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Strategic Business Models in Times of Transformational Change and Crisis:
A New Typology for Sustainable Media

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ABSTRACT

Media companies worldwide are trying to adapt to the new challenges brought about by the economic crisis and technological revolution. However, some of these efforts are doomed to fail because media tends to concentrate on adapting particular elements of their business models, instead of changing the entire business model logic. This work proposes an innovative business model typology and is based on the hypothesis that if a company could re-arrange its structural elements around this typology, it could have much better chances in its fight to overcome the challenges posed by the ever changing and competitive digital ecosystem. To test this typology the authors used case study methodology and drew from evidence collected from in-depth interviews with journalists from two Greek websites. Ultimately, the article provides the basis for generating new theories about business models and finds that even in times of crisis and transformational change, media companies can survive as long as they perceive crisis -and any other kind of challenge for that matter- as an opportunity for creative change.

KEYWORDS

Business Models, Change, Crisis, Digital, Entrepreneurial, Greece, Media, Strategy, Typology

INTRODUCTION AND METHODOLOGY

Media organizations worldwide are in a state of flux, facing enormous challenges that are threatening their own survival (Picard, 2014). As many experts in the industry have outlined, in order to survive, media companies need to develop new organizational practices, new business concepts, entirely different skills and new strategies (Malmelin & Villi, 2017). This means, according to Horst and Murschetz (2019), that the focus should be placed on understanding how and what kind of processes and practices of organizations, managers and creative workers are helping them to drive their new ideas and strategies forward. However, most media try to change by executing a few random projects, such as updating a website or launching a new mobile app. Others put all their effort into the pursuit of different revenue models, ignoring other structural parts of a media business model (Picard, 2016).

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Bearing this in mind, this paper is based on the hypothesis that if media organizations could re-arrange their structural elements around a specific business model typology, then they could have much better chances in their fight to face and overcome the challenges posed by the ever changing and competitive digital ecosystem.

However, this readjustment is easier said than done. To succeed in such an endeavor, a strategic approach to managing business models in the media industry is considered to be a necessity. Indeed, an abundance of studies in the field of media management emphasize that strategy –together with entrepreneurship- constitutes the basis of success for media practitioners in today's media industry (Horst & Murschetz, 2019) and that strategy processes and practices are needed more than ever to help managers make sense of their challenges and anticipate or respond to ongoing developments in today's rapidly changing environments in a strategic manner (Burgelman, Floyd, Laamanen, Mantere, Vaara, & Whittington, 2018; Hutzschenreuter & Kleindienst, 2006).

A strategic approach essentially entails coping with change; As Horst, Järventie-Thesleff and Baumann (2019) point out, this coping can be bold and innovative such as starting a new camp for idea development in the organization's startup-incubator. In the same way it can be less radical and more incremental such as writing a new app for a magazine, trying out a new way to reach customers for advertisements, or changing the style of writing in cover pages in a niche magazine. According to the authors, these strategic actions may not reorient an entire business model. Nevertheless, as their study has shown, they are enormously successful for ensuring strategic survival, because they allow people to playfully develop ideas, visions and possibilities and develop the future in shared manner.

Notwithstanding strategy's important role to managing media business models, research at the intersection of strategy and business models remains scarce since we still lack an understanding of as how the concept of business model can be used as strategic tool for supporting managers and entrepreneurs in this context.

Following the recent calls from the field, which emphasize the need for more studies and efforts for theory building (Mierzejewska, 2018; Rohn, 2018), the main objective of this work is to develop a strategic business model typology that advances the theoretical perspective of the concept and serves as a valuable strategic tool for media companies worldwide.

Also, the article aims to address Zot, Amit, and Massa's (2011) argument that scholars who have developed typologies appear to have been less concerned with empirical testing and actually test this typology in two websites from Greece, a country whose media industries experienced two parallel crises of different types—an economic crisis and a credibility one.

To do so, the authors used a case study methodology, since it is proven that case studies are becoming more and more important to media management and innovation research (Habann, 2008). The research focuses on more than one cases aiming to add value to the findings (Habann, 2008), especially since these cases are polar opposites in some way. More specifically, two cases are examined: tovima.gr, an online news organization part of a large traditional media conglomerate in Greece that was first established in 1922 and news247.gr a Greek media start up, launched in 2007, part of a steadily growing digital publishing group that manages premium brands.

Both websites are trying to survive in the new media ecosystem investing in their digital presence however they have different backgrounds and have followed completely different strategies with regards to their business models. In-depth, semi-structured hour-long interviews with each website's chief editors and reporters were conducted and secondary data such as balance sheets were also used.

This article is structured as follows. First, the researchers provide a critical literature review that summarizes the body of knowledge produced about media management, entrepreneurship and business models, three key concepts in the current media field. Second, they delineate a conceptual typology of business models which underscores the multifaceted challenges that media organizations are facing in the current ecosystem. Third, they use this typology as analytical lens to study two media organizations that are trying to survive in Greece. In the conclusion, the authors discuss how their

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