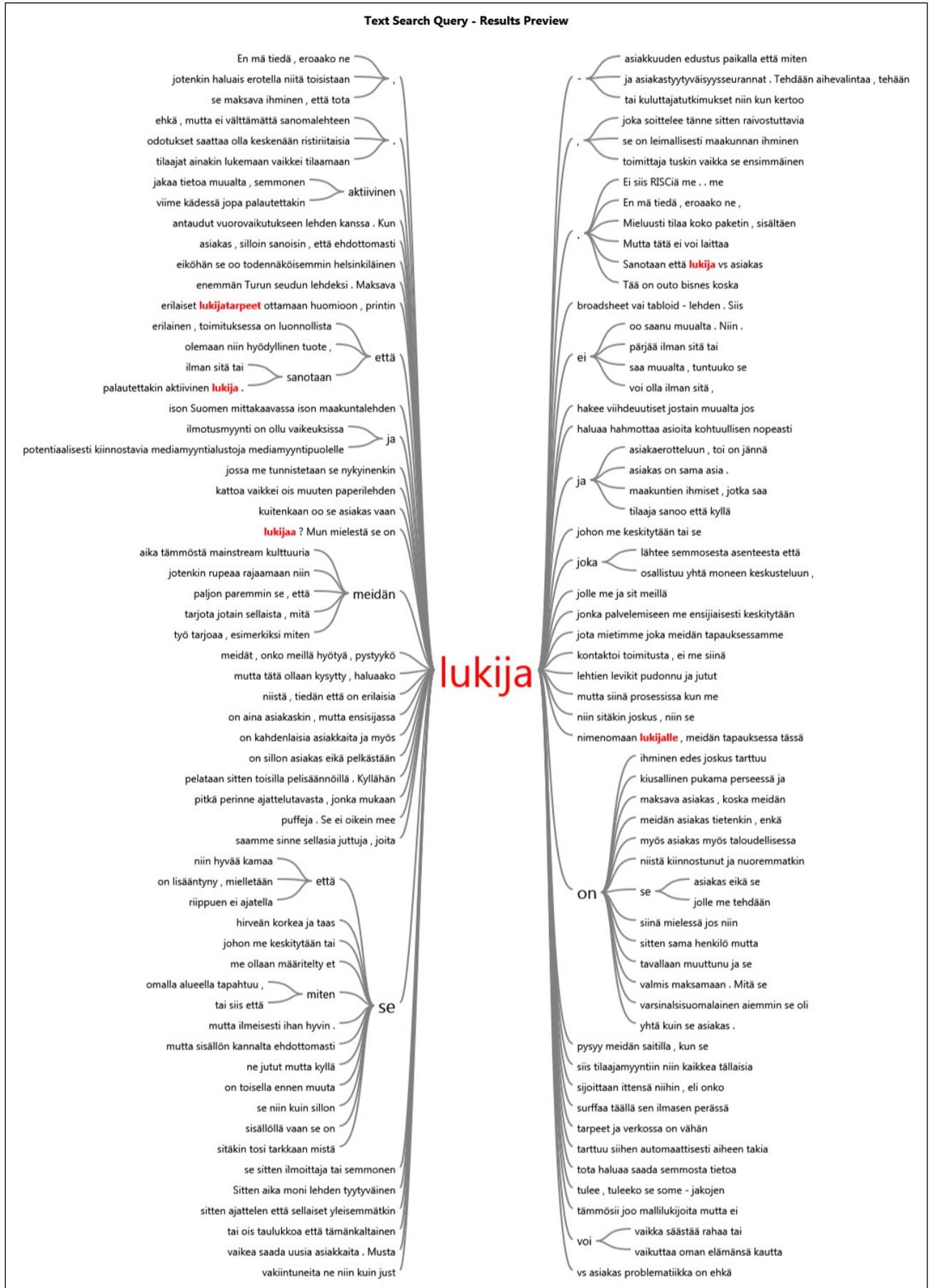
## APPENDIX 1. Results for text search query conducted by NVivo: Customer



## APPENDIX 2. Results for text search query conducted by NVivo : Subscriber



# APPENDIX 3. Results for Text Search Query Conducted by NVivo: Reader





APPENDIX 5. The list of the interviewees (ranked by the circulation in descending order)

1. Lännen Media (circulation reported on company's website, in total without online operations 550 000)

Matti Posio, Editor-in-Chief  
Jussi Orell, Managing Editor  
Marjo Oikarinen, Managing Editor

2. Helsingin Sanomat (Media Audit Finland, 2016, circulation total without online operations 321 828)

Antero Mukka, Editor-in-Chief  
Erja Yläjärvi, Managing Editor

3. Aamulehti (Media Audit Finland, 2016, circulation in total without online operations 107 477)

Jouko Jokinen, Editor-in-Chief  
Timo Ylihärtilä, Managing Editor  
Suvi Tanner, Managing Editor (has changed positions since the interview, currently development manager of digital media within the same corporation)

4. Turun Sanomat (Media Audit Finland, 2016, circulation in total without online operations 81 639)

Kari Vainio, Editor-in-Chief  
Riikka Monto, Editor-in-Chief  
Veijo Hyvönen, Managing Editor

## APPENDIX 6. The interview questions represented to the respondents (tutkimushaastattelukysymykset)

### Teemahaastattelun kysymysrunko

Teemahaastattelun aiheena on asiakkuus sanomalehtituotteessa. Haastattelun kesto noin 60 minuuttia. Alla olevien kysymysten lisäksi haastattelussa saatetaan esittää tarpeen mukaan lisäkysymyksiä.

1. Mitkä ovat sanomalehden tärkeimmät roolit? Mikä on se mielestäsi keskeisin?
2. Kenelle teidän lehdessä tehdään sisältöjä? Miten johto on määritellyt kohderyhmän, mitä johto sanoo, kenelle kirjoitatte? Onko toimituksessa pyritty määrittelemään sitä?
3. Jos ajattelet sanomalehteä palveluna, miten sanomalehti palvelee asiakasta ja lukijaa ja miten sen pitäisi mielestäsi palvella?
4. Jos ajattelet sanomalehteä tuotteena, mikä tuote sanomalehti on asiakkaalle ja lukijalle? Millainen tuote sen pitäisi olla? (journalismi tapahtumana esimerkiksi Musta laatikko, live-journalismi)
5. Millainen on sanomalehden keskeinen asiakas?
6. Miten hahmotat lukijan roolin asiakkuuksien rinnalla?
7. Miten otatte toimituksessa huomioon keskeisen asiakkaan ja lukijan?
8. Miten määrittelet asiakkaan ja lukijan? Minkälaisia muutoksia on viimeisten viiden vuoden aikana tapahtunut asiakas- ja lukija-ajattelussa?
9. Miten näiden erot/yhtäläisyydet näkyvät työssäsi?
  - a. Millaisia toiveita tai tarpeita lukijalla on?
  - b. Entä asiakkaalla?
  - c. Miten näistä saadaan tietoa?
10. Miten sanomalehti pyrkii vastaamaan tämän keskeisen asiakkaan tarpeisiin?
  - a. Miten nämä ovat mukana lehden sisältöjen suunnittelussa?
  - b. Millaisissa tilanteissa palataan asiakkaan ja lukijan mahdollisiin tarpeisiin?
11. Näetkö jotain ristiriitoja tai ongelmia asiakkaan ja lukijan välillä? Onko esiintynyt joitakin ristiriitoja tai jännitteitä?
12. Minkälaista vuoropuhelua asiakkaiden ja lukijoiden tarpeista käytte markkinoinnin ja myynnin kanssa? Kerro muutama konkreettinen esimerkki.

## APPENDIX 7. The inquiry sent via email to the potential respondents asking to participate (tutkimushaastattelupyyntö)

Hei,

Olen valinnut sinut yhdeksi tutkimushaastateltavistani. Teen gradua Tampereen yliopiston viestinnän, median ja teatterin yksikköön Media Management -maisteriohjelmaan. Graduni aihe on Lukija, yleisön jäsen vai asiakas – asiakkuusjohtaminen toimitusprosesseissa. Graduni keskittyy tutkimuskysymykseen, miten asiakkuusjohtaminen näkyy toimitusten päälliköiden ja tuottajien käsityksissä. Graduohjaajani toimii YTT Maarit Jaakkola. Media Management ohjelmasta vastaa professori Gregory Lowe.

Haluaisin tavata kasvotusten teemahaastattelun tekemiseksi. Liitteenä on teemahaastatteluni alustava kysymysrunko.

Kävisikö 25–29. huhtikuuta päivistä joku sinulle? Mikä kellonaika olisi sopiva?

Ystävällisin terveisin

Mediajohtamisen maisteriopiskelija

Kaisa Läärä

xxx xxxxxxxxx

Tampereen yliopisto