The Internet is changing the economy and society like no other technological revolution before. Although many companies see it as an opportunity, for some industries digitalization appears as a threat because it substantially affects not only the creation of a product or service but also changes the business models of the entire industry. This will be outlined for the case of the publishing industry. Nevertheless, the implications we illustrate in this paper can be applied to other industries as well. For decades, publishers operated in established markets, which generated certain revenues. They sold news and stories to the recipients as well as advertising space or product offering to companies. However, this stable economic situation changed with the introduction of the Internet. Since then, the total circulation of publishers has been declining and digital content is on the rise. Even worse, new competitors are entering the field offering digital content. Furthermore, readers become accustomed to not paying for digital content although they still expect a high quality of information. Moreover, advertising companies have new options for placing their advertisements. And companies or private persons are using new platforms for offering jobs, cars or real estate. The consequence: The publishing industry is on the brink of the most radical change since the invention of printing by Gutenberg. They have to reconsider every single element of their business model – the customer value proposition, their revenue model, their key processes and their key resources.

The main research focus of this paper is to emphasize the radical change regarding publishers’ business models brought by digitalization. This change was thoroughly investigated in three studies, which revealed how fundamentally each element of the business model is affected. These three studies refer to (1) readers expectations, (2) the change of publishers’ key resources and key processes and (3) to the expectations of advertisers, who are supposed to pay for services readers want for free. The results indicate some promising aspects of the business model innovation needed, addressing the fundamentally changed user demand, the user and user communities as additional key resource as well as communication with users as new key processes for this kind of co-creation, and a bunch of services that might be attractive for advertising companies and might help shaping a revenue model for the publisher.
1 Introduction to Digital Disruption of Publishers’ Business Model

Digitalization, new technologies, and shorter innovation cycles have affected the publishing industry tremendously over the past years (Hess 2014; Meijer 2013; Ziv 2002). These innovations have led to a growing number of new suppliers entering this industry and, ultimately, decreasing circulation of newspapers and magazines. Publishers’ efforts to generate revenue by converting traditional content from printed products to digital products seem to be insufficient and have revealed the need for the industry to reconsider their business model (Hess 2014; Akesson 2009; Corso/Pellegrini 2007; Chesbrough 2006, Schoder et al., 2006, Stahl et al., 2004; Zinnbauer, 2003; Küng, Picard & Towse, 2009; Franklin et al 2013; Zeng et al. 2015). Nowadays, only few readers are willing to pay for digital content, while many do not even consume printed content at all. Furthermore, the more the originally homogenous target group turns into rather fragmented interest groups, the stronger the need for a change in provision of content and new advertising solutions (Goyanes/Durrenberg 2014; Anderson 2008).

2 The Business Model as conceptual framework

The term "Business Model Innovation" has emerged with the Internet economy when companies began to turn the current mindset of traditional business models upside down. There are several definitions for the term business model innovation (Osterwalder & Pigneur, 2010; Johnson et al., 2008; Labbé & Mazet, 2005; Lindgarth et al., 2009; Mitchell & Coles, 2003; Skarzynski & Gibson, 2008; Mitchell/Coles 2003). According to Johnson et al. (2008), a business model consists of four characteristics: it creates a customer value proposition by applying key resources and key processes and allows revenues by a profit formula. “A successful company is one that has found a way to create value for customers. (...) The profit formula is the blueprint that defines how the company creates value for itself while providing value to the customer. (...) The key resources are assets such as the people, technology, products, facilities, equipment, channels, and brand required to deliver the value proposition to the targeted customer. (...) Successful companies have operational and managerial processes that allow them to deliver value in a way they can successfully repeat and increase in scale” (Johnson et al., 2008, p. 51).

In order to illustrate possible changes of publishers’ business models in the future, we compare the existing business model of publishers with the current and future challenges for their business model by referring to the three cornerstones of every business model:
Figure 1: Framework of this study: The Business Model within its ecosystem (own illustration with reference to Johnson et al., 2008)

Customer value proposition (CVP): Traditionally, the more relevant and reliable the content and the better the information provided for customers the higher was the CVP (Kanuri et al., 2014). Readers were satisfied by the provision of high quality articles printed in the next release of the newspaper or magazine. Today, they want the relevant and reliable information within hours and accessible through different devices. By the way, since this demand for daily updates applies for magazines and newspaper alike we refer to both kinds of digital products. The Internet causes a diversification of media usage and a change in media consumption time (Amit/Zott 2001). Users want to be provided with information anytime and anyplace. Furthermore, they got used to access digital content for free and, in turn, are less willing to pay (Meijer 2013; Chyi, 2012; Akesson, Ihlström & Eriksson, 2008; Schoder et al., 2006). Finally, users get more and more used to the possibility of interaction with others: They want to share content with friends, discuss with others about specific topics, or even want to participate by adding own content. Fatally, this demand is met by a growing number of other suppliers of unbundled and up to date content as well, e.g. special interest portals or Google News. Hence, publishers have to take this new demand quite seriously if they want to prevent from being substituted.

A second group of customers in this two-sided-market of the publishing industry are the advertising companies. Their demand refers to being supported in sending messages to a specific target group of people. Additionally, they appreciate if the customer could be con-
nected to an internet page or something else that allows an intensified information exchange. In the future, perhaps, the advertising company wants to present themselves as supporting player within a community.

Due to the digitalization, also publishers’ key resources and key processes have changed. Traditionally, the key resources were professional editors and a network of journalists who were familiar with the local conditions. The key process was to collect and process all the articles short-term and to configure those articles to a given format of the newspaper or magazine. Today, content creation is not solely performed by professional editors and journalists but also by users (user-generated-content) and is delivered via various devices and platforms. Also the configuration of articles has lost its importance due to the fact that digital content can be added to any platform without any restriction. Hence, the question arises: What differentiates a publisher from its increasing number of competitors? One possibility of differentiation might consist in revitalizing publishers’ key resources and processes, such as journalists, networks of reliable informants at all “points of action”, and strong brands in order to deliver a unique value to the customer (Johnson, 2010; Chesbrough, 2010; Demil & Lecocq, 2010). But in the world described above that would not suffice. If users contribute, the most interesting users or even communities of user might become a key resource. And the way of interacting with these users might advance to a key process.

Former research focused on the question of how key resources and key processes of publishers ought to change in order to fulfill the customers’ expectations, such as the integration of personalized content, or enabling communication between the customer and editors, or supporting the distribution of unbundled content (Zeng et al., 2015; Stahl et al., 2004). Only if publishers succeed in meeting these requirements they might be able to differentiate from the increasing number of future competitors.

Referring to the advertising companies as second customer group of the two-sided market in this industry leads to the interesting question what kind of resources and processes will be essential to address their needs. It can be assumed that the extensiveness and quality of data about the target group and the individuals becomes more important as well as the speed of providing the company with that data. Based on that data, publishers could offer to place adverts depending on personal interest and current content as well. But this competence is widely spread. Perhaps the publisher could differentiate their proposition by providing access to specific target groups.

A publisher’s profit formula or revenue model is based on two markets: the consumer market (providing the reader with content) and the advertising market. Traditionally, newspaper publishers as well as magazine publishers earned most of their money by selling space for offering jobs, real estate, cars, and of course for advertisements of all kinds. Newspaper and magazines embodied specific markets and placing the offer granted entrance to these markets. Since almost all market participants have moved to specific plat-
forms like stepstone, scout24, immonet etc., these profitable times have changed dramatically. And the advertising companies which want to spread their advertisements can choose between growing numbers of possibilities to contact their relevant audience (Tennant, 2014; Croteau & Hoynes, 2006; Pan/ Zinkhan 2004; Rochet/Tirole 2003). Even the return from selling the newspapers or magazines via subscription or other distribution channels have decreased due to decreasing circulation and at the same time decreasing willingness to pay, particularly among the younger generation who represent the customer of the future.

Facing these challenges lead to the question how publishing companies will be able to generate profit. Selling background information and access to more elaborated data (“freemium offers”) could be one model. Offering admittance to and communication with specific target groups to advertising companies could clear the way for the probably most important sources of profit. Additional services that could be offered to specific target groups by the publisher could open a third source. Furthermore, not only scholars but also the publishing companies themselves are looking for a promising profit formula. And they do not have much time left if they want to prevent other players from taking the remaining parts of the market, like Stepstone, Immonet, Google and others did in the last years.

3 How will the future Business Model of Publishers look like? Results from three empirical studies

To cast some light on the future business model of newspaper and magazine publishers we conducted three studies (Dennstedt/Koller 2014; Zeng/Dennstedt/Koller/Schulte 2015; Dennstedt/Koller 2016). Those three studies, which are only presented briefly in this paper, illuminate (1) readers’ expectations and hence the CVP, (2) the changes regarding internal resources and with it the future of key resources and key processes and (3) the expectations of advertisers who are supposed to pay for services readers demand for free. This last part addresses mainly the profit formula. Referring to the widespread term “user-generated content (UGC)” as well as to Eric v. Hippels concept of users with specific application knowledge in their field of expertise we call the contributing readers of digital content “user”.

3.1 First Study: Customer Value Proposition

Traditionally, publishers tried to satisfy customer needs by publishing content from professional journalists. The more important the content and the higher the quality or social acceptance of the publisher, the higher the CVP (Dennstedt/Koller 2014). Literature about customers’ expectations towards publishers’ digital products is scarce. However, Oechslein (2013) found that users tend to disregard the most reliable news sources. Instead, they favor content which is more akin to their preferences, even if such content might come from other
users. The traditional CVP of a publisher aims at providing the recipient with useful information and differentiating its content from that of competitors by delivering unique content. Since user behavior and content consumption have changed, offering UGC and a platform with communication-fostering functionalities might help publishers to attract specific users with high potential to contribute in user communities (Meijer 2013; Amit/Zott 2001).

After describing the current state of the digital publishing market, our explorative study from 2014 dealt with the future CVP in three steps and with three empirical approaches. First, the study analyzed various business models for digital publishing products by a simple document analysis. Second, a formal qualitative interview with experts from the publishing sector has been conducted in order to include experts’ perspectives on future business models in this industry. Third, the study contained a quantitative standardized online survey amongst readers in order to capture the needs of customers for digital publishing products. Both surveys were based on results from preliminary studies and on findings from existing business models and innovation research (Casadesus-Masanell/Ricart, 2010; Demil/Lecocq 2010).

The relevant data from the managers were collected in 2014 from selected international media companies amongst the leading publishing houses in Germany. Furthermore, managers of media companies which produce and/or distribute digital content were included in order to ensure a broader and more innovative view and to reduce bias from the somewhat traditional approach of established publishing houses. In total 52 international managers from companies like Condé Nast GmbH, Axel Springer SE, Amazon Inc., Hubert Burda Media Holding KG, Bauer Media Group or Zeitverlag Gerd Bucerius GmbH & Co. KG completed the questionnaire.

Within the standardized online survey amongst users in 2014, 755 users were questioned about their user habits concerning digital content (e.g., brand affinity, interests), their general willingness to pay for digital content and their preferences in payment models, such as pay per view, flat rates or freemium models. Furthermore the survey aimed to find out whether there are any specific determinants (i.e., age, brand affinity, interests, habits of usage), which appear in combination with specific needs or features. Different user groups were selected and asked to participate in the survey. To guarantee a wide range of user types, the survey was sent to non-media related participants and to media-related users familiar with digital devices. Furthermore, the survey was sent to several digital blogs and digital content communities to ensure different backgrounds, incomes and degrees of education. Additionally, the survey was spread in social networks to reach people with a specific interest in the future of the digital publishing industry. In total, 504 participants completed the questionnaire.

From this first explorative study about customers’ expectations derived from the described online survey among users as well as from the survey among experts from this industry we
would like to emphasize the following three results (for further details see Dennstedt/Koller 2014):

(1) *Users prefer unbundled content provided on every device*

Offering unbundled content such as single articles instead of entire issues of newspapers and magazines seems to suit customers’ needs. More than 35% of users are mostly interested in specific topics and are looking for news about these topics more than once daily. This matches managers’ opinions: More than 40% said that they see high revenue potential in aggregating various content and topics. When asked how digital content should be provided, almost 60% of users have a high interest in content from various sources, more than 50% find the distribution on different devices important or very important and more than 30% like personalized digital content. This matches the managers’ opinions since more than 80% find the distribution of content via several devices important or very important and almost 60% see a high added customer value in offering content on various platforms and devices. More than 50% see a high added value for customers in offering personalized content. When asked what they do to address various target groups, only 25% of the managers from the publishing industry indicated that they already distribute content via personalized offers according to users’ interests – but more than 50% of those managers stated that they see a high added value in personalized content.

(2) *Users demand cross-media content and the possibility to share*

Users expect an additional value from digital content compared to the printed product. More than 35% of users find video content and the possibility to share the content with friends important or very important, while audio is judged as not important by the majority of the users. Managers also find sharing options important and see a high (25%) or even very high (32.7%) revenue potential within this form of distribution.

(3) *Users favor freemium payment or flat rates – even if combined with advertisement*

Offering personalized content has an additional potential of revenues from advertisers since publishers can provide combined offers in collaboration with advertising companies; more than 70% of the managers intend to do this in the future. Simultaneously, more than 80% of users said they would tolerate advertisements in order to use free digital content. While usage of news sources is miscellaneous, the majority of users would accept a freemium payment model which includes free basic content and paid premium content. Also well accepted is a flat rate model within one product followed by an overall flat rate within the whole digital publishing industry. The declaration of user data or pay per view for an issue or a single article is not widely accepted. One might assume that the acceptance of payment models or willingness to pay for digital content differ with different news sources. However, as a result of the customers’ survey, the acceptance of payment models marginally differs with the use of digital news sources. These findings match managers’ opinions. When asked which of the following payment models they judge as most enforceable, 50% quoted
freemium models with basic free content and premium paid content. Secondly, they find flat rates enforceable while they judge the declaration of user data and pay per view models as less enforceable.

3.2 Second Study: Customer Value Proposition, Key Resources, and Key Processes

Dissatisfied with solely being informed by selected journalists, users are often interested in acquiring information from various sources and in discussing with others or even in contributing with their own content. (Meijer 2013; Barnes/Hair 2009; Amit/Zott 2001). They seem to evolve from just being readers to contributors themselves. To underline those assumptions the second study investigated (1) users’ expectations towards sources of content and (2) their willingness to provide own content (Zeng et al. 2015).

Successful examples such as YouTube, Wikipedia or hotel rating websites demonstrate that digital users are both willing to create new content and to consume content from other users and trust their opinions and ratings. Thus, there is significant potential in involving users in the content creation process. Therefore, the second paper addresses the trend of user involvement and describes possible future changes in the value chain of publishing houses. Hence, it addresses the key resources and the key processes as part of publishers’ business model.

Within our second study from 2015 (Zeng/Dennstedt/Koller/Schulte 2015) we asked 481 users via an online survey about their media usage behavior, expectations towards content as well as their own intention to contribute and reasons for this contribution to the community platform. 225 users completed the questionnaire. This questionnaire referred to two sections, one section regarding a self-selected special-interest topic (e.g., sports, IT, automotive, lifestyle and beauty, traveling) and another section regarding daily news. The reason is our assumption that users have different expectations regarding the sources of digital content (professional journalists versus user generated content) when it comes to special-interest topics or to news. We assumed that users might prefer professional journalists reporting about political news and value user reporting about special interest topics.

In particular, this second study consists of two models: In a first model we examined the perceived output quality as antecedent of users’ expectations towards content. Furthermore, we compared the means of expectations towards content between special-interest topics and news for detecting users’ general expectations. In a second model we investigated users’ intention to contribute to a community platform with reference to the community joining motives, usability features, and self-efficacy. Furthermore, we tested this model also on the one hand for special-interest topics and on the other hand for news. We estimated our second model using partial least squares structural equation modeling with SmartPLS 3 (Ringle et al., 2015). The constructs of our research models were mainly developed through an extensive literature review encompassing literature on Technical Acceptance Model (Davis, 1989; Davis et al., 1989; Putzke et al., 2010; Rauniar et al., 2014; Venkatesh et al., 2003;
Hsiu-Fen Lin, 2007; Hsu and Lin, 2008), motivation in open source projects (Lakhani and von Hippel, 2003), and digital business strategy (Oestreicher-Singer and Zalmanson, 2013). We mainly came up with two findings (for further details see Zeng/Dennstedt/Koller/Schulte 2015):

(1) **Users call for content by professional journalists as well as for UGC**

The results show that both content created by users and by professional journalists are important but the influence of UGC is growing and users have specific expectations towards the output quality regarding reliable investigation, user knowledge, and up-to-dateness amongst others. UGC seems to be more useful in the special interest areas ($M_{SI} = 1.62$) than in news ($M_N = 1.87$) but the difference is quite small. The scale runs from fully agree (1) to fully disagree (5). Regarding news, content created by professional journalists seems to be more useful ($M_N = 1.73$) than for special-interest topics ($M_{SI} = 2.10$). As expected the relevance of UGC is growing, particularly in the special interest areas, even though the difference to UGC relevance regarding news is not as big as expected.

(2) **Intention to create UGC is higher for a special interest topic than for news**

Results from the second model show that users’ intention to contribute is mainly driven by their intrinsic motivation, such as their own expertise, welfare of others, and personal acceptance in the community. For special-interest topics, there is a significant positive relation between well-respected member and intention to contribute ($\beta_{SI} = 0.113$). For news the path coefficient between well-respected member and intention to contribute is negative ($\beta_N = -0.050$) but not significant. Second, the motive “expertise” has a higher relation to “intention to contribute” for news ($\beta_N = 0.440$) than for special-interest topics ($\beta_{SI} = 0.130$). Third, users tend to expect functionalities from a community platform which enable community building and participation: the path coefficient between usability and intention to contribute is larger for news ($\beta_N = 0.440$) than for special-interest topics ($\beta_{SI} = 0.389$). And fourth, the effect of intention to contribute on willingness to pay is higher for special-interest topics ($\beta_{SI} = 0.361$) than for news ($\beta_N = 0.259$). To sum it up, our findings show that users are willing to contribute to both fields, news and special interest topics, and that their intention is mainly driven by their own expertise, welfare of others, and personal acceptance in the community.

### 3.3 Third Study: Profit Formula

In the last years publishers have lost almost all of their lucrative businesses: Consumers are not willing to pay any longer for being provided with news and stories. The very lucrative business of selling space for offering jobs, real estates, cars, etc. has shifted almost completely to specific platforms like stepstone, immonet, or mobile. And advertising companies which used printed adverts can choose between a growing number of possibilities to contact their relevant audience (Tennant, 2014; Chyi 2012). Via digital platforms, news aggre-
gators, social media, or market places the targetgroups can be reached much easier, cheaper, and with more possibilities for feedback (Mora 2013; Mandelli 2005; Pan/Zinkhan 2004).

Hence, publishers struggle with their revenue model considerably. Some publishers have created paywalls, freemium models, or personalized content for their digital products (Chyi 2014; Fetscherin 2004; Rochet/Tirole 2003). But digital revenue cannot compensate losses from the print sector yet. Therefore, publishers have to implement value added services for both – users and advertisers to set up a new revenue stream.

With our recent study from 2016, we investigate the expectations of advertising companies regarding their communication with target groups via publishers’ products (Dennstedt/Koller 2016). Based on the findings from previous studies that users prefer an interactive platform with possibilities to discuss with each other or with the journalists and to contribute with UGC, we want to know whether it is attractive for the advertising companies to place their advertisement on such a platform or even to participate in the discussion with users.

Therefore, we conducted semi-structured interviews with managers from advertising companies from various industries. The interview was previously tested during a pre-study. In total, we questioned 15 digital marketing managers from advertising companies in order to illustrate their expectations towards new digital forms of advertising with publishers’ products. We formed four groups of questions: (1) Added value of advertising with communities or topic related platforms, (2) quality of the community, (3) interaction between the advertiser and the community, and (4) demand for additional services offered by publishers. Here are the main results from the interviews (for further detail see Dennstedt/Koller 2016):

(1) Advertising with communities and topic related platforms create a high added value for advertisers

The question whether or not companies regard topic-focused communities as a relevant target group in marketing was plenary confirmed. One reason for that is the interviewees’ opinion that „users now tend to trust their friends’ tips more than any glossy advertisement“. (Named by a company from the FMGC sector). Second, fitting target group and customer retention are often named as major advantages of advertising within communities. This applies to market research as well as to branding. Third, the possibility of providing users with product features and additional information is highly valued. Fourth, the advantage of personalized advertisements was often named and highlighted as a relevant trait of a community or topic platform. Essentially, the added value is regarded as very high across the industries and there are no substantial differences among the individual domains concerning the assessment of this surplus value.
(2) The quality of a community is characterized by the number of users, the intensity of interaction, and the affinity towards the topic discussed

To the interviewees, a high quality of a community or topic platform equals a high number of users (high reach) and the intensity of the interaction between users who have a high affinity towards the community’s topic discussing up-to-date content. The interviewees value transparency regarding users very high (i.e. demographic information) as well as the competence of users who are interested in the specific topic. A marketing manager from the Banking & Finance sector stated: “The quality of a community is given, when users question certain topics and when they get involved with the content and discussions.” With respect to a moderator’s role, interviewees emphasized that a community manager is rated as a helpful neutral authority that can do both control and moderate.

(3) Level of interaction between advertisers and communities depends on the advertisers’ strategy

The demand for interaction between the advertiser and the community has shown some differences among the interviewees and seems to depend on the marketing goals. If a company wants to conduct market research only they prefer a rather passive contact to the community. If a company wants to raise brand awareness or sell products, they appreciate to enter into dialogue and gather information about user needs and opinions or even receive innovative ideas from users about new products or features. Several interviewed marketing managers stated to be interested in discussions and feedback about their products or services.

(4) Advertisers are willing to pay for services of publishers who enable and support the interaction with the target group of users

When asked about the additional services companies expect from publishers, the interviewees frequently mentioned the access to target groups. Education about marketing possibilities within communities as well as best practice examples of dealing with communities were also named. The interviewees want publishers to provide a neutral authority by having community managers who forward content and user contributions to the company in a bundled form and answer user comments and questions. First of all, publishers need to provide the infrastructure to enable a direct dialogue between companies and users. When interviewees were asked about a fitting payment model for the aforementioned cooperation several possibilities were mentioned: Monthly flat rates, exclusive access to communities, and billing models based on size/reach of a community or based on user interaction (posts) were all named.
4 Conclusion and Managerial Implications

With respect to the results of our empirical studies, it is obvious that the main challenge and problem for the publishing industry is not the digitalization and the Internet itself. Rather it is the necessity to rethink their complete business model, what is urgently needed if they want to avoid being squeezed out of their market.

Being successful in digital publishing will not exclusively consist of digitalizing the existing print media brands. Large traditional publishers as well as small news providers realize that their readers become less attached to individual brands and that the competition in the online sector is too intense for them to rely on an established user base. Social media and news-aggregators can capture user attention in modern ways and promote both brand and content. Media recipients increasingly consume content through viral ways of distribution and social recommendation tools, making them independent of the awareness and location of a publishing medium. As a consequence, managers of publishing houses must recognize those trends and adapt their business model towards requested CVP and by employing appropriate key resources and processes and towards new services for which the advertising companies are willing to pay for.

4.1 Customer Value Proposition

As our studies have shown, users expect an additional value from digital content compared to the printed product. In the future, several features can be considered in terms of offering a special value besides the content of traditional newspapers or magazines (Dennstedt/Koller 2014).

Primarily, users are interested in searching for specific topics instead of buying a whole newspaper and in receiving individualized content according to their preferences. Hence, unbundling of newspapers and magazines can create CVP. The more diversified the content, the larger the acceptance by communities from “the long tail”. This addresses niche topics which can be offered to the user via personalized recommendations and which correspondingly increases the potential for differentiation from competitors. Furthermore, unbundled content helps advertisers target users more accurately. Instead of striving for large reach, advertisers can address their customers more individually in order to interact with them.

Secondly, publishers should focus on interactive news platforms and communities instead of static websites. Features can be user generated content and discussion facilities as well as video content or “share with friends” options. While content creation by users is already a trend on other platforms (e.g., YouTube; blogs), the approach of allowing users to create their own content is currently less popular amongst the questioned managers. Nevertheless,
as this might change in the future managers should monitor such trends. As usage of social networks is high, publishers should consider sharing and social recommendation options. Dynamics of the Internet can help publishers’ products gain a greater reach and increase popularity among digital natives while concurrently satisfying the need for interactivity.

Besides these options users are interested in articles from professional journalists likewise. UGC as well as professional content seem to be the two future cornerstones of the customer value proposition. Although the results of our study show not that big difference between political news and special interest, we underline that UGC offers a slightly greater value for special-interest topics while professional content offers a slightly greater value for news or political topics (Zeng/Dennstedt/Koller/Schulte 2015). Nevertheless, customers wish for both types of content in both fields of interest. Therefore, UCG could be extended through useful insights or comments of professional journalists. Moreover, those journalists could become the moderator of a special interest community as well.

Referring to the customer survey in our third study, brand affinity plays a minor role when using digital media or searching for specific topics. Therefore, publishers should not rely too much on their traditional brand, as it seems to become less important to the customer.

### 4.2 Key Resources and Key Processes

If users are asking for articles from professional journalists and for UGC at the same time, publishers should value not only professional journalists as key resources but also contributing users and user communities. Both are the once to create UGC and the once to discuss with. The motivation of users to contribute appears more intrinsic than extrinsic. Becoming a well-respected member of the community is one of the most important factors for contributing with own content. Therefore, publishers should offer a platform, which makes it easy for users to contribute with their UGC and to communicate with other users. Publishers should get used to the idea that the content of their newspapers and magazines will be the result of co-creation with individual users and user communities as key resource. Nevertheless, there has to be revision of the UGC as publishers have to comply with their responsibility towards high quality content, especially concerning news.

Integrating those users in a very convenient way will be part of the key processes in the future. Furthermore, this kind of co-creation might require some kind of support by the publisher, e.g. background information. In any case these supporting processes have to be organized efficiently because offering platforms with high communication functionality, discussing with users, supervising the quality of UGC etc. could be quite resource consuming.
4.3 Profit Formula

The focus on building platforms for discussing political news or special interest topics among members of a community of interest might also lead to a promising revenue model as fourth part of the business model: Since users will not pay for getting news or even for contributing to the content, the revenue will come more or less from advertising companies. But they might even be more interested in getting contact to those special interest communities than to an anonym mass of readers.

Our research shows that publishers could have a main advantage over advertisers: They could have direct access to specific target groups regarding certain topics. Furthermore, they have a trustful reputation and are reliable for their users, which is an added value for advertisers as well. Thus, managers from publishing houses could establish a community network or topic related platform in order to foster interaction between users and afterwards they can offer access to advertisers. Since publishers have decades of experience in dealing with users and interest groups, they could also support advertisers with addressing these target groups directly. Hence, a completely new business service of publishers would be created that could offer a great value for advertisers and could create further revenue streams for publishers.

Our results show that advertisers have certain expectations regarding this service: Advertisers want to offer personalized information about products or services to single users and address their needs individually. Therefore, publishing houses should start gathering useful data about the each user, beginning with his profile up to his preferences. Publishing houses could offer various packages of access to communities and target groups: There could be “read only” access for advertisers who are interested in market research as well as an access with interaction admission for advertisers who are interested in selling products, amongst others. Furthermore, publishers could support advertisers by providing data for personalized advertisements to single users or certain groups of users. Some advertisers are even interested in getting access to special interest communities (e.g. sailors, automotive) in order to participate in their chat. Besides providing advertisers with supported access to users, publishers could also offer professional trainings, e.g. about working with communities. Finally, publishers could also use their platforms for direct sales activities and become the marketplace behind the adverts as well.
5 Summary, limitations, and generalizing outlook

This overview is only able to present first explorative results about the changes of publishers’ business model due to digitalization. We can show that managers of publishing houses will have to rethink their business model in terms of the content they offer, the key resources and processes needed, and their services for advertisers. Discussions about users expectations’ and advertising solutions (e.g. communities or topic platforms) are essential as publishers are realizing that advertisers have a strong interest in communities, personalized advertisement and even direct interaction with users. Of course, we can not and will not claim any kind of representativeness.

But, we assert that the consequences of digitalization for necessary business model innovations like shown in this paper for the publishing industry will affect many other industries as well; perhaps not in the same way but with some similarities. To give an example: the automotive industry is just about to evolve to mobility services and sharing economy. Due to digitalization the traditional content or product will lose its importance. The car will not be in the focus anymore. Instead, the services affecting mobility will be crucial in the future. Being able to get a car anywhere and at any time will be more important. Gathering data about the user of the mobility service will be key. Based on this data additional services can be offered by the mobility provider himself or by partner companies. Similar to the profit formula of publishing houses, the mobility provider might get his main revenue in the future from connecting companies like local suppliers, restaurants etc. to the people using his mobility service. Based on the data about those users of the mobility service, the mobility provider enables the partner companies to individualize their communication as well as the products and services they offer to the individual customer. Perhaps, they might even be supported by the service provider as an intermediary. Doesn’t that sound similar to the business model of the publishing industry? Perhaps, some day the customers might get used to almost not paying for the mobility service itself but being contacted by all the other companies that are paying for this access.
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