

All Seats Taken? Hyperlocal Online Media in Strong Print Newspaper Surroundings

The case of Norway

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Abstract

This article presents data from a new mapping of Norwegian online hyperlocals, defined as local online news sites that are indigenous to the web. From an understanding of local news markets as organised social fields with great barriers to entry, we discuss the hyperlocals' locations and business models against the system of existing print-based local newspapers and analyse four cases of successful start-ups. We have identified 67 Norwegian hyperlocals. While most new start-ups tend to avoid direct competition with legacy print media, hyperlocals operate in all kinds of municipalities. While most of them follow a low-cost strategy based upon a large degree of "self-exploitation" by the editors, a total of 19 hyperlocals create sufficient income to run professional news operations. These operations are typically being started while legacy media has been going through economic crises. Even then, there are substantial barriers to market entry. Highly dedicated and earth-bound entrepreneurs seem to be a prerequisite for success.

Keywords: hyperlocals, Norway, blind spots, entrepreneurs, economic sociology

Introduction

Hyperlocals have been a growing research area in recent years. The background for this research is partly motivated by the crisis in the legacy media industry. Scholars have found that this crisis has led to diminishing news coverage of smaller municipalities and neighbourhoods on the outskirts of the cities. The "retreat" of the legacy media from these areas has sometimes created "news deserts" or "blind spots" in the news ecology (Høst, 2016; Mathisen & Morlandstø, 2018; Nielsen, 2015; Nord & Nygren, 2002; Nygren & Althén, 2014; Nygren et al., 2018).

An important part of the research on hyperlocals has focused on these news sites' potential to fill the news gaps and fulfil the democratic role left unaccomplished by retreating traditional providers (Downie & Schudson, 2009; Freedman et al., 2010; Radcliffe, 2012; Williams et al., 2014). In their review, Leckner and colleagues (2019) concluded that hyperlocals are not living up to that potential. Hess and Waller (2016: 8)

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argue that hyperlocals can be better understood as “subcultures” and not “as some thing – a product that must generate income to survive”. Other scholars have focused more directly on the business models (Anderson, 2012; Cook et al., 2016; Glaser, 2010; Harte et al., 2016; van Kerkhoven & Bakker, 2014; Kurpius et al., 2010; Leckner et al., 2019). In a study of hyperlocal operations in the USA, Kurpius and colleagues (2010) were not able to discover a working long-term business model that could be replicated in other communities (Kurpius et al., 2010). Harte and colleagues (2016) investigated discourses on entrepreneurship in the UK with a similar result. They found very few examples of commercially successful hyperlocals in the UK. Some of the them were started by laid-off journalists who wanted to continue their journalistic career. Others were started as a response to shrinking coverage of local issues in the mainstream press. In both groups the typical operation was limited to marginal news markets abandoned by mainstream media. As a consequence, “many of the business models that underpin these sites seem precarious, often benefiting from a degree of self-exploitation” (Harte et al., 2016: 233).

This article will present and analyse data from a new mapping of Norwegian hyperlocals and discuss the findings against the structure of existing print-based local newspapers. Furthermore, the article will investigate the circumstances and strategies behind successful start-ups of new hyperlocal newspapers.

We take the theoretical point of departure in a sociological understanding of markets as organised social spaces (Fligstein, 2001; Fligstein & McAdam, 2012; White, 2002), and Granovetter’s (2017) understanding of economic activity as embedded in social relations and institutions between a firm and their primary suppliers and customers. According to White (2002: 1), enterprises in an industry will engage in collective endeavours to organise the market interaction, to provide “a measure of shelter from the uncertainties of business”. The ability of firms to organise the market depends on a relatively stable population of firms over time as well as the possibility of niche formation through product differentiation.

Ongoing social relationships between legacy print-based newspapers and their readers, advertisers and informants often represent a significant barrier to entry for newcomers to the market. Industry norms and practices as well as government regulation of the market, such as access restrictions or support schemes, can also contribute to the creation of stable interaction patterns within an industry (Doyle, 2013; Fligstein, 2001). One possible outcome is a stable field in the form of a “reproducing role structure” of companies that occupy different product niches in the market (Fligstein, 2001; White, 2002).

Fligstein and McAdam (2012) assume that newcomers in a market hesitate to challenge established actors directly, because the latter often have sufficient resources to thwart their entry. Instead, they settle for vacant but commercially less interesting niches. However, externally induced crises or shocks can upset the interaction patterns and provide better opportunities for skilled entrepreneurs.

According to UK scholar Gillian Doyle, the market for newspapers has long had the character of a “reproductive role structure”:

The traditional tendency for media organizations to operate in quite specific markets, and to be closely linked to those markets by their product content and the advertising services they provide within those markets, has curtailed levels of domestic and international competition. (Doyle, 2013: 22)

We find a similar pattern in Norway. According to Dimmen (2011, 2012) and Høst (1993, 2014, 2015), the local print-based newspapers in Norway have established themselves in geographic niches with stable relationships with their advertisers, readers and journalistic sources in the local news market. Norway's remarkably stable political structure on the local level has further facilitated the formation of a role structure of niches among the local papers (NOU, 2000: 15). The result has been an interaction pattern within the industry characterised by a low or moderate degree of competition between different niche holders, which in turn has led to low mortality and high stability within the population (Dimmen, 2011, 2012; Høst, 1993, 2014, 2015). Based on the discussion so far, our analysis will focus on two research questions:

RQ1: How many hyperlocals existed in Norway in June 2018, where were they published and how may we characterise them?

RQ2: How has the crisis in the Norwegian media industry affected the opportunities for new start-ups, and what kinds of entrepreneurial strategies have been used by hyperlocals?

Operationalisation of hyperlocal newspapers

According to Metzgar and colleagues (2011), hyperlocals (or “hyper local media operations”, HLMOs) are geographically based, community-oriented, original-news-reporting organisations indigenous to the web and intended to fill perceived gaps in the coverage of an issue or region and to promote civic engagement. This definition has been used in mapping the field in the UK, the Netherlands, Belgium and Sweden and was also the point of departure for the call for a paper for this special issue of *Nordicom Review*.

However, in recent years this definition has been questioned. Harte and colleagues (2016) find that hyperlocal operations according to this definition are often cross-subsidised by other activities, sometimes print-based magazines, implying that the web criterion is insufficient to distinguish hyperlocals from other news operations. Cook and colleagues (2016: 7) define hyperlocal media as “online news or content services pertaining to a town, village, single postcode or another small, geographically defined community” and avoid the born-on-web criterion. Hess and Waller (2016: 196), on the other hand, argue that the concept “hyperlocal” should be limited to the web, because “very, very local news is as old as humankind”.

In their mapping of the Swedish hyperlocals, Leckner and colleagues (2019: 74) redefine the concept, making the definition “platform neutral”. Thus, “hyperlocal media operations” include “few-days-a-week newspapers, free newspapers, and community radio and television, besides local news sites”. The definition also emphasises the criterion of independence from the legacy media corporations. The hyperlocals may *not* be “attached or sponsored by any established news media organisation in Sweden”. This redefinition resulted in the conclusion that these news operations are more stable than earlier research has indicated, because they include legacy local print newspapers and broadcasting.

We find this redefinition in many ways fruitful. However, for two reasons we have used Metzgar and colleagues criterion in our mapping of Norwegian hyperlocals. First,

very good data about the print-based hyperlocal news media in Norway already exist (Høst, 2013, 2016, 2018). It is also well documented that almost all print-based local newspapers have launched “daughter” web operations. On the other hand, no systematic mapping of hyperlocal news operations without a “printed mother” has been conducted (Medietilsynet, 2017; Høst, 2018). We wanted to fill this knowledge gap.

Second, our main interest is to investigate the opportunities for web-based newcomers in the news market. Therefore, we found it useful to distinguish in the mapping between the print-based established news operations and the web-indigenous, independent newcomers. However, the definition needs a more precise operationalisation. Besides being web-indigenous,¹ we want to map *genuine newcomers* in the field (defined as independent of legacy media groups) with a *minimum of stability* (publish at least one new post a week and have lasted for six months).

Methods and data

The mapping of the Norwegian hyperlocals has followed three steps.

1. Interviews and discussions with informants with in-depth knowledge about Norwegian newspapers.
2. Mapping of hyperlocals through short telephone interviews with known hyperlocals, as well as selected local print-based newspapers, combined with a web browsing using [municipality name] AND [News] / [New]. Through this approach we have found a total of 67 hyperlocals.
3. Registering information about each operation through websites, news content, public registers and short telephone interviews. We have full information about their locations, and this information is coupled to existing register data about the municipality, county and locations of print-based competitors.

To investigate whether the crisis in the Norwegian media industry has created opportunities for web-indigenous start-ups, we have analysed interview data, reviewed the research literature on the competition in the local news market in Norway and analysed register data. Based on the analysis of the register data, we have analysed four cases of hyperlocal start-ups. These were selected because to a large extent they represent the variety in strategies within the population. The analysis is based upon register data, information on their websites and interviews with each of the editors.²

The emergence of hyperlocal print media in Norway

Traditionally the printed newspaper sector in Norway has been very strong. In spite of several years of decline in reader and circulation figures, the sector still has a strong readership (Vaage, 2018). Norway has more than 200 print-based newspaper titles with largely different scopes when it comes to geographical coverage areas (Høst, 2018). The dominant and financially strongest actors are the national and regional newspapers. The local daily newspapers also occupy profitable niches in densely populated areas, while the small weekly or bi-weekly hyperlocal print newspapers cover the sparsely populated news markets.

International research has shown that the crises of the news media led to downsizing and the closing of local newspapers and local branches from the 1990s (Nielsen, 2015; Nygren et al., 2018). Some of the research and public discussions of hyperlocals take this downsizing and these closures as their point of departure. In Norway, similar structural changes started back in the 1980s, when the ownership of the regional newspapers was consolidated into three big corporations, in which the operating profit became a much more central part of the business strategy (Engan, 2016; Moland, 2013; Høst, 2017; Omdal, 2013; Roppen, 2003).

The successful anti-EU campaign in 1972 mobilised an increased resistance to centralisations in all areas of public life (Vogt & Asbjørnsen, 1993). One visible effect was a wave of new local newspapers. When the regional newspapers retreated from the smaller municipalities during the 1980s, they opened up more space for local initiatives. The arrival of new technology, which made it much easier and cheaper to produce small local newspapers, stimulated such start-ups. As a result, the number of small, local, weekly newspapers expanded, and almost all of them gradually professionalised.

By changing the newspaper support scheme in 1989, the Norwegian government contributed to this development. Until then, the newspapers had to publish two editions a week and achieve a circulation of at least 2,000 per issue to qualify for subsidies. From 1989 on, one edition a week and circulation figures of 1,000 copies were sufficient. Almost all local, printed newspapers established after 1989 were weekly. The figures show that from 1990 to 1999 the number of local newspapers with one to three issues a week grew by 25 per cent, from 116 to 143. The growth for weekly newspapers lasted until 2008 (the year of the financial crisis). In 1990, Norway had 39 weekly local, printed newspapers; 18 years later the figure was 70 (Høst, 2014).

The most interesting areas for newcomers were municipalities in which the journalistic coverage was performed (or rather not performed) by a bigger daily newspaper located far away. A large share of the newcomers was started under the big regional umbrellas of *Stavanger Aftenblad*, *Haugesunds Avis*, *Bergens Tidende*, *Sunnmørs-posten* and *Adresseavisa*. Families or local interests own a majority (62%) of the 143 local printed newspapers with one to three issues a week. This development pattern has resulted in a local media landscape with relatively few empty spaces for potential web-indigenous start-ups. Even around the big Norwegian cities, there are few vacant spots. Høst (2016) finds that there are only 22 (out of 428) Norwegian municipalities that may be characterised as news “blind spots”, defined as having no newspaper with at least 30 per cent coverage.

In recent years, advertisers have centralised their decisions because of chain building and more fierce competition from personalised advertising on social media. As a result, the advertisement income of the one to three times weekly local newspapers started to fall from 2014 (Medietilsynet, 2017). The local print-based newspapers responded to this development by extending their digital news sites’ content and setting up paywalls. This happened from 2011 onwards, but the great breakthrough came in 2015. As a result, the number of digital subscribers rose quite rapidly, and in 2017 46 per cent of the print-based newspaper titles had higher paid-for circulation than the year before (MBL, 2018).

Norwegians have traditionally been more willing to pay for digital news than other Europeans (Sakariassen et al., 2017). Nevertheless, the paywall is not very popular. Olsen and colleagues (2018) find that the majority of the public dislikes them: 58 per

cent of the population agrees with the assertion “I dislike paying for news content in my local newspaper”. The percentage that agrees with the assertion is even higher among younger readers (72% among 20- to 29-year-olds).

A survey of print-based local newspaper editors (N = 114) conducted in 2015 showed that the financial situation became moderately weaker during the previous five years, mainly due to an increase in expenses. One out of six newspapers seems to be in a demanding financial situation (Eikrem & Høydal, 2016). However, compared to Norwegian regional and national newspapers, the media crisis so far has had a smaller impact on the printed local newspaper. The population was remarkably stable between 2008 and 2016, with a maximum of one or two titles closing down each year, offset by the arrival of one or two newcomers. In 2017, there was a small decrease in the population of printed local newcomers, since no new printed operations were started (Høst, 2018).

We may conclude that in Norway, local entrepreneurs had built a widespread, print-based hyperlocal media ecology with a remarkably resilient economy before the arrival of the local web-indigenous news sites. Most of the Norwegian communities are served by a subsidised print-based media house that also offers a daily paid-for digital service.

Norwegian hyperlocals

Based on our criteria, we have found 67 operative web-indigenous hyperlocals. These are spread widely throughout the country and are present in all kinds of municipalities. Statistics Norway divides the municipalities into seven categories based on their centrality and commercial basis, and we find online hyperlocals in all of them.

As mentioned earlier, Sigurd Høst (2016) found that 22 out of Norway’s 428 municipalities are “blind spots”, without a printed newspaper with at least 30 per cent coverage. Høst approached blind spots using the municipality as the unit of analysis. However, areas with less than 30 per cent household coverage also exist within the borders of municipalities with an average coverage above 30 per cent. Such areas could also be a possible vacant niche for hyperlocal start-ups. We expect the frequency of less covered areas within municipalities with an average high coverage to be higher in municipalities covered by a printed newspaper located outside the municipality and in municipalities with more than one community centre.

We have detailed data on the locations of each of the 67 online hyperlocals. In total, 43 per cent of them are located in municipalities where there is no printed newspaper, while an additional 15 per cent are located in the same municipality but in a different town, village or district than the main office of the printed newspaper. Thus, a total of 58 per cent of the hyperlocal operations seem to be located in less covered areas. The locations of the online hyperlocals indicate that the newcomers tend to avoid fierce competition with established printed local newspapers by choosing vacant but more scarcely populated niches for their start-ups. However, the tendency is a little weaker than we expected, and there are several examples of online hyperlocals located in heavily occupied geographical niches.

One important finding from our mapping is that the population of Norwegian hyperlocals is very heterogeneous. Age, editorial organisation and business model vary a lot. Five of the hyperlocals have been around since the late 1990s, while an additional 14 were started during the following decade. Nevertheless, about half of the popula-

tion is less than five years old. As we expected, a strong majority (87%) of the online hyperlocals are free. More than half of the hyperlocals are literally “one-man shows”, publishing one or two articles a day, while achieving a minimum income. In other words, a large part of the Norwegian population of hyperlocals depends on a substantial degree of self-exploitation by the editor. This is in line with the findings of van Kerkhoven and Bakker (2014), Kurpius and colleagues (2010) and Leckner and colleagues (2019), as well as Hess and Waller’s (2016: 199) claim that hyperlocals are not “a product that must generate income to survive”.

Still, 28 per cent (19 out of 67) of the Norwegian hyperlocals are professional media operations with three to six journalists, publishing five to 15 articles a day. Thus, hyperlocals count for less than 10 per cent of the total number of professional newspapers. Half of them (9) have established paywalls, while some have systems for voluntary payment. There are also a few examples of free-content providers within this group. Surprisingly, we find no clear connection between a hyperlocal’s geographical location and its choice of business model. Web-indigenous hyperlocals with paying subscribers are located in municipalities ranging from 3,000 to 50,000 inhabitants, while free-content “one-man shows” exist in all kinds of municipalities. Some hyperlocals operate successfully in fiercely competitive situations, in large city municipalities with solid legacy print newspapers.

To learn more about different start-up strategies under different market conditions we have investigated four cases of online hyperlocals. The cases were selected to achieve variation along two dimensions. First, we wanted to include operations in both densely and sparsely populated areas. Second, we wanted to include cases with both free content and a paywall.

Table 1. *The selected cases: variation along two dimensions*

	Sparse population	Dense population
Free content	LokalMagasinet [“The Local Magazine”]	DrammenLive24
Paywall	Alvdal midt i vœla [“Alvdal in the Middle of the World”]	BodøNu [“BodøNow”]

LokalMagasinet and *Alvdal midt i vœla* (henceforth *Alvdal*) were both established in rather marginal news markets. *LokalMagasinet* is a free online newspaper and was established in the small village of Son, with its 1,000 inhabitants, on the outskirts of the municipality of Vestby with its 17,000 inhabitants, south of the capital Oslo. Son is located between the administration centre at Vestby (7,000 inhabitants), with a weekly print-based newspaper with a paywalled online edition, and the city region of Moss (46,000 inhabitants), with a legacy print-based newspaper also covering the neighbouring municipalities. *Alvdal* was established in the small centre of the municipality of Alvdal, with its 2,400 inhabitants, located in the remote and sparsely populated Østerdalen region in Hedmark county. While *LokalMagasinet* provides free content, *Alvdal* has established a paywall around its content. *BodøNu* and *DrammenLive24* were both established in potentially rich media markets. Bodø has 51,000 inhabitants and Dram-

men 68,000, and both have a strong presence of legacy print-based media. The business models of the two challengers vary. While *BodøNU* has established paywalls, *DrammenLive24* provides free content.

LokalMagasinet: a low-cost lifestyle project

LokalMagasinet was established in 2002 by the first and only editor of the online operation. At that time there was no other online or printed newspaper in Vestby, but *Moss Avis* had a relatively high household coverage in Vestby. The editor was an experienced journalist with a background as a journalist in *Moss Avis* and editor in *Vestby Avis*, a weekly newspaper that closed down some decades ago. He wanted to offer a free, online newspaper with a focus on events in the local communities of Vestby, with a combination of magazine and breaking news content. Just a few years after the start-up, the printed *Vestby Avis* (part of the Amedia group) was relaunched, increasing the competition for the Vestby newsreaders. According to the editor of *LokalMagasinet*, this was not a fair fight. Backed by the Amedia group, *Vestby Avis* could publish with big financial losses during the first few years³ in order to reach the number of subscribers required to qualify for press support. As a result, the main coverage area of *LokalMagasinet* became limited to the inhabitants in and around the village of Son.

LokalMagasinet publishes one or two articles each day but has never had any significant income. The solution has been to keep the costs low. The editor works from home and lives on a retiree pension. In addition, he receives valuable unpaid help from friends and family members. Nevertheless, *LokalMagasinet* has lasted for nearly 16 years, running on the editor's personal motivation and the pleasure he gets from his work. Under the current conditions, *LokalMagasinet* can be around for many years to come, but the activity of the newspaper is totally dependent on the editor.

Alvdal Midt i Væla: a community project in a regional blind spot

The background for the start-up was downsizing between the two regional legacy newspapers traditionally covering Alvdal. Afterwards, the largest one, *Østlendingen*, was left with one journalist to cover six municipalities in the region, thereby limiting the local media coverage to the biggest events.

A graphic company named DNT-Alvdal had for some years published a quarterly ad magazine. The entrepreneurs therefore possessed expertise in technical as well as content production. In 2011, DNT-Alvdal launched a free local online newspaper, partly financed by "volunteer subscription" (a kind of donation). The paper also received a three-year start-up grant from Alvdal municipality. In the autumn of 2014, DNT-Alvdal decided to try to establish a paywall.

The updates were halted in 2015, and the inhabitants were invited to subscribe. The up-front subscription campaign was a success, and *Alvdal* was restarted as a paid-for online newspaper in mid-2015 with two employees. As part of the new business model the entrepreneurs launched the sister newspaper *Tynsetingen* in mid-2016 in the larger neighbouring municipality of Tynset. Tynset has 5,500 inhabitants, half of them located in the regional trade centre of the same name.

This expansion proved successful. At the start-up of the paywall in 2015 *Alvdal* had fewer than 800 subscribers. In 2016 it had about 1,100, thereby qualifying for press

support⁴ from 2017 onwards. In 2017, *Alvdal* was the first online newspaper with no printed newspaper history to receive subsidies from the governmental Press Subsidies Scheme (Medietilsynet, 2017). Since then the number of subscriptions has increased steadily, reaching just under 1,800 in early 2018.

The process from the launch of *Alvdal* to the establishment of the paywall was characterised as a work-intensive effort on a limited budget. The editor describes the first years like this:

There was a lot of unpaid work. The newspaper was almost a hobby next to the work at the DNT. It was run mainly by volunteers the first three years. A lot of free work has been put into the project. And there still is. It has not been an easy journey.

According to the editor, the period with free content was necessary to build up a sufficient readership. It was also necessary to establish professional relations with the most important sources:

In the beginning, we were seen as insignificant by most people. We were often considered “intra-municipal”. That made it harder to be invited to press conferences. The organisers simply did not think about inviting us. Still, from the outset we have covered all executive committee and municipal council meetings. Over time we have been taken more seriously. Today, the municipalities and others treat us as a serious actor.

The process towards a profitable operation was also costly. To qualify for press support, a newspaper must have a full operating year and reach 1,000 subscribers. That means that the start-up had to bear the costs of an increased amount of paid journalistic work over a relatively long period of time, before the income level increased accordingly. In 2016, the last year before receiving press support, the two newspapers had a deficit of about one million NOK.

Today, the twin hyperlocals are moving towards a viable economy. In late 2018 they had seven employees conducting a total of 5.1 work year equivalents. In 2017, the business achieved a small profit, and there is still a steady growth in subscribers and advertisers. Despite the commercial success, the editor has stayed true to the original goal: “We will never be millionaires. This is a community project as much as a business concept.”

DrammenLive24: creating a livelihood in a rich but competitive market

DrammenLive24 was established in 2015 in the city of Drammen. The editor and main entrepreneur behind *DrammenLive24* had worked full-time as a journalist in the legacy newspaper *Drammens Tidende* for nine years before he launched the newspaper with seven partners. The main event enabling the start-up was a large downsizing in *Drammens Tidende*. According to the editor, this presented a rare window of opportunity to enter the market:

The time we started up was a period of extreme downsizing and uncertainty in the industry. Some had left *Drammens Tidende* due to severance; we hired key people with long experience. Thus, we had a good network of contacts, both editorial and in the market, from day one. 2014–15 was clearly a favourable time to establish something new. Now things have stabilised again.

The business model was to enter an open niche as a free-content newspaper combined with a particular focus on event news. The entrepreneurs had sensed a frustration among readers as well as advertisers regarding paywalls: “[A]dvertisers are not very excited when people have to log on to get to the stories and thus the ads. Readers like to get access for free.” In addition, the entrepreneurs were confident that they had a concept that was “small and agile”, which made it possible for them to do event news better than *Drammens Tidende*.

In the first few years the entrepreneurs had to put in “a lot of unpaid” work. The model with working owners made it easier to mobilise the necessary workforce. In addition, the entrepreneur benefited from existing professional relationships between the staff and local sources and advertisers. Nevertheless, the newcomer lost money for the first two years, but this was largely due to necessary investments. Revenue increased each year and last year *DrammenLive24* showed a surplus. In 2018, two additional journalists were hired and the hyperlocal had four full-time and two part-time employees. It now publishes six to eight articles each day and has gradually widened its editorial profile beyond its original niche:

Today we cover all home matches of the local football club, we have film reviews and stories on political affairs. In addition, some regular freelancers supply news on special issues – for example, motor racing – as there are many motor sport profiles in the area.

If the positive development continues, the newspaper might hire an additional one or two journalists. But the editor is still keeping both feet on the ground: “We had to build up gradually and work for free for a while. None of us has any ambition to get rich, we only want to earn a living.”

BodøNu: building a local media house

BodøNu started as a free weekly newspaper in 2002 when the two printed dailies in the town merged into *Avisa Nordland*. The founder had a career in local newspapers and TV2. He saw a potential market niche in a free weekly newspaper with a focus on “lifestyle, entertainment and culture, as well as human touch stories”. He was also able to recruit skilled staff from the two defunct newspapers. In 2008, the free newspaper faced financial problems. The response was to relaunch *BodøNu* as a free monthly newspaper, raise the journalistic quality and change the editorial style towards more hard-hitting journalism, albeit still in feature form. After 2008, the founder ran a financially solid monthly magazine, while also receiving a healthy income from other parts of the media business, such as content marketing and single magazine productions.

From early 2013, *BodøNu* expanded its activities, going online as a free-content newspaper. In the first few years the news site tried to avoid direct competition with the more regionally oriented *Avisa Nordland*, by occupying a niche that was more locally oriented towards Bodø and surroundings and continuing the focus of the printed monthly on unique feature issues including investigative stories. However, as an online newspaper *BodøNU* was confronted with new content requirements: “The readers do want to know what has happened during the last 24 hours. We had to take that into account. We needed breaking news.”

The local “media house” has always had a strong focus on a sound economy, keeping the costs low through hard and smart work. At the time of the start-up in 2013, the staff of *BodøNU* was limited to the founder as full-time editor, in addition to a number of freelancers. The following year, today’s editor took over, allowing the founder to focus on the commercial sides of the enterprise. Following a growth in income, the staff was gradually expanded to number three full-time journalists at the end of 2016.

During 2016, it became clear that the potential as an ad-funded online newspaper had been all but reached. In 2017, *BodøNu* took a bold step, hiring more journalists and establishing a paywall of around 70 per cent of its content. The move proved successful. In 2018 the newspaper had expanded its staff to six employees, producing 15–20 articles a day for 2,300 paying subscribers.

According to the editor, *BodøNu* could never be an equal competitor with *Avisa Nordland* as a daily newspaper on paper, but when they meet on the new platform, it is possible. Their main advantage in this competition is an ability to work harder and smarter than their competitor:

In a large organisation, there is certainly room for a relatively large share of laid-back people. This has been the situation for quite some time in the big media houses, even after the restructuring, and I think this culture has survived. But if you are small, there is no room for it. Then you have to make decisions quickly. I think larger organisations could adopt a bit of our guerrilla way of thinking.

Another necessary condition for this development is the ongoing activities in the established ad-financed monthly newspaper: “*BodøNu* was an established brand in the area. It would have been difficult to start from scratch.” More importantly, there were significant synergies and economies of scale in the combined operation of the online newspaper and the monthly print: “The monthly magazine accounts for a large part of the turnover and provides a solid financial backbone. We’re selling ads for 6 million a year in the monthly magazine. We could not maintain this staff without it.”

Discussion

Due to changes in the media industry as well as in the government support scheme in the 1980s, a large and quite resilient population of print-based local newspapers has emerged. Following Fligstein and McAdam (2012), we could assume that there would be little space left for hyperlocals, and that newcomers would enter vacant, commercially unattractive niches.

Returning to our RQs – “How many hyperlocals existed in Norway in June 2018, where were they published and how may we characterise them?” and “How has the crisis in the Norwegian media industry affected the opportunities for new start-ups, and what kinds of entrepreneurial strategies have been used by them?” – we may conclude as follows:

We found 67 hyperlocals in Norway. Within this heterogeneous group, we find both commercially successful professional operations and small community projects. In line with our assumption, we find that the vast majority of hyperlocals in Norway have entered the less contested, but often commercially unattractive, role of free-content providers. Online hyperlocals are also strongly over-represented in geographical niches

with a lower presence of established print-based competitors. Thus, the overall tendency is that so far, the established print-based newspapers have been able to hold on to their dominant positions in the commercially attractive parts of the local media markets. As a result, the majority of Norwegian web-indigenous hyperlocals have low incomes and survive first and foremost due to low operating costs and a large degree of what Harte and colleagues (2016: 233) call “self-exploitation” by the editors. The widespread use of low-cost strategies seems to be the main reason for the presence of online hyperlocals in all kinds of local news markets. The case study of *LokalMagasinet* demonstrates how a low-cost business model, based on unpaid work, makes it possible to maintain a free-content online hyperlocal, even in a marginal market.

While most of the 67 Norwegian online hyperlocals are commercially marginal enterprises, a total of 19 have created sufficient income to run professional news operations. The media crisis seems to be an important factor behind their success. In recent years the media crisis has resulted in reduced income among print-based local newspapers. While most have been able to maintain their position in their local news market, some print-based operations have been offset to such a degree that it has provided new opportunities for hyperlocals. The case studies of *Alvdal* and *Drammen* illustrate this. In both cases, a legacy newspaper was forced to downsize, which in turn opened up an opportunity for the online entrepreneurs to capture a commercially interesting local niche. However, while creating an opportunity, the downsizing of the legacy newspapers did not remove all the barriers to entry. Following Granovetter (2017), we might expect that a lack of existing relationships between the local newspaper and its readers, advertisers and sources would represent a significant barrier to newcomers who seek to capture these niches. Our findings are in line with this assumption. For *Alvdal*, a lack of established relations with sources and readers (Granovetter, 2017) proved to be a costly barrier to market entry. Thus, it took several years of unpaid work as well as large economic investments to establish *Alvdal* as a profitable enterprise. As former employees of *Drammens Tidende*, key people in *DrammenLive24* were already embedded in ongoing relations with sources, advertisers and freelancers, and this made it possible to build up a profitable enterprise in a couple of years. Nevertheless, large amounts of unpaid work on the part of the founders was a necessary factor in reaching a situation with a healthy economy.

The ad magazine *BodøNu* was also established during a transformation of the local media market. The merging of two local print newspapers made the entrepreneur behind *BodøNu* and other local media workers superfluous. This provided an opportunity to hire skilled professionals who had close relations with sources and advertisers in the region, and to capture a vacant niche as a free monthly. Over the years, this operation grew into a profitable business closely embedded in relationships with readers, sources and advertisers in the local media market of Bodø. This strategy of patiently building up a solid financial and social platform seems to have been what was necessary to enter direct competition with the local legacy print newspaper.

The three cases of professional hyperlocals provide an important insight into the possibilities and conditions for a successful start-up. First, they demonstrate that it is possible to establish a profitable and professional news operation under very different market conditions, but also that capturing a commercial niche is quite difficult. In all three markets, there seem to be strong barriers towards market entry, and this makes the

start-up process difficult and costly. Second, the cases demonstrate that turmoil in the local media market can create better chances for newcomers, and that existing business relationships with sources, readers and advertisers further improve their chances. Third, several different entrepreneurial strategies can work. While *BodøNu* and *Alvdal* spent several years patiently building up their readership before establishing the paywall, *Drammen* moved quickly, utilising a short window of opportunity, to capture a vacant niche. However, differences set aside, there seem to be at least two common success factors. In all the cases, highly dedicated and earthbound entrepreneurs with both feet on the ground were a necessary prerequisite for a successful market entry. All three start-up strategies were also closely adapted to the local market conditions.

Notes

1. However, we have included online operators with a past as free, less-than-weekly printed newspapers.
2. Translations from Norwegian to English are done by the authors.
3. <https://www.proff.no/regnskap/vestby-avis-as/vestby/aviser-fagblader-og-tidsskrifter/IGDAN040ZDB/>
4. The governmental newspaper support scheme was made “platform neutral” in 2015.

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