Article – Open section

"MY BOSS IS 18,000 PEOPLE"
Journalism practices in crowdfunded media organizations

Adilya Zaripova

Abstract

Imagine a media organization without ownership, hierarchy, advertisements, where journalists are free to make their own decisions and do what they believe to be right. Recently, more and more journalists around the world have been chasing this beautiful dream. In the Netherlands, Germany, the United States, Hungary, Russia, Spain, journalists are attempting to launch new media publications solely or partly financed through crowdfunding.

This article analyses three crowdfunded media organizations in three different countries – Krautreporter (Germany), Direkt36 (Hungary), and Colta (Russia). Using qualitative in-depth interviews, it demonstrates that journalism practices in a crowdfunded newsroom are very different from those in other media. The study concludes that direct funding from the audience is financially unstable; it affects journalists' professional self-perception, changes their relationship with the audience and generally increases the amount of work that journalists have to do. At the same time, participants claim to be more satisfied with their work now than they ever were before.

Introduction

Media convergence and digitization continue to drive the evolution of the global media landscape. Traditional business models of media organizations, print media, news agencies,

and broadcasters have been destabilized (Picard, 2014). But, as "traditional media struggle to find their footing, experimentation with new forms of media is growing" (Kurpius et al., 2010, p. 360).

Crowdfunding is one of the existing innovative funding methods that are actively used by media entrepreneurs. Due to the simplicity of the fundraising process, as well as the impressive results of some successful campaigns, crowdfunding is now perceived by some media professionals as one of the most promising fundraising methods in the future of journalism (Nevill, 2014).

The establishment of *De Correspondent* in the Netherlands, *Krautreporter* in Germany, *Contributoria* in the USA, *Colta* in Russia and other existing media platforms that are solely or partly financed through crowdfunding encourages professionals to talk about the rise of a "whole new journalism format" (Wenzlaff, 2014). Therefore, it is important to understand the benefits and limitations of this fundraising method and to question its ability to serve as a sustainable business model for long-term journalism projects.

Crowdfunding business model

In crowdfunding, entrepreneurs rely on micropayments provided by a large group of people to finance their projects (Jian & Usher, 2014). These payments may be provided either in the form of a donation or in exchange for some form of reward or voting rights (Belle-flamme, Lambert & Schwienbacher, 2013). The European Commission distinguishes among five business models used by crowdfunding platforms: Donation-based, investment-based, reward-based, lending-based, and invoice trading crowdfunding (2016, p. 8). These models are differentiated by the outcome that investors wish to receive in exchange for their contributions (Griffin, 2012).

Lawton and Marom (2013) advocate crowdfunding, describing it as a self-administrative, non-political, democratic mechanism that represents the collective will of the community and suffers no indecision. The idea of crowdfunding is, indeed, based on principles of transparency, cooperation, and democratic practices: people choose a project they like and support its realization with their own money (Lehner & Nicholls, 2014; Wroldsen, 2012; Rubinton, 2011; Ramos, 2014).

Unlike traditional forms of funding, crowdfunding is a very flexible tool, open to hybridization; it is not regulated by any rules and legislation (Tomczaka & Brem, 2013; Lawton & Marom, 2013). Rubinton summarizes the advantages of crowdfunding, describing it as a "theoretically superior, scalable, more efficient, 'wiser' form of funding, which democratizes access to capital markets" (2011, p. 12). However, the existing research also reveals disadvantages and weak points in this funding mechanism.

One of the main points of criticism is that crowdfunding cannot serve as a sustainable financing mechanism for long-term projects (see, for example, Betancourt, 2009; Franke & Klausberger, 2008; Jian & Shin, 2014) Another point is that crowd resources are not unlimited: as the number of projects grows bigger, the amount of contributions received by each

of them becomes smaller (Franke & Klausberger, 2008). Existing research shows that for a long-term project such as the production of a media publication, crowdfunding can be used as an effective temporary solution but hardly as a sustainable funding mechanism (Halpape, 2008).

Kick-starting media with crowdfunding

A study by the Pew Research Center, published in January 2016, examines the 658 journalism projects funded through *Kickstarter*, one of the largest single platforms for crowdfunding, from 28 April 2009 through 15 September 2015 (Vogt & Mitchell, 2016). According to the report, crowdfunding is used to finance all kinds of projects from single stories to websites and documentaries. Total funds raised for journalism projects annually have increased from $49K in April-December 2009 to $1.7M in January-September 2015. The total number of backers has risen from 792 in 2009 to 25,651 in 2015.

The study by the Pew Research Center demonstrates that, in many cases, crowdfunding may serve as a successful financing mechanism for various journalistic initiatives. According to Aitamurto (2015), there are currently four categories of crowdfunding in journalism: fundraising for a single story, fundraising for continuous coverage or beat coverage, fundraising for a new platform or publication, and fundraising for a service that supports journalism.

The existing studies characterize crowdfunded journalism as a meaningful alternative business model, which fundamentally changes what it means to be a journalist and a news reader (Jian & Shin, 2014; Jian & Usher, 2014). Potentially, it can liberate journalists from the pressure of advertisers and give them freedom to produce the content that they believe to be most important for society (Jian & Shin, 2014).

Crowdfunding also changes journalists' professional self-perception and everyday work as well as relations between journalists and their audience (Aitamurto, 2011; Hunter, 2015, 2016; Jian & Shin, 2014). First, the very process of crowdfunding requires journalists to deal with the tasks and problems that are traditionally solved by other professionals (Aitamurto, 2011; Hunter, 2015, 2016). In order to attract attention and convince people to support them, journalists have to organize a crowdfunding campaign: publish their idea on a crowdfunding platform, spread information about it using social media and their personal contacts, and promote their campaign wherever and whenever they can (Aitamurto, 2011). In other words, journalists are forced to be their own sales people and do the job that is traditionally done by marketing and sales departments.

According to the existing research, journalists not only have to manage their time differently with crowdfunding than they usually do in traditionally-funded newsrooms, but they also have to reconsider their professional role in general (Aitamurto, 2011; Hunter, 2015, 2016). With crowdfunding, the audience has the power to decide which story will be produced, which means that the community takes on the gatekeeper role that used to belong to professional editors (Aitamurto, 2011; Hunter, 2015; Jian & Usher, 2014; Jian & Shin, 2014).

Hunter (2015) talks about the potential conflict between journalists' professional autonomy and their responsibility to the backers. There is a possibility that the more journalists use crowdfunding, the more they may shift from thinking about their audience to thinking about pleasing their audience, which would change their professional role and limit their professional autonomy (Hunter, 2015).

According to the "Crowdfunding Guide for Media Professionals" by Gajda and Abendroth, crowdfunding is about community building and co-creation as much as about raising funds (Gajda & Abendroth, 2014, p. 10). The process of community building for crowdfunded media has not yet been explored by researchers. However, the research on crowdfunding in journalism shows that, when journalists seek fundraising for a single story, they have to communicate with the audience from the very beginning until the very last day of their crowdfunding campaigns, which includes sharing their ideas, opening themselves up for comments and replies, keeping the audience updated, and, sometimes, even calling or meeting the backers to express gratitude for their support (Aitamurto, 2011, 2015; Hunter, 2015; Jian & Usher, 2014; Hui, Gonzalez, & Gerber, 2014).

The existing research raises important questions about the sustainability of crowdfunding in journalism, the new type of relationship between journalists and their audience, and the shifting professional identity of media workers. However, most of the existing studies focus on the same type of crowdfunded journalism-crowdfunding for a single story (Jian & Usher, 2014; Hunter, 2015, 2016; Aitamurto, 2011; McCarthy, 2012; Jian & Shin, 2014). Meanwhile, over the last few years, a number of journalistic organizations around the world have been attempting to adopt crowdfunding as their *modus operandi* (Aitamurto, 2015; Gajda & Abendroth, 2014).

In September 2013, a group of Dutch journalists launched a crowdfunding campaign for a new online publication called *De Correspondent*. The journalists managed to organize what was the most successful crowdfunding campaign in journalism at that time: 18,933 people donated €60 each, raising about €1.5 million for a new online medium (Pfauth, 2013, 2014). Later, several other journalistic publications around the world started using crowdfunding to finance their work: *Krautreporter* (Germany), *Direkt36* (Hungary), and *El Español* (Spain), among others. ("О проекте", n.d.; "Zeit für Journalismus", n.d.; "Who are we?", n.d.; Johnson, 2015).

This article aims to contribute to the understanding of the phenomenon of crowdfunding for new media publications. The study will explore the specifics of journalism practices in a crowdfunded newsroom in terms of everyday work, the relationship with the audience and community building.

According to Vukanovic (2015), new online business models are significantly different from what he describes as "traditional businesses". Following this definition, the current study uses the term "*traditionally-funded media*" to describe media organizations that "follow a simple formula: create a product or service, sell it and collect money" (Vukanovic, 2015, p. 56).

In order to understand the specifics of crowdfunded media, this study provides an analysis of journalists' perceptions of their work in crowdfunded newsrooms compared with their previous experience in other media, which are also referred to as *traditionally-funded media*. The following research questions were developed to facilitate the analysis:

RQ1: What are journalists' perceptions of the structure of a crowdfunded media organization in comparison with traditionally-funded media?

RQ2: What are journalists' perceptions of their everyday work within crowdfunded media in comparison with traditionally-funded media?

RQ3: What are journalists' perceptions of their relationship with the audience within crowdfunded media in comparison with traditionally-funded media?

Method

Considering the rather small number of existing crowdfunded media, the choice of cases available for research was limited from the beginning. Three online media organizations financed through crowdfunding have been chosen for this study: *Krautreporter* (Germany), *Direkt36* (Hungary), and *Colta* (Russia). In order to increase the number of potential participants, it was decided to select three cases.

After a thorough comparison with the other crowdfunded publications examined in the existing studies (Porlezza & Splendore, 2016; Aitamurto, 2015), these three cases were selected because of the similarities in their financing strategy and the organizational structure of their newsrooms:

- they used donation-based crowdfunding from day one;
- they combined crowdfunding with a sponsorship or a board of trustees;
- they were not related to any larger, traditionally-funded media organization;
- they had an established newsroom comprised of full-time employees and freelancers;
- they made their content fully available for everyone.

The number of potential participants was limited by several factors discovered at the beginning of the sampling process. The first factor was the small number of journalists employed by the chosen media organizations. Second, the journalists selected for the study were asked to compare their work in a crowdfunded newsroom with their previous work in other newsrooms; therefore, the participants had to have substantial journalism experience. Finally, after four freelance journalists from two of the three newsrooms refused to participate in the research because of a lack of knowledge about crowdfunding (they claimed that they were not involved in the crowdfunding process and, therefore, had nothing to say about it), it was decided that potential participants had to perceive this work as their main paid occupation.

As a result, six semi-structured, in-depth interviews with journalists from the chosen newsrooms were conducted between June and October 2015.

The interviews focus on the following issues:

- the crowdfunding process
- everyday work in a newsroom
- the relationship with the audience
- professional autonomy

Only one participant, the editor-in-chief of *Krautreporter*, Sebastian Esser, was interviewed face-to-face at his office in Berlin. The other five interviews – with Alexander Krützfeldt and Rico Grimm from *Krautreporter*, Gergő Sáling (editor-in-chief) and András Pethő from *Direkt36*, and Michail Rathgauz (deputy editor-in-chief) from *Colta* – were conducted via Skype. All participants were offered an option to remain anonymous. However, all of them had no problem using their real names.

Atlas.ti, a software designed for qualitative data analysis, has been used as a tool for analysing the interviews. Following Flick's theory (2002), the process of data analysis started with open coding. First, the texts of the interviews have been segmented into units of meaning (sequences); next, concepts (codes) have been attached to the sequences. Finally, the codes have been categorized by grouping them around phenomena discovered in the data that are particularly relevant to the research question. The open coding resulted in a list of codes and categories, which was used for axial coding (Flick, 2002).

Findings

Launched in 2012, *Colta* was the first media publication in Russia financed through crowdfunding ("О проекте", n.d.; Loginova, 2012). It was launched by a group of journalists – all of them had previously worked for an online publication *OpenSpace.ru*, which was shut down due to a conflict of interests, forcing the journalists to look for a new solution (Loginova, 2012). At the beginning of each year, journalists announce a new crowdfunding campaign, and donations are collected at the crowdfunding platform called Planeta.ru. *Colta* has a board of trustees, which is open to anyone who is willing to donate a minimum of RUB 300,000 (about €5,000) per year ("О проекте", n.d.). Instead of simply donating money, donors can also purchase special items offered by the crowdfunders—T-shirts, autographed books or music albums, private museum tours, etc. ("Colta", n.d.).

The German-based crowdfunded online magazine *Krautreporter* went live in the fall of 2014. With the first crowdfunding campaign, the editorial team collected €1.02 million. However, a year later, the second crowdfunding campaign was less successful. In order to raise money in the fall of 2015, the team announced that anyone who was willing to contribute at least €250 for the project could become a shareholder of the media organization.

By March 2016, 299 people took the opportunity and contributed more than €100,000 for *Krautreporter* ("Zeit für Journalismus", n.d.).

Direkt36 is a Hungarian centre for investigative journalism, launched at the beginning of 2015 by a group of professionals who had previously worked for the online news portal *Origo* and lost their jobs due to political pressure ("Who are we?", n.d.; @direkt_36, 2015). The crowdfunding campaign for *Direkt36* collected more than half of their €20,000 goal in the first 24 hours (Johnson, 2015b). However, crowdfunding is not the only financial source for *Direkt36* – the project also has sponsors among media organizations and journalism institutions ("Who are we?" n.d.; @direkt_36, 2015).

During the interviews, journalists from the three media organizations were asked to compare their current work in a crowdfunded newsroom with their previous journalism experience. Schemes 1 and 2 have been designed to visualize the main characteristics of traditionally-funded and crowdfunded newsrooms as they were described by the participants during the interviews. These schemes are based on journalists' subjective perception of their experience and cannot be used as an objective representation of any particular media organization.

Scheme 1 (p. 118) visualizes the participants' perception of a traditional media organization. During the interviews, journalists mentioned six acting figures in a traditional media production structure: audience, journalists, owner, advertisers, sales department, editors. The audience is influenced by the marketing and promotion of the media and pays for the content produced by journalists. Advertisers, who are attracted by the popularity of the media, pay for ads. But journalists do not deal with money themselves — there are other professionals – "business people" – who deal with promotion of media organizations and take care of financing.

Scheme 2 (p. 118) demonstrates how journalists perceive the process of media production in a crowdfunded newsroom. There are only two acting figures—journalists and the audience.

The two schemes demonstrate that crowdfunded newsrooms have a specific organizational structure that is different from what the journalists had experienced before. Participants especially emphasize the difference in terms of hierarchy and ownership. Not all of them assume that owners can directly influence the content and put pressure on journalists; however, at least half of the participants have experienced this kind of pressure themselves:

> In terms of culture and ownership, I own it [the project], too. So, here, in the newsroom, it is a sense of peer-to-peer communication. So, it is a completely different hierarchy — very non-hierarchical way of doing things (Grimm, *Krautreporter*).
>
> We – the team – had been working together at the most popular news website [...]. We wrote a story about the travel costs of a very famous government official, and this story was too much for the publisher of our journal (Sáling, *Direkt36*).

> We had to say goodbye... unwillingly, as a result of a conflict, to our previous owner (Rath-
> gauz, *Colta*).

But even if there is no direct pressure from the owner, participants mention that journalists, especially at the beginning of their career, are not always allowed to choose their own topics. There are editors who always get the last word and also have the right to "review and rewrite" a story. But there is nothing like that in a crowdfunded newsroom:Here, I have the freedom to build whatever I like and do whatever I like. I couldn't do it in another newsroom. And it is not really a question of money; it is a question of hierarchies, a question of the history of the newsroom, people who work there [...] because we are setting everything up, we have the freedom to do whatever we like (Grimm, *Krautreporter*).

> You know, with a lot of stories, it happens that they do not tell the truth at the end because
> too many people review and rewrite it (Esser, *Krautreporter*).

Unlike traditionally-funded media that have to negotiate and maintain their relationship with advertisers, crowdfunded media rely on a big group of virtual supporters and use a very simple mechanism to collect money. Participants underline the benefits of this system, such as no pressure from advertisers and no influence of a sales department on the work of journalists:

> There is a problem, when you cannot write a story that has to be written, because someone
> gives you a lot of money. So in crowdfunding, because there are so many donors, all this
> becomes less of a problem than it was before (Esser, *Krautreporter*).

> There is always this continuous pressure, that you need advertisements. And I started to
> think about it—what can be done about, because this is, you know, like a trap (Sáling,
> *Direkt36*).

The participants' perceptions of the structure of a crowdfunded media organization in comparison with traditionally-funded media reveal significant differences in terms of the distribution of work among the team members. The journalists emphasize that, in crowdfunding, they get rid of the "middle man" – meaning, first of all, a sales department. There is no advertisement, no owner and no strong hierarchy among journalists. This leaves only two players in the process – journalists and their audience.

On the other hand, getting rid of the "middle man" and "business people" means that journalists have to take care of marketing and promotion. Along with the previous research (Aitamurto, 2011; Hunter, 2015), this study demonstrates that, in crowdfunding, journalists have to promote their work and persuade people to pay for it. Moreover, unlike crowdfunding for a single story, journalists in crowdfunded media have to persuade the audience to support them on a regular basis:

> Conducting a campaign [....] it is like a communication campaign, kind of like a PR campaign. <[..] I have friends, who are working for PR, and I sat down with them, and we went through the whole campaign, and they gave incredibly good advice on how to approach this (Pethő, *Direkt36*).

Now we neither have a marketing department nor a sales department. Our technical resources are very limited and we have to do everything on our own (Rathgauz, *Colta*).

> That is because we are small, partly, but also because we are deeply involved in creating the product... we can even say that we are the product (Grimm, *Krautreporter*).

The findings across the three cases demonstrate that participants have to perform different types of marketing activities in order to attract attention and secure the funding:

- interviews
- regular newsletters
- social media campaigns
- direct communication with the audience
- "events" (part of a reward-based, crowdfunding campaign in which crowdfunders introduce new items available for purchase).

At the same time, four out of six participants have openly demonstrated negative attitudes toward the idea that journalists personally have to put extra effort into attracting donors for the project. This supports the argument made by Aitamurto (2011) that journalists who use crowdfunding to finance their work are not always happy with the idea of promoting themselves.

> do not like journalism begging for money: 'please-please! Or we will die!' I do not like it like that (Krützfeldt, *Krautreporter*).

> Well, we do not agitate on the street [...] We do not have any active propaganda [...] This scenario is the last thing we would do (Rathgauz, *Colta*).

The findings also support earlier studies that argue that crowdfunding can hardly serve as a sustainable financing mechanism for a long-term journalism project (see, for example, Betancourt, 2009; Franke & Klausberger, 2008; Jian & Shin, 2014). First of all, all three media organizations combine crowdfunding with other financing sources in order to meet their goals. In addition, the participants admit that crowdfunding does not offer the same financial resources that are available for most other media organizations:

> I wish the journalists were more concerned about earning money. [...] the authors think they can treat us like a normal magazine – money will come from somewhere, and it is none of their concern. But it is not like that (Esser, *Krautreporter*).

> [W]e would not be able to live on crowdfunding – we understood it pretty early [...] So, the matter of fact, we have more work now, but we do not earn more money" (Rathgauz, *Colta*).

At the same time, all of the participants claim that, despite an increased workload and the lack of financial stability with which they are dealing, crowdfunding has a major positive effect on their work as investigators and content creators. In other words, they claim to have more time and more freedom to focus on journalism:

> I can focus 90% of my time on actual journalism – investigative journalism, mostly on my stories [...] There [...] I could only spend a fraction of my time on investigative reporting (Pethő, *Direkt36*)

The findings demonstrate that journalists' work to attract new financial contributions for the project includes direct communication with the audience. The existence of a community of readers – people who already provide financial support for the project – is mentioned by most of the participants as the main difference between crowdfunded and traditionally-funded media:

> And you have the community. When I work for another newspaper or a magazine, I do not have it – I do not have to think about readers that much (Krützfeldt, *Krautreporter*).

Unlike the other two cases, there is a clear distinction between the community of readers and the mass audience at *Krautreporter*: in exchange for donations, readers receive regular newsletters and emails and have access to a reader's forum that enables more direct communication with the newsroom. Therefore, journalists in *Krautreporter* seem to be much closer to their community, compared to their colleagues from other projects. According to them, journalists have to "reset" their professional identity, in order to work for crowdfunded media:

> You have to change your mind-set. It is hard. Because you learn something completely different at the journalism school [...]. You learn how to be a journalist – some kind of a 'semi-god' or a little king at a newspaper – you write whatever you want and stay unchallenged (Grimm, *Krautreporter*).

Generally, the participants' perceptions of their work demonstrate a change in terms of the relationship between journalists and their audience. All journalists point out that, in news-

rooms where they worked before, the distance between journalists and their audience felt very large — there was no direct communication between them:

> [T]he connection between your work and the satisfaction of your readers is really weak. So, you cannot know whether they like it or they simply click it (Sáling, *Direkt36*).
> I drop my text there [in traditionally-funded newsrooms]... it is like I send it into a hole. I get no response" (Grimm, *Krautreporter*).

The participants emphasize how different it is from the working process in a crowdfunded newsroom.

According to the previous research, direct contact with the audience is one of the main conditions for a successful crowdfunding campaign (Aitamurto, 2011; Hunter, 2015, 2016; Jian & Shin, 2014). The current study supports this argument since most of the participants claim to dedicate a large portion of their time to communication with their readers and community building. The following quotes demonstrate that journalists in different crowd-funding newsrooms dedicate a similar amount of time to this type of work:

> I would say it is 30% of my time that I spend communicating with the crowds. Can be 25-30%, it depends, but it is about one third of my time that I dedicate to communication (Grimm, *Krautreporter*).

> I think, maybe, community is taking a third, 30%, maybe 25%, of our work (Krützfeldt, Kraut-reporter).

> Two-three hours a day [are dedicated to community managing] (Sáling, *Direkt36*).

The existing research argues that this kind of direct connection between journalists and donors creates a different type of relationship between them: it is no longer a relationship between a creator and a passive consumer of information since, in crowdfunding, readers are the ones to decide which story is to be written (Aitamurto, 2011; Hunter, 2015; Jian & Usher, 2014). The current study demonstrates that journalists perceive their communication with the audience as an unusual type of work – something they had to get used to in their new work environment. Moreover, they describe this work as time-consuming and psychologically difficult:

> I have to be prepared to defend my arguments, and it is something you don't want to do. Because it is humiliating. [...] I have to make sure I have my facts straight, so, they can't say: 'Ok, you got it wrong, boy!' (Grimm, *Krautreporter*).

> At the beginning I was afraid – I was not prepared to interact directly with my readers. It was like in a zoo – cage opens, and there are lions inside (Krützfeldt, *Krautreporter*).

Participants also emphasize that, even though direct contact with the audience requires time and puts pressure on them, it has advantages over the communication patterns followed by most traditionally-funded media. As described by the journalists from *Krautreporter*, communication between them and their audience goes beyond the typical relationship between journalists and readers, or entrepreneurs and funders: if necessary, their readers can also become experts or even hosts:

> So, we are sitting together, talking about a topic, and then one of the colleagues says: 'Ok, how can we manage that with our community?' Are there experts in it whom we can ask; are there even guys at whose place we can sleep over if we travel?' (Krützfeldt, *Krautreporter*).

However, the findings contradict the idea that, in crowdfunding, readers take on the gate-keeper role that used to belong to professional editors (Aitamurto, 2011; Hunter, 2015; Jian & Usher, 2014; Jian & Shin, 2014). Journalists in long-term, crowdfunded media projects claim that this role still belongs to them unlike in crowdfunding for a single story, and their professional decisions are not affected by the desires of their readers. Even though the participants admit that backers sometimes attempt to put pressure on journalists and influence their choices in exchange for financial support:

> First, some micro-donors say this is not what they expected, so they stop donating. And I think it is fair because, of course, we cannot satisfy everybody. And, yes, there were some donors who offered us, let us say, a larger payment, and then they came back: 'Here, I have this story.' And we have to explain that this is not how it works (Sáling, *Direkt36*).

> And, often, we have discussions about journalism: they say, 'Ok, why did you put this headline? Why did you use this picture [...]' And we often let them know why we made this decision. [...] Sometimes, they are very pissed; they say they would quit the project immediately. Sometimes, they agree with us (Krützfeldt, *Krautreporter*).

Even though journalists admit that some members of the audience try to tell them how they should do their work and, sometimes, these demands can be expressed quite aggressively, participants tend to describe their communication with the readers very positively. All participants have experienced conflicts with readers who believe they have a right to control the journalists since they support them with their money. And, yet, the journalists insist that those attempts to control them can never be successful:

> There are thousands of them. Even when you talk to one, you should always keep in mind that there are more (Grimm, *Krautreporter*).

> I don't see any kind of direct responsibility in crowdfunding: people give us money, and we have to do something special for them. No, it is not like that. We simply try to do a good

> job – this is what we promise our readers. We do not promise them anything else (Rathgauz, *Colta*).

The current study demonstrates that journalists in crowdfunded newsrooms do not see their readers as goalkeepers or owners who get to decide what gets published. Only one participant refers to the audience as his "boss" but not the owner. Moreover, he denies the right of his "boss" to "call the tune" in exchange for donations:

> My boss is numerous, because my boss is 18,000 people right now (Grimm, *Krautreporter*).

Both European-based crowdfunded media – *Krautreporter* and *Direkt36* – demonstrate similar patterns in communication between journalists and their audience. However, there are certain differences between them and the Russian-based project *Colta*.

The journalist from *Colta* remembers that, at some point in the history of the project, the editorial team was planning to create something he calls a "club of subscribers"— a group of loyal readers who agree to donate a small amount of money on a regular basis. However, after a thorough evaluation, they decided against this financing strategy. According to the journalist from the project, the *Colta* editorial team has no capacity to work with the community. In addition, unlike his colleagues from two other projects, the journalist does not work with reader comments on a daily basis:

> Unfortunately, there is a very low number of comments that are worth attention. When people discuss something, they mostly do it on social media, in their social circle (Rathgauz, *Colta*).

The journalist insists that his everyday work does not include any specific activities on building and managing a connection with the audience. According to him, instead of building a solid group of loyal supporters, *Colta* launches crowdfunding campaigns more often— twice a year—and tries to reach as many people as possible during every crowdfunded campaign by creating "events":

> In order to make crowdfunding work, you always have to create occasions [...], these micro-events remind people that we are waiting for their help (Rathgauz, *Colta*).

Answering a direct question, the journalist from the Russian project said that he did not feel any significant difference between crowdfunded and traditionally-funded media in terms of communication with the audience. However, during the interview, he several times mentioned a *feeling* of close connection with the audience in his current work:

> It [crowdfunding] is obviously important for us; we somehow feel direct connection with the audience in this sense [...] There are these wonderful people, we even know them already,

> who have a very nice hobby — when we only need a small amount to reach a round sum,
> they come and give us this exact amount (Rathgauz, *Colta*).

It indicates that direct communication with the audience is not the only community build-ing strategy that can be used by media organizations, when they attempt to to adopt crowdfunding as their modus operandi. This hypothesis could be explored by further research on crowdfunded media in different countries.

It would be natural to assume that the differences between journalists' work in the chosen crowdfunded media could be anchored in cultural and geopolitical differences between media systems (Hallin & Macini, 2004). Due to the limited sample, the current study does not aim to explore this question and provide a comparative analysis of the projects. Instead, it focuses on finding similarities rather than differences in journalists' per-ception of their work. Therefore, these differences require further exploration in the future research.

One of the most important similarities is revealed when the participants are asked how crowdfunding affects the very core of their professional activity – the process of content creation. All of them insist that, despite the fact that communication with the audience, creation of events and promotion of their work require a significant amount of time, it has no effect on how journalists cover the chosen topics. According to the participants, crowd-funding enables them to make editorial decisions without taking such factors as owners or advertisers into account. It also creates a stronger feeling of responsibility for their work. However, the way journalists collect the data, structure their arguments and provide infor-mation for the readers is structured by their personal experience and the journalistic ethics and standards of their country.

Conclusion

One of the aims of the current study is to use new data to fill the gap in the research on crowdfunding in journalism. The study builds on the existing research and focuses on one of the categories of crowdfunding in journalism — crowdfunding for a new publication (Aitamurto, 2015). The study demonstrates that three different crowdfunded projects in different countries share common characteristics regarding organizational structure, jour-nalists' perception of their audience and their work, as well as their perception of their professional autonomy.

During the interviews, participants admit that crowdfunded media are always low budget, which supports the assumption that crowdfunding is not a sustainable business model for a media organization (Betancourt, 2009; Franke & Klausberger, 2008; Jian & Shin, 2014; Halpape, 2008). However, the findings also demonstrate that it can serve as an effec-tive temporary solution and support the opinion that crowdfunding can be successfully combined with other financing strategies (Halpape, 2008) such as institutional donations and boards of trustees.

The research concludes that the use of crowdfunding as the *modus operandi* of media organizations significantly impacts journalists' daily work. Findings across the three cases demonstrate that participants have to perform different types of marketing activities in order to attract attention and secure funding: they talk about interviews, actual meetings with readers, newsletters, comments, and creating "events." Direct funding from the audience is a burden for journalists: it increases the workload and forces them to spend time on activities not related to content creation. At the same time, the study demonstrates that journalists are more satisfied with their work now than they had been before.

Despite all the difficulties, participants share a very positive vision of the crowdfunding business model, its opportunities, and its impact on journalism. Findings demonstrate that, when they compare crowdfunding with traditional business models used by media organizations, journalists more often choose to criticize traditional funding and talk about the benefits rather than the limitations of crowdfunding. Journalists describe their current working conditions as more liberating in terms of ownership and organizational structure; they claim to have more control over the working process than they had before.

Two out of three publications – *Colta* and *Direkt36* – were launched as a result of political pressure on media owners: journalists have turned to crowdfunding after losing their previous jobs. During the interviews, they mentioned this fact multiple times, emphasizing the difference between traditional media ownership and crowdfunding. Participants expressed their satisfaction with the fact that a crowdfunded organization could not be easily shut down by some controlling party without journalists being able to fight for their rights.

The results across the three cases demonstrate that the relationship between journalists and their audience in crowdfunded media differs from what journalists experience working for traditionally-funded media. The core of this difference described by the journalists themselves as direct contact with their audience. However, the level of closeness in this contact differs significantly across three cases: from a mere feeling in case of *Colta* to constant personal communication with the community – discussions, emails, meetings – in case of *Krautreporter*.

Considering that all three media chosen for the research have to combine crowdfunding with other financial sources to finance their work, there is no evidence that closer contact with the audience increases financial stability for a long-term, crowdfunded journalism project.

The research concludes that journalists feel the need to reconsider their professional role in order to be successful in crowdfunding and to learn to think of their audience as an active participant in the content creation process. However, there is no evidence that journalists would be willing to compromise their professional principles for more generous donations. All participants are aware of the possible danger of shifting from thinking about their audience to thinking about pleasing their audience (Hunter, 2015), and all of them express their conviction that such a shift is not possible in their newsrooms.

Several times during the interviews, journalists seem to contradict themselves when they described their experience with crowdfunding. They dedicate up to 30% of their daily time to reading and replying to comments from readers; but, at the same time, they claim that crowdfunding does not affect the very process of their work. They also emphasize that they do not do self-promotion and do not "beg for money" despite the necessity of staying in direct contact with the readers and persuading them to provide financial support for the project.

It seems that the participants do not perceive their communication with the audience as marketing activity; even though their audience and funders are basically the same, journalists still distinguish between them. Such contradictions between what is said and what is done may be explained by the fact that journalists still attempt to apply more traditional work habits to their new work environment: even though, in a crowdfunded media organization, journalists have to take care of the finances, they still attempt to preserve the traditional distance between the business and the editorial parts of the media production process. This issue requires further exploration.

Future research may focus on analysing the differences between crowdfunded media in different countries. Mapping the existing crowdfunded media around the world would help journalists to understand the possibilities offered by this fundraising tool and provide relevant insights for media management. More practically, further research can aid journalists and media organizations that are looking for additional financing for their projects. Understanding the advantages and disadvantages of crowdfunding techniques in different media systems may help many journalists achieve independence and support their fight for freedom of speech.

References

Aitamurto, T. (2011). The impact of crowdfunding on journalism. *Journalism Practice, 5*(4), 429–445. doi: 10.1080/17512786.2010.551018.

Aitamurto, T. (2015). The role of crowdfunding as a business model in journalism: A five-layered model of value creation. In L.K. Bennett, B. Chin, & B. Jones (Eds.), *Crowdfunding the Future. Media Industries, Ethics and Digital Society.* Peter Lang Publishing Inc. (Digital formations, vol. 98).

Belleflamme, P., Lambert, T., & Schwienbacher, A. (2013). Individual crowdfunding practices. *Venture Capital, 15*(4), 313–333. doi: 10.1080/13691066.2013.785151.

Betancourt, L. (2009). Is crowdfunding the future of journalism? Retrieved from http://www.crowdsourcing.org/document/is-crowdfunding-the-future-ofjournalism/1374.

Colta. Дай пять! (n.d.). Planeta.ru. Retrieved from https://planeta.ru/campaigns/colta.

Crowdfunding industry report (2012). Market trends, composition and crowdfunding platforms. Retrieved from http://www.crowdfunding.nl/wp-content/uploads/2012/05/92834651-Massolution-abridged-Crowd-Funding-Industry-Report1.pdf.

@direkt_36 (2015,). In Hungary, telling the truth is getting more and more difficult. Here's our plan to change that. *Medium.com, January 6.* Retrieved from https://medium.com/@direkt_36/in-hungary-telling-the-truth-is-getting-more-and-more-difficult-heres-our-plan-to-change-that-e8985cdb65a6#.9we9o39km.

European Commission (2016). Crowdfunding in the EU Capital Markets Union. Commission staff working document. SWD(2016) 154 final. Brussels: European Commission.. Retrieved from: https://ec.europa.eu/info/publications/crowdfunding-eu-capital-markets-union_en.

Flick, U. (2002). *An Introduction to Qualitative Research*. 2nd ed. London, Thousand Oaks, Calif.: Sage Publications.

Franke, N., & Klausberger, K. (2008). Design communities: Business model of the future? *Institute for Entrepreneurship and Innovation, Vienna University of Economics and Business Administration*. Retrieved from http://noori.abismo.org/crowdsourcing.pdf.

Gajda, O., & Abendroth, M. von (2014). Creative funding for creative media. Crowdfunding guide for media professionals. *Published by European Magazine Media Association and the European Crowdfunding Network*. Retrieved from http://www.eurocrowd.org/wpcontent/blogs.dir/12/files/2014/01/FML-ECN-EMMA-crowdfunding-guide-final.pdf.

Griffin, Z. (2012). Crowdfunding: Fleecing the American masses. *SSRN Journal*. Retrieved from http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2030001.

Hallin, D.C., & Mancini, P. (2004). *Comparing Media Systems: Three Models of Media and Politics*. Cambridge, UK: Cambridge University Press.

Halpape, J. H. (2011). Finding friends for the Tyee: A plan for a reader-supported journalism program. Project report. Burnaby, BC: Simon Fraser University. Retrieved from: http://summit.sfu.ca/item/11590.

Hui, J., Gonzalez, J.L., & Gerber, E.M. (2014). Understanding the role of community in crowdfunding work. The 17th ACM Conference. Baltimore, Maryland.

Hunter, A. (2015). Crowdfunding independent and freelance journalism: Negotiating journalistic norms of autonomy and objectivity. *New Media & Society*, *17*(2), 272–288. doi: 10.1177/1461444814558915.

Hunter, A. (2016). "It's like having a second full-time job." *Journalism Practice*, *10*(2), 217-232. doi: 10.1080/17512786.2015.1123107.

Jian, L., & Shin, J. (2014). Motivations behind donors' contributions to crowdfunded journalism. *Mass Communication and Society*, *18*(2), 165–185. doi: 10.1080/15205436.2014.911328.

Jian, L., & Usher, N. (2014). Crowd-funded journalism. *J Comput-Mediat Comm, 19* (2), 155–170. doi: 10.1111/jcc4.12051.

Johnson, K. (2015): A new world record for crowdfunded journalism. *Throughcracks.com February 15*. Retrieved from http://throughcracks.com/crowdfunding-journalism-elespanol-worldrecord/.Kurpius D.D., Metzgar, E.T., & Rowley, K.M. (2010). Sustaining hyperlocal media. *Journalism Studies*, *11*(3), 359–376. doi: 10.1080/14616700903429787.

Lawton, K., & Marom, D. (2013). *The Crowdfunding Revolution. How To Raise Venture Capital Using Social Media*. New York: McGraw-Hill.

Lehner, O.M., & Nicholls, A. (2014). Social finance and crowdfunding for social enterprises: A public–private case study providing legitimacy and leverage. *Venture Capital*, *16*(3), 271–286. doi: 10.1080/13691066.2014.925305.

Loginova, I. (2012). "Colta.ru опережает время". Московские новости Retrieved from http://www.mn.ru/society_civil/20120717/323096125.html.

McCarthy, M. (2012). Crowdfunding for civic journalism: An analysis of story content and publication on Spot.Us. California State University, Northridge. Conference of the Association for Education in Journalism and Mass Communication. Retrieved from https://www.academia.edu/4279825/Crowdfunding_for_Civic_Journalism.

Nevill, G. (2014). Funding news freedom: How reporting is paying its way. *Index on Censorship, 43*(3), 63–66. doi: 10.1177/0306422014548376.

Pfauth, E.-J. (2013). How we turned a world record in journalism crowd-funding into an actual publication. About Dutch journalism startup *De Correspondent*. *Medium.com*, 27 November. Retrieved from https://medium.com/de-correspondent/how-we-turned-a-world-record-injournalism-crowd-funding-into-an-actual-publication-2a06e298afe1.

Pfauth, E.-J. (2014). Here's what happened to that world-record in journalism crowdfunding. Lessons

from year one of *De Correspondent*. *Medium.com* September 30. Retrieved from https://medium.com/de-correspondent/heres-what-happend-to-that-world-record-injournalism-

crowdfunding-cc5bac50b812.

Picard, R.G. (2014). Twilight or new dawn of journalism? *Journalism Studies*, *15*(5), 500–510. doi: 10.1080/1461670X.2014.895530.

Porlezza, C., & Splendore, S. (2016). Accountability and transparency of entrepreneurial journalism. *Journalism Practice*, *10*(2), 196-216. doi: 10.1080/17512786.2015.1124731.

Rubinton, B.J. (2011). Crowdfunding: Disintermediated investment banking. Munich: Munich Personal RePEc Archive (Paper№: 31649). Retrieved from http://mpra.ub.uni-muenchen.de/31649/.

Ramos, J. (2014). Crowdfunding and the role of managers in ensuring the sustainability of crowdfunding platforms. Ed. by James Stewart. European Commission, Joint Research Centre, Institute for Prospective Technological Studies. Report. Luxembourg: Publications Office of the European Union. doi:10.2791/76003 Retrieved from http://ftp.jrc.es/EURdoc/JRC85752.pdf.

Tomczak, A., & Brem, A. (2013). A conceptualized investment model of crowdfunding. *Venture Capital*, *15*(4), 335–359. doi: 10.1080/13691066.2013.847614.

Vogt, M., & Mitchell, A. (2016). Crowdfunded Journalism: A Small but Growing Addition to Publicly Driven Journalism Projects funded through Kickstarter cut across more than 60 countries. .*Journalism.org*, *January 20.* Retrieved from: http://www.journalism.org/2016/01/20/crowdfunded-journalism/

Vukanovic, Z. (2015). New media business models in social and web media. *Journal of Media Business Studies*, *8*(3), 51–67. doi: 10.1080/16522354.2011.11073526.

Wenzlaff, K. (2014). Saving journalism (Crowdfunding Project of the Day). *CrowdFuture*. Retrieved from: http://www.future-crowdfunding.de/saving-journalism-crowdfunding-project-of-the-day/.

Who are we? (n.d.) Direkt36.hu. Retrieved from http://www.direkt36.hu/en/kik-vagyunk/.

Wroldsen, J.S. (2012). The social network and the Crowdfund Act: Zuckerberg, Saverin and venture capitalists' dilution of the crowd. *SSRN Journal*. Retrieved from http://ssrn.com/abstract=2141015.

Zeit für Journalismus (n.d.). Krautreporter.de. Retrieved from https://krautreporter.de/pages/ueber_uns. О проекте. Что такое COLTA.RU?(n.d). Colta.ru. Retrieved from http://www.colta.ru/about.

Adilya Zaripova, M.A.
Institut für Journalistik und Kommunikationswissenschaft
University of Hamburg, Germany
adilyazar.studium@gmail.com

Scheme 1: Participants' perception of a traditional media organization
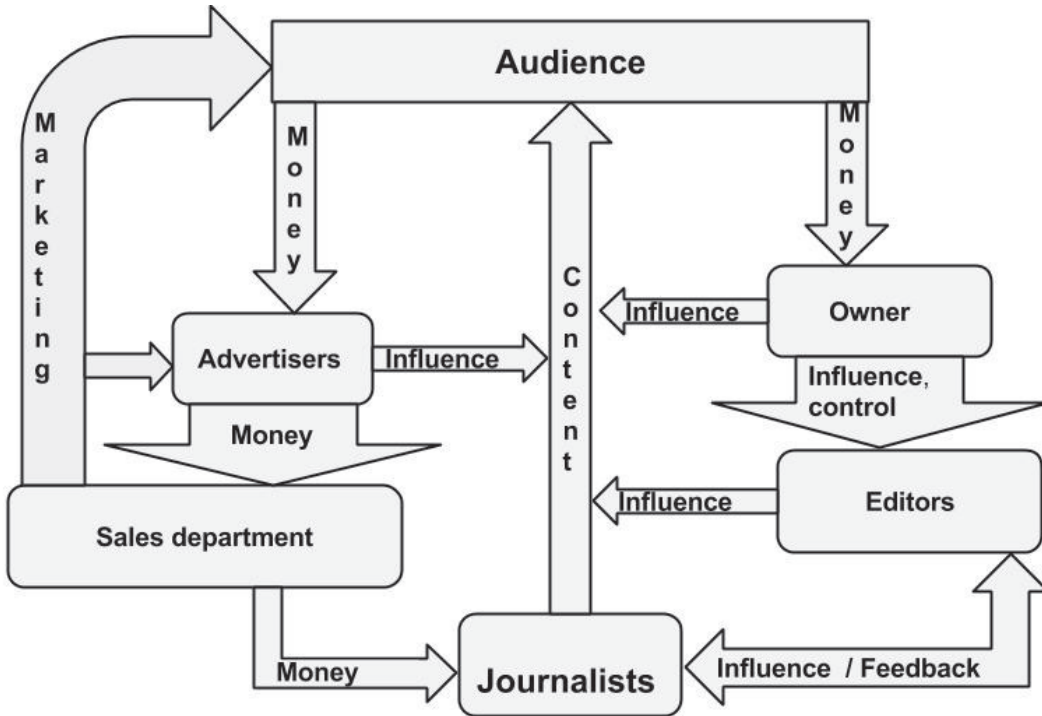
Scheme 2: Participants' perception of a crowdfunded media organization