Matching the Market and the Model:
The Business of Independent News Media

A Report to the Center for International Media Assistance

By Michelle J. Foster

August 22, 2011
The Center for International Media Assistance (CIMA), a project of the National Endowment for Democracy, aims to strengthen the support, raise the visibility, and improve the effectiveness of media assistance programs by providing information, building networks, conducting research, and highlighting the indispensable role independent media play in the creation and development of sustainable democracies around the world. An important aspect of CIMA’s work is to research ways to attract additional U.S. private sector interest in and support for international media development. The center was one of the main nongovernmental organizers of World Press Freedom Day 2011 in Washington, DC.

CIMA convenes working groups, discussions, and panels on a variety of topics in the field of media development and assistance. The center also issues reports and recommendations based on working group discussions and other investigations. These reports aim to provide policymakers, as well as donors and practitioners, with ideas for bolstering the effectiveness of media assistance.

Marguerite H. Sullivan  
Senior Director

Center for International Media Assistance  
National Endowment for Democracy  
1025 F Street, N.W., 8th Floor  
Washington, DC 20004

Phone: (202) 378-9700  
Fax: (202) 378-9407  
Email: CIMA@ned.org  
URL: http://cima.ned.org
About the Author

Michelle Foster

Michelle Foster is an international media management and marketing consultant who works with companies to develop strategic plans that lead to improved business performance. She has worked with news media organizations throughout the United States as well as in China, Hong Kong, Vietnam, Cambodia, Laos, and East Timor. A former Knight international journalism fellow in Southeast Asia, she also serves as a regional advisor on Asia and the Pacific region to that program.

From 1991 until 2003, Foster was the senior market development executive for Gannett Co., Inc.’s $5.4 billion Newspaper Division. As such, she oversaw marketing efforts for 97 daily newspapers, a host of national brands, and niche product lines. She led efforts in branding, consumer and business marketing, database development, market intelligence, and the migration of brands from traditional to online media. Foster has won numerous national and regional advertising awards and is a frequent public speaker. At Gannett she won repeated recognition for excellence in innovation and for marketing leadership.

Acknowledgements and Methodology

This report is based on interviews, conducted in person, by telephone, and by e-mail in April, May and June 2011 with the following individuals: Gerardo Araújo, Joyce Barnathan, Joachim Buwembo, Patrick Butler, Premesh Chandran, Shubhranshu Choudhary, Harlan Mandel, Alison Bethel McKenzie, Eric Newton, Chuck Rice, Ross Settles, Ivan Sigal, Jorge Siman, and Drew Sullivan. It also draws from the author’s experiences. Information from publications and websites and other sources is acknowledged in endnotes.
Table of Contents

Preface 3
Executive Summary 4
Introduction 6
Where’s the Money? 7
Business Development and Business for Development 9
A Critical Gap: Lack of Knowledge of Business Customers 10
Legacy Versus Digital: Is There a New Model? 12
Examples From the Media Marketplace 15
  The MDLF: Investing in Media and People 15
  In Tanzania: Doing What We Do, Better 18
  In Colombia: Building Out a Media Brand 18
  Globally: “Investigative Journalism Is Expensive” 20
  In Burma: How Governments Use Business Practices to Limit Independent Media 23
  In Malaysia: “Audiences Are Moving Online, Revenues Are Not.” 25
  In India: Building New Business and Media Models in Low-Income Areas 27
Recommendations 30
Endnotes 31
Other Sources 34
Preface

The Center for International Media Assistance (CIMA) at the National Endowment for Democracy commissioned this study of business models for news media around the world. It is based on interviews with more than a dozen media development experts and the author’s extensive experience in this field.

CIMA is grateful to Michelle Foster, a veteran international media management and marketing consultant and trainer in media business practices, for her research and insights on this topic.

We hope that this report will become an important reference for international media development efforts.

Marguerite H. Sullivan
Senior Director
Center for International Media Assistance
Executive Summary

The audience for, and access to, news media has grown across the globe. Economic development in formerly impoverished countries, the spread of mobile and Internet technologies, and the loosening of censorship have fueled this expansion. However, many media businesses are unable to take full advantage of this growth because of their lack of management skills and inexperience in developing effective business models. Compounding this is a lack of media development assistance targeted to media managers, the expansion of economic constraints on media businesses, and a lack of access to investment capital.

This naiveté about the business side poses a significant risk to the sustainability of independent news media. At the same time that audiences are growing, they are also increasingly decoupled from advertising, traditionally the largest and most easily accessible form of revenue supporting news media. Whether a market is growing or declining, this trend threatens to undermine the ability of independent media to fund news reporting.

Increasing the risk to news media in many places is a lack of understanding of their business customers (frequently lumped in a large indistinct bucket referred to as “advertisers”): their target customers, business objectives, and why they use advertising. Selling ads to those customers is often seen as a means to an end, rather than as a way to create value for them. Thus, there is also a concerning lack of expertise in how advertising works, how it affects consumers, and how it is being transformed in this digital era. Without a commitment to energizing and innovating in this area, news media are at risk of losing their revenue bases.

Similarly, management and marketing expertise are vital in helping businesses out-maneuver the many obstacles they face. Because media can become robust businesses, governments frequently choke them off economically as a shadowy way of silencing their voices. Government constraints on media as businesses are vast, imaginative, reptilian, and effective. Thus a commitment to helping these independent media starts with steps that will make them economically viable.

Before investing in journalism training, before sending trainers to help teach sales representatives how to sell, a commitment to helping a news organization should start with a situational analysis of its marketplace, the advertising market, and constraints on media businesses as well as with assessments of the business skills within the company. There is no one-size-fits-all solution. In
some environments, there might not be an advertising market available to a news organization; if not, sales training will not materially help it. Diverse hybrid models of funding are emerging, resulting in a period of exploration and experimentation during which donor funding and outside investments are essential while organizations work out viable solutions. Many models are possible; many need to be tried and proven.

As examples in the report will show, independent media have a much increased likelihood of becoming sustainable businesses when market assessments are made and when customized long-term support, appropriate to local realities, is made available.
Introduction

News media are not dying; they are changing.

Around the world, news media and distribution channels are growing at significant rates as economies emerge and expand. Print is a vibrantly growing business in the Middle East, China, India, and parts of the Americas, and legacy media often supply the content that flows through online channels.1 Mobile distribution of news is changing the playing field in Africa, India, the Middle East, and elsewhere. The online audiences for news content are expanding rapidly and typically exceed the local market footprint of the organizations that produce them. In the United States, there are virtually no pure play newspapers or broadcast news media left: They have adapted multiple distribution channels and multiple product lines, along with developing new expertise in a wide range of marketing communications techniques.

Google CEO Eric Schmidt observes that these changes, some of them traumatizing, are actually an affirmation that the news business is still vital and necessary. News media “don’t have a demand problem,” he has said, “they have a business model problem.”2

Today the only “right” business model is one that works within local market conditions, and any media development program that seeks to provide meaningful support must be tailored to that reality.

Failure to solve these business model problems, however, threatens the sustainability of media, especially the independent media that often operate under business constraints, such as restrictive licensing requirements or libel suits. A significant risk to being able to solve those problems is the lack of management and business skills among media owners, which can make them reactive to the economic challenges and technology-driven changes in the media environment. Without business acumen, it is almost impossible for media operators to shape, adapt, or create new practices.

This report focuses on the changing business models that are helping independent media organizations succeed in emerging and developing markets. It examines some of the current practices that limit the effectiveness of independent media owners, identifies new and hybrid methods of funding news media, examines the business constraints that media operate under, and showcases examples of media assistance efforts that have made a significant difference to local media.

Today the only “right” business model is one that works within local market conditions, and any media development program that seeks to provide meaningful support must be tailored to that reality. “No model is automatically better or worse than any other,” said Eric Newton, senior adviser to the president at the John S. and James L. Knight Foundation. “You need to match the model to the place … The only real mistake these days is not to try something new.”3
Where’s the Money?

In much of the world, independent media organizations are currently more constrained by economic factors than censorship. A survey conducted by the World Association of Newspapers and News Publishers (WAN-IFRA) in conjunction with the Swedish International Development Cooperation Agency (Sida) in 2011 concluded that “regardless of the level of market development and political freedoms, the majority of newspapers around the world consider the economic climate and market conditions to be the major challenges to editorial independence and the business advancement of their media outlets.” The survey also found that while numerous countries have expanded press freedoms, “many media managers and editors in developing countries find that they are unable to take full advantage of their new freedoms because they lack basic skills in business management.”

That finding is echoed by media executives who have worked closely with independent media in developing and emerging countries and who also observe that there is a fundamental lack of understanding of the revenue side of news media businesses. In terms of revenue, media owners often don’t know how to find it, bill it, make it, keep it, or replace it.

This is because many media owners have little knowledge of the field of marketing communications, or the businesses that use it, and thus their ability to understand and respond to their advertising customers’ needs is impaired.

Many media owners have little knowledge of the field of marketing communications, or the businesses that use it, and thus their ability to understand and respond to their advertising customers’ needs is impaired.

One reason for this is that many independent media outlets are operated by owners with strong news or activist orientations. When they started their operations, they had a clearer understanding of their news mission than of their business mission. In fact, Alison Bethel McKenzie, director of the International Press Institute (IPI), said she finds an owner’s journalistic fervor to be a key determinant in whether a news organization is truly independent, or merely commercial. However, when looking at the experiences of IPI’s members, she also noted that the ones that stay independent and achieve sustainability, are those with an equal passion for creating vibrant businesses that empower journalism.

When media operations lack adequate business skills or a sustainable path to long-term funding, their journalistic missions are undermined. Reporters aren’t compensated fairly, making them vulnerable to bribes and payment for stories. This can also results in inflexible models and out-of-date practices for creating, distributing, and monetizing journalism.

Poor management also furthers donor dependency, which has a direct negative impact on media sustainability. Few funders are interested, long-term, in supplying the operating budgets for
media companies. Yet when media managers lack the business acumen to read their environment and develop effective strategies; when they fail to understand the dynamics of how audiences consume news and businesses invest in advertising; and when they lack the ability to innovate, seeking outside funding must seem easier than building a business.

Veteran journalism trainer Chuck Rice, who has managed long-term projects in Mongolia, Azerbaijan, and East Timor, observed that unskilled managers become addicted to donor funding “because of fear: they lack the ability to recover from mistakes and fundamentally don’t know how to compete.” Thus, improving the business management skills of media operators and developing proven revenue models that work in disparate environments need to take on greater urgency, particularly as the introduction and proliferation of digital, mobile, and social media reconfigure legacy business models and permanently alter the playing field. The exuberance, intellectual passion, and experimentation that are fueling enormous changes on the news side of media organizations need to be replicated on the business side.

**Improving the business management skills of media operators and developing proven revenue models need to take on greater urgency, particularly as the introduction and proliferation of digital, mobile, and social media reconfigure legacy business models.**

In *Financially Viable Media in Emerging and Developing Markets* WAN-IFRA observes, however, that the amount of money spent on helping independent media become competent businesses is almost non-existent. “In recent years, international aid and assistance resources have been overwhelmingly concentrated on the development of journalism skills, with an emphasis on the hot topics of the day (currently, social media and convergence technologies). There is only an occasional nod toward educating media professionals in the business skills and market forces that are fundamental to sustaining their news organizations. For news media that lack the tools for survival, even the most impressive editorial enhancements are futile.”

Media management and online media consultant Ross Settles concurs. He also notes the mismatch between current media development training practices and the realities of the independent media markets where they are carried out.

“We are training too many people in passive and out-of-date processes that we have given up on, and that are not serving us well today,” he said. “When we work with media leaders in these countries, often times they are activists, organizers, or dissidents—people who believe they can make a difference if they report the truth. They love the content but lack rigor around audience development and aligning audiences and revenue sources.”
Business Development and Business for Development

In recent years, the importance of both media development and media for development has been much discussed. Equally important should be a focus on the business development of independent media, and their important role in the business of development.

Long-term media managers fully understand how important their organizations are in creating lively, energized local markets. They provide businesses an efficient and powerful way to connect with customers and grow their companies. Managing the alignment between audience creation and advertising channels is a critical business competency for most successful media organizations.

Like the well-known virtuous cycle of news media (good journalism creates deep audiences, which attract numerous advertisers, which then fund good journalism), a smart media organization creates a virtuous cycle of economic activity that helps the local business market grow. By targeting specific ad segments—and creating a “marketplace” environment for them to advertise, compete, and connect with consumers—a news organization directly contributes to the economic success of those businesses. That economic success justifies further advertising investments.

In short, if a news organization can help other businesses be successful, it will be, too.

Yet using media as a way to improve local market economies by being a relevant and important element of their success is not a focus of most development activities. They typically seek to find ways to support the news operation, and advertising is merely a means to that end: Media businesses get money out of advertisers without seeking to actively create value for them.
A Critical Gap: Lack of Knowledge of Business Customers

This focus on selling advertising space as a means to an end, and not as an essential area of business competence, is serious. It is significantly absent from most reports on media development. Although to some degree of advertising-related revenues support most independent media, the literature reflects limited intellectual curiosity or interest in marketing communications and advertising, the business customers who place advertising, or specifically how that part of the industry is undergoing seismic change.

“Advertising” is often referred to one-dimensionally and as a catch-all phrase that, in reality, refers to a wide range of activities. “People talk about ‘advertising’ without being specific,” says media management consultant M. Teresa Calkins. “It’s all lumped together. That’s like saying that researching and producing a multi-part investigative report is the same as editing the obits.”

Too often, in requests for proposals and discussions around independent media, sales skills are conflated with marketing communications and advertising sales skills, which are different:

- **Selling skills** include prospecting for leads, developing proposals and presentations, using pricing as a strategic lever, having strong closing techniques, and offering post-sale service. To be successful, a sales person typically needs to understand the customer’s business goals and then make an offer that helps him achieve them through media advertising. This may include not only traditional advertising but also other solutions, such as events, social media platforms, niche advertising products, and conferences. Many so-called advertising departments are actually misnamed: They are sales departments that sell channel access to various audiences.

- **Marketing communications skills**, of which advertising is one part, include the vast spectrum of targeting, brand development, messaging and communication, channel selection, customer engagement, campaign management, and impact measurement. They are designed to ultimately affect the purchasing behavior of a business’s target customer.

The most successful media companies know their customers and their markets. They exert substantial effort in understanding why businesses invest in advertising, how they use it, whom they are trying to reach, how they evaluate the effectiveness of their messaging, and whether their own offerings are competitive. Knowing who their customers are and what they want is just good business. This knowledge enables them to remain relevant to their customers as the combined forces of technology and the economy create major shifts in media markets.

The Pew Project for Excellence in Journalism’s publication, *The State of the News Media 2009*, found that while U.S. news media—via the Internet and mobile distribution—have an almost infinite potential to expand audience, the problem facing journalism “is the decoupling . . . of advertising from news.” This has already altered the landscape for news organizations worldwide.
The business model of creating audiences and then selling channel access to them is just beginning in some markets, strained in others, and breaking in developed economies. Pricing for print, cable, and broadcast media have all been based on cost-per-thousand evaluations of how many people they reach and in which demographic groups. News media have been able to leverage this into premier pricing because they have dominated a specific local geography; they have had thorough reach of many audiences; and there was a lack of other cost-effective means for marketers to reach those audiences.

These competitive advantages are under attack.

There is simply no evidence that when a dollar of advertising disappears from legacy media that it automatically reappears in digital or mobile media. As Bill Mitchell wrote in *Clues in the Rubble: A User-First Framework for Sustaining Local News*, “just as the Internet killed news organizations’ exclusive market for news, so did it remove journalism’s leverage over advertisers. With supply of online advertising space so severely outstripping demand, continued reinvention in such areas as behavioral targeting, networks and social marketing will be required to secure a significant role for advertising as a funder of news.” To remain relevant to advertisers, independent media need to become much closer partners with them during this period of transformational change.
Legacy Versus Digital: Is There a New Model?

The inevitable death of newspapers and other legacy media has been much reported. Many have heralded the advent of new media and see it sweeping out all forms of traditional news media.

However, a more nuanced understanding of this is emerging: a media landscape where trained reporters and editors, using new technologies, and in conjunction with citizen journalists and social media, can expand the coverage and reach of news media.15 “A move to a totally digital platform, or only training on digital platforms, would be incredibly naïve in many places,” Rice argued. “That said, clearly we train people for what’s available now, and what they can anticipate in the future.”16

In this changing environment, the traditional streams of revenue for media will not disappear, especially in areas of the world where emerging middle classes are creating a rapid expansion of consumer markets. Advertising and advertising sales will likely be growth businesses. However, the number of tools that businesses will be able to use to reach those consumers will also expand, challenging news media to invent new ways to be effective marketing channels. Just as emerging countries are bypassing land lines and moving directly to mobile telephony, businesses are also able to bypass traditional media advertising and reach customers directly through a variety of internet and mobile advertising media. News media must find ways to remain effective and compelling marketing intermediaries.

“In the countries where we’re working, the point where legacy media isn’t viable is not yet visible,” said Harlan Mandel, CEO of the Media Development Loan Fund (MDLF), which provides capital and expertise to independent media outlets. “You can’t see yet how much time is left. It varies in terms of the country and the economy, and the market niche within that country, and even by the type of media. Radio as a medium works fine for digital and so does TV. The advertising base for those two media will still work. For print, though, the question is different. It will vary country by country based on a lot of things, including literacy rates, demographics by age, and economic development, which will all have an effect on extending the life of newspapers.”17

Independent media can still play a role in the transformation of how businesses engage with them as customers and advertisers, identifying new pay-for-content models that go beyond pay walls and subscriptions.
In the past, many media companies worldwide, particularly print, successfully operated under some version of the “80/20 rule,” where 80 percent of the revenue came from advertising and 20 percent from subscription or consumer fees; and 80 percent of the ad revenue came from a narrow base of about 20 percent of potential advertisers. Today, there is no single model, no 80/20 rule, and no certainty of a flowing river of advertising. The markets in which media operate are wildly inconsistent and at different stages of development. Thus, what works in one market may not work in the next.

Successful models range from regional media organizations that are expanding audiences and revenue sources to nearly free models using unpaid citizen journalists.

Countries, such as India, emerging from decades of entrenched poverty, are experiencing the rapid expansion of both legacy and digital media, and they are doing it with expertise, verve, and impact.

Continents, such as Africa, which are witnessing an explosion in access to mobile technology, are leapfrogging traditional media and using cellphones to deliver hyper-local news. “There are wide swaths of people who get their information from their telephones,” said Joyce Barnathan, president of the International Center for Journalists (ICFJ).18 “The business model isn’t clear yet, but we know that we can reach people without investments in expensive infrastructure. This is a period of experimentation and news revolution that is extremely exciting.”

Media in these places are generating revenue by a variety of means. Some earn revenue from advertising and subscription sales. Others rely on access to investment capital. Donors contribute to media independence in countries where government and market constraints hinder media’s ability to earn revenue. New methods of transmitting information to audiences is driving equally new approaches to generating cash.

The process of figuring out the best model for any business has never followed a straight line; this period of rapid transformation both further complicates and energizes that process. “This is what real revolutions are like,” observed media guru Clay Shirky. “The old stuff gets broken faster than the new stuff is put in its place.”20 No one business model can be expected to work across the vast spectrum of cultures, countries, and companies. In even the smallest, poorest, and most marginalized areas, the ability to think through new business models and create revenue streams—some of which will certainly still be based on advertising and subscriptions—is vital to the success of independent news media.

“The business model isn’t clear yet, but we know that we can reach people without investments in expensive infrastructure. This is a period of experimentation and news revolution that is extremely exciting.”

— Joyce Barnathan, President, International Center for Journalists
Thus, effective media development programs should spend time up front realistically analyzing the business environment for media before offering assistance and supplying trainers.

An important finding of WAN–IFRA in *Financially Viable Media in Emerging and Developing Markets* underscores this point: “Examples … indicate a consistent mismatch between the needs of media in emerging and developing markets and the type of assistance they receive, suggesting that the media assistance provided to these countries over the past two years was in fact better suited for more advanced economies. Development strategies need to pay closer attention to country and regional indicators, as well as local perspectives and knowledge. One major requirement for achieving press freedom and development goals may well be promoting a sophisticated understanding of local markets and the development of specific media business skills.”

The right business model for any media organization must be based on a clear understanding of the complex factors that define its environment.

Those include:

- Laws supporting independent media businesses
- A country’s or market’s level of economic development and prosperity
- Business access to capital and finance
- The presence, absence, or proximity to conflict or trauma
- A sense of community, whether defined by geography, nationality, ethnicity, demographics, interests, or other defining characteristics
- The presence or absence of a consumer economy
- An advertising industry and its infrastructure, including laws that support rather than constrain it, and third-party audience verification
- The presence or absence of state-owned media
- The level of technological and communications infrastructure
- Access by the public to digital, mobile, broadcast, print, or cable media
- Cultural norms
- Literacy rates
Examples From the Media Marketplace

In a variety of ways, market forces have helped shape independent media business models, and innovative media leaders have created solutions. They include media that are self-sustaining; investigative journalism centers funded by donors; online media with outside investment and debt financing; experimental cellphone-based reporting seeking new models for monetization; and the challenges of operating independent media in a closed state.

Bringing a sharper focus to current business practices yields strong results. Outside experts and trainers can provide real value in these instances. Certainly, when experts have helped local staffs improve their selling skills, results have been immediate and positive. Good examples exist in projects managed by Internews, ICFJ, and IREX in East Timor, Vietnam, Tanzania, Rwanda, El Salvador, and elsewhere.

The MDLF: Investing in Media and People

Another business barrier to the success of independent media is lack of access to capital.

“In many places,” said the MDLF’s Mandel, “lack of access to capital is a purely commercial constraint in the sense that it’s not the government forcing the banks to not make loans. Banks just will not loan money to media. In many developing countries the banking system is not designed to support small or medium-sized businesses. Rather, most of the money is going to provide government and large enterprise financing. If it is available to small and midsize businesses, it is very short term; it is very high interest. For media companies, especially small and mid-size ones, this is especially hard.”

Media businesses are very different from other companies. They lack assets and have unpredictable revenue streams and inconsistent seasonal revenue. They can be cyclical, tied to elections or other major events that inflate revenues one year, but deflate them in off-cycle years. In the current economic environment, even in markets that are growing rapidly, it is difficult to make the argument that the market for media would be expanding at the predictable and sustainable rate that would allow bankers to feel comfortable projecting a steady rate of return.

“It takes a sophisticated banking organization to understand the argument and agree to take a risk against an uncertain future of advertising revenue streams—which is one of the few assets that a media company would offer as security,” Mandel said.

Enter the MDLF, founded in 1995 to provide low-cost capital and technical skills—including business skills—to independent news outlets in countries with a history of media oppression. It provides affordable financing—both debt and equity—to help independent media become financially sustainable. Since its inception, with funding from philanthropist George Soros, the group has provided more than $106.5 million in financing to 77 independent news businesses, which reach more than 35 million people in 26 countries.
How to Choose a Business Model?

Business models need to match the realities of the media ecosystems where they intend to operate. Those vary from place to place—there isn’t a single media landscape, and there isn’t a single magic answer. In general, all models have four successful elements:

1. Relevant and credible content,
2. Appropriate technological connectivity,
3. Vigorous community engagement, and
4. Innovation in seeking capital.

Those are the four Cs—content, connectivity, community, and capital.

In revenue generation, many sources play a role: advertising, subscription, membership, sponsorship, underwriting, consulting, syndication, franchising, books, newsletters, merchandise sales, paid events, and grants. The most successful models tend to have diverse pie charts—they show more than one source of revenue. On the expense side, the model must match up with the revenues—trying to create a highly professional investigative reporting project on an annual budget of $25,000 a year simply may not work. But at that level, a volunteer citizen media project might be sustainable …

What doesn’t work? Here’s a recipe for failure: Get all your money from an out-of-country source, create a media model that exists only in richer countries, use technology that’s too old or too new to reach people, become fixed in your ways and do not have the capacity for continuous change, be an editorial-only operation with no good business people and no good technologists. Don’t check your facts, write about things that don’t matter in ways that are difficult to understand, don’t allow for feedback of any kind, and do not collaborate with anyone. You’d be surprised how many people try to do it that way.

—Eric Newton
Senior Advisor to the President
John S. and James L. Knight Foundation

The MDLF has developed a strong methodology around its efforts, which is reflected in the fact that since its inception it has only written off 2.04 percent of the total it has lent or invested. It will only operate in places that have some level of rule of law, some form of a consumer economy that can support advertising, moderate economic development, and a financial infrastructure with transparent banking and verifiable accounting practices. There are countries—whether because there is no minimum rule of law such that there is a reasonable belief that the MDLF could enforce a loan, or because there is no truly independent media—where it will not operate, although there are exceptions. “We do have a ‘high risk country fund,’ which is a pot of funds we feel comfortable using in places where there is arguably a question about our ability to be repaid,” Mandel said.
The MDLF has a learning-by-doing approach: The process for getting investment or loans from the MDLF actually teaches media owners to be more sophisticated business operators.

The first step towards seeking investment from the MDLF is for the news organization to meet programmatic criteria: Do they qualify based on the quality of their independent journalism? Do they qualify mission-wise? Are they truly independent? The MDLF conducts very deep legal due diligence of ultimate ownership to establish the organization’s independence.

The second step towards a successful application is developing a business plan, which is done in conjunction with the MDLF investment committee. The MDLF brings to bear considerable in-house resources and access to outside experts to help develop those plans, including identifying capital needs and the business competencies that must be built.

While the outcome is a business plan with goals, benchmarks, and time frames, there is another reason for the investment committee to be deeply involved in this process: It is an opportunity to work closely with the news organization’s management team and form an assessment of its quality and of the investment’s potential liability. Both partners will be in it together for a long time, and knowing each other is important.

“The relationship we’re forming with the client is critical,” Mandel said, “and a long-term one: Typically we will be together for five to ten years … we know there will be ups and downs that we have to go through together. Thus we need a very strong basis of trust to do that.”

Once that relationship is formed, the MDLF supports its clients with ongoing mentoring, coaching, training, and peer-learning experiences. One highly effective technique has been to take its clients to high-level WAN-IFRA business training sessions targeted at Western media professionals. They attend the sessions accompanied by a consultant who then works with the clients to adapt what they learned to their own situations.

Not every media business is big enough to be an MDLF partner. As a result, it is proactive about taking the concept of investing in independent media and adapting it to a smaller scale. The MDLF has helped set up smaller programs in Russia and Southeast Asia. One partner is KBR68H, an Indonesian radio network that serves about 650 stations throughout Indonesia, where they are often the only news source. (KBR68H recently won the King Baudouin International Development Prize, the only news organization to date to have done so.)

The small loan network, called the Affiliates Fund, has already helped about 40 news organizations. Although the amounts invested are small—perhaps $3,000 to $4,000—they are significant in that environment and make it possible to buy a transmitter or needed computers.

“It is a very exciting prospect to help fund these smaller scale media loan funds and keep them going,” said Mandel. “The local impact is huge. When Radio KBR68H announced at a reception the businesses that were going to get the loans, people broke down in tears. It really means something when someone trusts you with a loan.”

For an in-depth interview with the MDLF’s chief executive officer, Harlan Mandel, see http://cima.ned.org/publications/matching-market-and-model-business-independent-news-media.
In Tanzania: Doing What We Do, Better

In Tanzania, the *Guardian* newspaper created *Kilimo Kwanza* (Agriculture First), the country’s first newspaper supplement on agriculture and rural development. Published in Kiswahili and English, the supplement has carried stories directly affecting policy and taxation. A former Knight journalism fellow and Ugandan journalist, Joachim Buwembo, helped shape its content and develop its business plan. Previously, Buwembo had played a pivotal role in helping make his home newspaper, the *Sunday Vision*, his nation’s top-seller.

To develop the business and content plan, Buwembo stressed the importance of first understanding the local market’s conditions, assessing its needs, and understanding the business environment. This was needed, he said, as “a person familiar with the market has a distinct advantage.”

Initially, Buwembo said, the plan for identifying advertiser prospects was not fully implemented. Using donor funding, Buwembo brought in an ad sales expert, who identified potential advertisers, organized the advertising environments within the publication, designed sales materials, and hired and trained local sales representatives.

Advertisers valued the credibility of the supplement and responded favorably once better ad sales processes were in place. The section has increased publishing frequency from biweekly to weekly, and *Kilimo Kwanza* is covering its costs.

In Colombia: Building Out a Media Brand

Colombia has a long and volatile tradition of newspaper publishing that parallels its turbulent history. In recent years—with greater internal stability, a broader middle class, a developing advertising industry, and a rebounding economy (4.3 percent GDP growth in 2010)—newspapers have been able to develop stronger readership and revenues.

Gerardo Araújo, publisher of *El Universal*, a publication of Editora del Mar, S.A. (a multi-media company based in Cartagena), says his company has leveraged the improved market conditions to refine its product and targeting strategies thoughtfully and assertively. Those changes, when combined with affordable pricing, strategic distribution, and strong advertising segmentation, have led to a more vibrant independent news media company that serves a broader and more economically diverse audience.

Previously, newspaper revenue from its flagship *El Universal* accounted for virtually all of Editora del Mar’s revenues. However, as the company’s business has expanded, *El Universal* now generates a more balanced 68 percent of total revenue. This reflects the company’s success in creating a family of high-quality news products targeted to well-defined audiences, which in turn create compelling advertising environments for businesses that were not traditionally the company’s advertisers.
In response to findings from the biannual General Media Survey readership research, and aided by a new approach to advertising segmentation, the company has developed a multi-tier product mix that has increased its market share, top line revenues, profits, and audience.

*El Universal*, a daily broadsheet newspaper with an online edition, continues to target upscale and professional adults with a mix of national, international, regional, and community news. The cover price is the equivalent of 72 cents, U.S.

*Gente* is a zoned publication with hyper-local neighborhood news targeting upscale readers. Launched as a free bimonthly product, *Gente* is now published weekly. After beginning with a few select neighborhoods, the business model was so effective that *Gente* expanded to other areas. Araújo says *Gente*’s success has been strong enough to consider converting it to a daily. Following *Gente*, the company introduced *El Teso*, an affordable (28 cents) daily newspaper that targets the middle and working class. Like *Gente*, it has hyper-local community news paired with local advertising. *El Teso* is credited with protecting the company’s local market dominance from a regional competitor vying for the same audience. Three other publications round out the company’s portfolio and target the broad middle and working class as well as the burgeoning number of regional and international tourists visiting Cartagena.

Looking to the future, Araújo said he believes there are digital and mobile avenues to pursue. While only 5 percent of the company’s total revenue is currently generated by its online news website, the online and mobile spaces are emerging in Colombia and gaining ground. Supported by good profits and a more diversified local advertising base, Araújo and his team feel that they have time to explore and experiment with developing new media, including selling iPad subscriptions.

What role has international media assistance played in the company’s success?

Araújo credits the International Center for Journalists (ICFJ) for sending a business expert–Knight fellow M. Teresa Calkins–to Colombia. Calkins worked closely with *El Universal* and other newspapers throughout Colombia to create clearer advertising and audience targets, and developing the management practices (such as marketing, research, planning, advertising, circulation, and human resources) that support business growth.

If NGOs are involved in assisting media companies, providing further business training is essential Araújo contended. “We don’t want outright gifts or money; they would not be productive in the long run.” Rather, Araújo wants the Editora del Mar staff and independent contractors to grow and develop by learning how to compete successfully within its environment: “Exposure to best practices, supported by coaching, will help companies like Editora del Mar sustain . . . media independence.”

In recent years—with greater internal stability, a broader middle class, a developing advertising industry, and a rebounding economy—newspapers in Colombia have been able to develop stronger readership and revenue.
Globally: “Investigative Journalism Is Expensive”

Not every market can support independent media without external assistance. Even in countries with supposedly free media environments, many factors can contribute to undermine an independent news organization’s ability to be self-supporting. In these instances, “sustainable” is not interchangeable with “profitable.”

In places such as El Salvador, Malaysia, and the former Soviet Union and Yugoslavia, government and political interference in advertising markets have limited independent media’s access to advertising revenue.

The MDLF’s Mandel has identified a wide range of business constraints that are used to limit independent news operations.

“At the base level of existence, regimes use licensing requirements and frequency restrictions,” he said. “The most egregious example is in Armenia. When one of our clients’ broadcasting frequency licenses came up for renewal, the whole license was awarded to another company.” The advertising market can be governed by state and para-state entities that direct ad spending away from independent media and enrich pro-party or state-owned media, Mandel said.

“Going beyond state controls, there are many ways to constrain independent media.” Mandel said. “You can have boycotts by commercial entities. There can be pressure from libel suits or tax audits. One of our clients in Russia was just closed down based on fire-code violations that were resolved in one hour, and yet they were closed for 90 days, and their website was mysteriously shut down. Clearly, there were no real fire-code violations.”

In these types of markets, hybrid funding sources are required.

In Sarajevo, Drew Sullivan heads the Organized Crime and Corruption Reporting Project (OCCRP), a network of eight regional investigative journalism centers funded by the United Nations Democracy Fund (UNDEF), USAID, and the Open Society Foundations’ Media Program. OCCRP’s goal is to “help the people of the region better understand how organized crime and corruption affect their lives.”

“In Bosnia we are the last independent media that are left,” Sullivan said. Media gets “bought out too easily by organized crime and oligarchs. The independent media, started by journalists, have shaken out. Many have consolidated and are now owned by the political elite.”
According to Sullivan, the influence of these organizations on the media landscape is not limited to restricting news and editorial voice. Big media organizations involved in criminal conspiracies in Eastern Europe buy out other media organizations and consolidate the industry, reducing the number of diverse viewpoints, Sullivan said. “This significantly alters the news landscape and affects the ability of other media to make money, as they also control the distribution networks and advertising infrastructure,” he said.

Placing ads in the large commercial media can be a legal but opaque way of sending money to the powerful individuals who own them. These media companies are often diversified and typically own an affiliated advertising agency. Thus, companies seeking favor—or favorable coverage—can place large advertising buys with those ad agencies, which exclusively place schedules in their own media. Few advertising dollars are left on the table for independent media.

To provide independent reporting, OCCRP coordinates investigative journalism projects in the region and helps edit, package, and distribute them to larger audiences. Stories are usually written by one or more of the regional centers. Once a story is finished, it goes to OCCRP, which translates the report into English then edits it using international editors who fact-check and verify the reporting to ensure it meets international standards of journalism quality. Each of the centers has the option then of translating the report back into its local language and posting it; they are increasingly doing so and replacing their original reporting with these edited versions.

Placing ads in the large commercial media can be a legal but opaque way of sending money to the powerful individuals who own them.

Each center runs independently and is funded by different international donors. OCCRP is the capacity-builder, helping reporters find independent funding and develop business plans so they can be less dependent on donors.

Sullivan noted that an important aspect of capacity-building has been helping find cost-efficiencies for the operations. The network has centralized services, such as a group contract for LexisNexis and insurance, which has cut costs.

But OCCRP is not designed to last forever; it is intended to help the regional centers get to a level that can be self-sustaining. To do so, Sullivan said, one avenue for generating revenue is to develop compelling regional news reports that are accurate, factual, and internationally relevant.

Will that get the regional centers to financial independence? “In the future we will need to add other sources of money; there’s not just one revenue path that will support investigative journalism. We will need to do it all: raise money, run ads, raise money for specific reports or stories, build an endowment, sell repackaged news products. All these fit in, but no one has come up with the perfect model. We are working towards it.”
In El Salvador, Jorge Siman, publisher and co-founder of elfaro.net, has also relied on hybrid funding to run his independent investigative news website. When it was started in 1998, El Faro’s original audience was Salvadorans outside the country; only 20 percent of readers lived locally. Since then, Internet penetration and access has increased, and the local audience has expanded. Even so, the company is eager to reach beyond the Internet-only audience and is experimenting with different means of distributing news and making money.

With support from an expert in new media, Knight international journalism fellow Tree Elven, El Faro has held in-house workshops on search engine optimization and the use of Google Analytics. She led the staff’s redesign of the website, which includes good opportunities for display advertising and messaging. El Faro also now uses Twitter to distribute important breaking news and has launched a permanent SMS service (El Faro Express) with a third-party provider, WiseMarketing. Looking forward, El Faro’s managers are considering a paid online service, El Faro Extra, which will target the site’s most loyal users and allow them to participate in chats and podcasts with El Faro reporters and bloggers. “Media companies must be platform agnostic,” Siman noted.

Conversely, while they do place advertising on the site, El Faro’s commitment to independent, investigative journalism has led it to forgo some types of advertising revenue. It does not offer sponsored pages, political advertising, political party advertising, nor any type of advertorial content. “Clarity and objectivity are requirements for any advertising option/solution embraced by elfaro.net,” he said. Siman noted that in many developing countries, more than 50 percent of a government-supported media company’s revenue may come from political parties, the government itself, or from governmental announcements.

Because of these policies, the in-house marketing department has targeted local businesses for advertising sales, while also trying to develop a platform for selling investigative reports to international news organizations interested in specialized knowledge of El Salvador’s economy, politics, people, and news. Costs are kept low by having salaries for top managers paid indirectly by other businesses owned by the founders.

Thus, El Faro, despite having a marketing operation, also seeks philanthropic and civil society donor funding. A staffer was recently added to create proposals seeking donor funding of their long-form journalism, as well as to seek out training and technology support that is not readily available locally.

All of these efforts have helped move El Faro closer to sustainability, but it is not there, yet. “Investigative journalism is very expensive,” Siman said.
In Burma: How Governments Use Business Practices to Limit Independent Media

There are a number of countries that are truly “closed” societies: Burma is one. The government owns newspapers, has tight control over all forms of broadcast media, severely restricts Internet access, and imposes rigorous censorship on non-state media. Even so, the government still allows independent print media to operate. Some publishers claim that it is the government’s way of rebuking the exile media by showing that it allows independent reporters to operate inside the country; some claim that illicit access of Burmese listeners to Radio Free Asia (RFA), Voice of America (VOA), and the BBC pressures the government to tolerate these newspapers that provide some semblance of credible reporting.

Whatever its motivations, the government doesn’t make operating newspapers easy.

There are many different constraints, some formal and some informal. The censorship processes that restrict editorial voice are well understood. Less visible, but also very powerful, are rules, regulations, and practices that constrain those businesses from making money and gaining audience.

All Burmese media are licensed by the government, which dictates the days they may publish; news/political journals may only publish weekly. Media licenses may be held by individuals—often cronies of the military rulers or their princelings—or by ministries or government departments that lease the licenses, at sizeable amounts, to publishers.

The normal revenue model for most independent newspapers is a mix of about 80 percent of revenue coming from advertising and 20 percent from circulation sales, all of which are sold single copy. The smaller the journals, the more likely it is that circulation revenues are a higher percentage of total income as they are less likely to attract advertisers.

Yet most independent newspapers do not “own” the relationship with their advertisers or readers. Money flows away from their businesses into the hands of intermediaries that realize a disproportionate amount of the revenue stream and dilute the publications’ ultimate profitability. For example, while the journals have a brand relationship with their readers, the distributors own the purchasing relationship with them. They control street-level pricing; publishers are locked into offering wholesale rates and “eating” the cost of returns, or unsold copies. Thus, they are unable to either directly manage distribution to increase circulation or maximize pricing.
Perhaps the most significant market force publishers face is that there is a very limited local market for advertising. In today’s era of “privatization,” many business licenses—including for media—are being issued to a princeling class of children, relatives, and friends of the generals, permanently transferring enormous wealth from the state to individuals.

The result? There is no vital mid-size local business class; the gap between the haves and have-nots is vast. And fearful tax officials can’t easily impose taxes on the princelings or their businesses; instead, they come after small businesses that pop onto their radar.

One way these small business become noticed? By advertising.

This knocks out traditional sources of advertising revenue. While there is some local and regional advertising, it is not robust. Real estate, typically a huge segment for newspapers, is sold quietly through agents who seek to operate outside the view of tax officials. Autos, also typically a strong ad segment, are sold privately from constantly changing street-side locations rather than from dealerships. Food advertising is irrelevant in a country where most people purchase food from open air markets.

As a result, the majority of advertising is placed by ad agencies that run schedules on behalf of international marketers targeting the very wealthy. These agencies, unlike newspapers, are allowed to accept payment in foreign currency; foreign businesses have no way to pay newspapers directly in the local currency. The agencies have substantial market control. When an ad agency does places a schedule with a local independent newspaper, it takes a big chunk of the money.

Most of the ad buy would normally be placed in government media. But there is both a business motivation—and a profit motivation—for agencies to place ads in independent media. First, the independent media are read by the educated class and are not mass-market oriented. Thus, the likelihood of an advertiser actually getting sales results from an ad is greater in these targeted publications. After all, if the ads fail to yield results, the client will stop advertising.

But also important is the way an independent newspaper would get onto the schedule. The ad agency and media house negotiate a “discount” or “commission” for placing the buy with a specific journal. These commissions can be sizeable—up to 40 percent—and there’s a fine balancing act between the journal offering too little to be included, and too much to make a profit. Thus, the agency gets a double dip—charging the client a 15 percent commission on the rate card price while also getting a discount from the publisher. On a $100 ad buy, for example, the newspaper might make $60—while bearing all the costs—as the agency nets $55.
In this environment, “salespeople” are largely clerical in function, visiting the ad agencies to pick up ad schedules and coordinate insertions. Selling has traditionally been perceived as a low-value, low-skill role. Most of the competitive selling occurs strictly around discussions of price. Publishers are often activists, with keen news missions but limited business experience. Although this is changing, many journals do not actively solicit, entertain, or reward advertising customers.

Finally, to add insult to injury, advertising is censored. Among many other restrictions, it is illegal or prohibited to:

- Run ads using pictures of Burmese women showing cleavage or dyed hair
- Promote traditional medicines
- Write in foreign languages (which were used previously to send coded, anti-government messages)
- Run ads promoting private schools and tutoring services (perceived as a visible criticism of the government’s education system)
- Show images of Burmese men with tattoos or earrings

Because of lack of access to capital or financing in this cash-only country, many of the owners (or their families) own other businesses that help keep them going, especially during periods when the government pulls their licenses for a week or two as punishment.

**In Malaysia: “Audiences Are Moving Online, Revenues Are Not.”**

*Malaysiakini*, an online-only independent news source in Malaysia, has a blended business model of external investment, short-term loans, donor grants, and revenue generated from advertising and subscription sales. The MDLF has been its investor and partner for 10 years, and the company is also supported by the National Endowment for Democracy.

With its website produced in four languages (English, Malay, Tamil, and Chinese), *Malaysiakini* reaches more than a half million unique visitors weekly. Professional journalists produce investigative and news reports, aided by a large cadre of citizen journalists, more than 200 of whom have been trained by the organization.

While the Reporters Without Borders Press Freedom Index 2010 ranks Malaysia 141st out of 178 countries, *Malaysiakini* fully exploits a loophole that prevents censorship online. Unlike newspapers and other traditional media, Internet news organizations and bloggers are not required to obtain government licenses. The government’s promise to not censor the Internet was designed to assure potential international investors that high-tech businesses would find a welcome environment in Kuala Lumpur.

---

**While the Reporters Without Borders Press Freedom Index 2010 ranks Malaysia 141st out of 178 countries, *Malaysiakini* fully exploits a loophole that prevents censorship online.**

---
Even so, Malaysiakini’s most intractable problem is that “it operates in an irrational marketplace because of government interference in the media as well as the media market,” media consultant and Knight fellow Settles said. Although this loophole exists concerning online content, there is no parallel rule ensuring a level competitive commercial playing field.

In Malaysia, traditional media outlets are publicly traded but with controlling shares owned by the ruling party. Each of these conglomerates also owns an ad agency and other media-related organizations. In other segments of the economy, many of the largest businesses are state-owned or state-linked. Thus, the government can tell major businesses to advertise, and to do so in government media, and send money back to their powerful shareholders.

Since the media houses also control advertising sales and placement through their ad agencies, when international marketers seek to advertise, the schedules heavily favor ads run in state-controlled media.

Thus in a market with an extremely high use of social media and blogging, a disproportionately small amount of advertising revenue flows to digital media. “Although Taiwan and Malaysia are very comparable markets,” Settles said, “in Taiwan, more than 20 percent of market share is in online advertising. In Malaysia, it’s 3 percent.”

There are other factors limiting online advertising. As more news goes through channels that are neither purely news nor social media and that have global rather than local reach, the revenue models also become blurred.

According to Malaysiakini co-founder and president, Premesh (Prem) Chandran, “audiences are moving online, revenues are not.” He estimates that of the small amount of online advertising in Malaysia, more than 50 percent flows to non-Malay companies such as Google or Facebook. The Google AdSense tools, which serve relevant ads to a site’s pages and which helps news sites generate revenues, are available in English and Chinese, but not Malay or Tamil; in contrast, more than half of Malaysiakini’s page views are in Malay. Thus, local advertising targeted to the Malay or Tamil-speaking populations, potential sources of revenue, are impossible to monetize using those tools. Yahoo also puts ads on the site, but it generates almost no money. With help from Settles, Malaysiakini is now looking at ways to tag and sort content that would open it up to local advertising.

Given these realities, how are they funded?

Lack of access to capital was a major impediment to the company’s success. Financial assistance and practical business planning support from the MDLF has been critical. The MDLF is both an investor in Malaysiakini, owning 29 percent of its shares, and a financier, providing short-
term loans to help balance cash flow issues. More importantly, Chandran credits the MDLF with helping strengthen the company’s business planning processes and for being a long-term, reliable partner in its success. Unlike important intermittent grants—which have a donor-defined mission and specific short-term program goals established by the funder—the MDLF investments support the business-owner’s long-term mission and help provide a stable path towards sustainability.

A part of the business-planning process was to develop dual revenue streams from advertising and circulation. “Malaysiakini has survived that way,” said Mandel of the MDLF. “When the dot-com bubble burst and the online ad market collapsed, they shifted to a pay wall … It may be that it’s a unique circumstance in that there is no other independent media in Malaysia. It’s also like National Public Radio here, where there are people who are deeply loyal to that particular news source. The audience understands that contributing to their financial well-being is part of the game.”

While advertising and subscriptions account for most of the company’s revenue, Malaysiakini has explored other options. In the process of training its corps of citizen journalists, the company has developed a strong competency in training and development. It now operates the Southeast Asian Center for e-Media that trains journalists on using content management systems, monetizing websites, and rapidly growing website traffic. The center currently adds a few percentage points to revenue and Malaysiakini hopes to build it to about 20 percent. The company has also explored ways to monetize its reach into Malaysian-oriented audiences living outside the country.

In India: Building New Business and Media Models in Low-Income Areas

There are areas so poor and news-deprived, so outside the consumer economy, and that have such unusual constraints on media, that new models of generating both content and revenue must be invented.

The International Media Institute of India (IMII)—which is supported by the John D. and Catherine T. MacArthur Foundation—has developed the Village Voices project in rural Uttar Pradesh. Although India is known as the world’s largest democracy, the medium most used by its massive and often impoverished population—radio—is only available for entertainment and educational content. News radio is banned except on the government-owned All India Radio.

Using trained reporters and citizen journalists, the IMII launched the world’s first phone-based radio network in Chhattisgarh and in doing so is working around the ban on news radio.
Knight fellow Shubhranshu Choudhary, a former BBC South Asia producer, worked through the IMII and with partners at MIT and Microsoft Research India to create a system that allows citizen journalists to use cellphones and record audio reports that are sent to a server. Their stories are told in regional languages not widely understood in other parts of India; this language barrier has previously made them invisible to mainstream media.48

The network, named CGnet Swara (Voices of Chhattisgarh), has enlisted both professional journalists and trained volunteer moderators who listen to the calls, check facts, and then translate the calls for mainstream broadcast. The news is then posted on a server; local listeners can call in and hear the broadcast in their local language; and mainstream media can have ready access to local reporting about the area. The process connects rural and urban areas.

CGnet Swara receives more than 200 listen-in calls per day. They are not “subscribers” who pay CGnet Swara to have access. However, they are paying to get the news because cellphone usage is not inexpensive. They pay to place the call and get the local news. The citizen journalists (CJs,) too, pay the phone charges to call in stories and information.

At this point, that money is retained by the cellphone companies; CGnet Swara does not receive a share.

Choudhary said this model of largely unpaid news-gatherers can be sustainable. “We compensate the CJs by training them,” he said. “Sometimes we create competitions so that the best stories get a small remuneration. But the best compensation is that their stories are told and heard.”

“There is increasing interest among volunteer citizen journalists in participating,” Choudhary said. “When their stories get out and are translated into the language of those people who can initiate change … and then the problem starts getting solved, it is good,” he said. “When that happens, the number of calls we get increases. The connectivity means that people have greater access to information.”49

That said, Choudhary has four hypotheses about ways to generate revenue, including:

1. Building out the platform to include paid public service messages and announcements placed by NGOs

2. Increasing reporting from these under-reported areas and selling reports to traditional media that cannot afford to send reporters to the area, even though the region is important

3. Experimenting with pay models, including allowing people to access a certain number of messages for free each month, then paying for anything additional above that threshold

4. Testing whether this format and market will support commercials
CGnet Swara and IMII continue to identify and work out the business and technology issues. They want the technology and telecommunications companies to help. In India, 10 times more people use mobile phones (670 million phones) than have access to the Internet (61 million users), and it is also a country with low literacy; people are more comfortable using a voice platform rather than a print one.50

Choudhary’s commitment to innovation continues. “We need to experiment with ways to reduce costs through technology … In India, there are many laws that limit cell use. For example, there are laws that prevent people from getting VOIP51 calls on their mobiles. If that changed, we could expand our reach,” he said. “If we can get technology companies to help develop out this concept—and our network—the costs to users will come down, and it will create a platform that supports democracy … through a voice of the people, for the people, and by the people.”52
Recommendations

Media development implementers, investors, and donors should coordinate and jointly develop a more effective approach to creating strong business practices among independent media. Key elements include the following recommendations.

- Develop an organization that provides long-term management training, coaching, and mentoring to independent news media to operate in partnership with journalism development NGOs. Create partnerships between it and the thought leaders in the digital and mobile spaces that are transforming media.

- Identify a cadre of independent media managers and commit to a multi-year development program for them that includes coaching, mentoring, peer learning, business planning support, and participation in industry conferences.

- Create a robust curriculum to improve understanding of the field of advertising and how businesses use it and other marketing communications.

- Begin work on uniform metrics of audience engagement across platforms and media; identify others who are doing similar work and liaise with them.

- Create a market assessment model that analyzes the market, government, legal, banking/finance, and demographic factors affecting independent media’s ability to operate as a business. Produce an assessment tool that evaluates the management and marketing skills of media managers and organizations. Conduct those assessments prior to investing in major journalism development initiatives.

- Develop a model of best practices for media to market themselves to small businesses in their communities. Focus on business practices that spur local economic development.
Endnotes


3. Eric Newton, senior adviser to the president, John S. and James L. Knight Foundation, e-mail interview with the author, June 2, 2011.


5. Ibid, 5.


8. Ibid.


11. Settles, interview.


16. Rice, interview.


19. Ibid.


22. Mandel, interview.

23. Ibid.


26. Mandel, interview.

27. Ibid.


29. Joachim Buwembo, Knight Development Journalism Fellow, e-mail interview with the author, May 27, 2011.

30. Ibid.


33. Ibid.

34. Mandel, interview.

36. Ibid.


40. Ibid.

41. Ibid.

42. Anonymous interviews with the author.


44. Settles, interview.

45. Ibid.

46. Premesh Chandran, CEO and co-founder of Malaysiakini.com, interview with the author, April 30, 2011.


49. Ibid.

50. CIA World Factbook, “India.”

51. Voice over Internet protocol.

52. Shubhranshu, Interview.
Other Sources


Advisory Council
for the
Center for International Media Assistance

Patrick Butler
Esther Dyson
Stephen Fuzesi, Jr.
William A. Galston
Suzanne Garment
Karen Elliott House
Ellen Hume
Jerry Hyman
Alex S. Jones
Shanthi Kalathil
Susan King

Craig LaMay
Caroline Little
The Honorable Richard Lugar
Eric Newton
William Orme
Dale Peskin
Adam Clayton Powell III
Monroe E. Price
The Honorable Adam Schiff
Kurt Wimmer
Richard Winfield