

# Why business model innovation poses a challenge to the Swedish newspaper industry

**The digital era has mercilessly affected the media landscape by changing the way information and news are disseminated and consumed. This has led to an increased need to move activities online and an outdated business model among newspapers. Hence, the need for business model innovation is greater than ever. If newspapers cannot find a new sustainable business model to provide independent and qualitative journalism in a profitable way, it poses a threat to democracy. However, business model innovation is challenging and the Swedish newspaper industry has so far struggled to do business in the digital world.**

Innovation in the newspaper industry has historically been related to content creation. However, as digitalisation has heavily disrupted the industry and exposed it to competitors such as Facebook and Google, the focus on business model innovation has increased dramatically. A business model describes how an organisation intends to make money by delivering something valuable to the customer. The traditional business model of newspapers, that has looked about the same for over 150 years, is hopelessly getting out of date. The case study, based on 16 interviews with people working at eight Swedish newspapers, showed that the Swedish newspaper industry has been working with innovation in all parts of the business model. Focus has during the last years been on customers, customer relationships, channels, competences and cutting costs. Despite this, no one has found a truly sustainable business model yet.

Nine challenges that the Swedish newspaper industry is facing when renewing their business models were identified:

- Delivering something unique to customers in the digital world.
- Developing new revenue streams.

- Rethinking their way of doing business with 150 years of legacy.
- Digitalisation has forced newspapers to change pretty much everything in their business models. Hence, they have not had the opportunity to tailor their business model according to one specific part of it, e.g. the customers, which would have been easier.
- Swedish newspapers' businesses are constantly running and have been doing so in the same way for a long time. Therefore, the operating business model cannot be completely replaced from one day to another.
- As the perception of news has changed, outside industry actors such as social media companies have started to compete with newspapers. News today range all the way from where your friends are going on holiday to the situation in the middle east.
- Consumer needs cannot be fulfilled to the point where only the most requested information is provided, since it would neglect the democratic role of newspapers.
- Establishing an innovation strategy in an ever-changing media landscape, with new channels popping up every day.
- Since no one in the industry claim to have found an entirely sustainable business model yet, there is no one to take good examples from.

However, there is also a handful of opportunities waiting to be grasped. For example, the willingness to pay for qualitative journalism seems to be on the rise. Newspapers could therefore communicate this unique value more clearly to customers. By addressing these challenges and embracing the opportunities, the Swedish newspaper industry is more likely to succeed with business model innovation.