

Understanding Entrepreneurship in Traditional Media

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ABSTRACT The phenomenon of media entrepreneurship is currently attracting increasing interest by scholars and practitioners alike. However, most of this attention is devoted to entrepreneurship within new media, while some of the traditional media industries—for example print media—are believed to be the living dead without much future promise. Nonetheless, sustainable entrepreneurial ventures do emerge in these traditional media industries. These ventures demonstrate that new venture creation and survival in traditional media industries is in fact possible and that the current scholarly focus on new media entrepreneurial activities is too restrictive. This article conceptualizes and explores the phenomenon of entrepreneurship in traditional media industries. Empirically, it is based on the Swedish case of the company Latifeh, its magazine *Gringo*, and their further (media) activities. *Gringo* and the team behind it have received massive media attention as well as several prizes for their innovativeness, and stirred up the emotions of many people. A number of propositions are derived from the case, which can serve as a starting point of future empirical work on media entrepreneurship in traditional industries. In addition, these propositions can serve as practical guiding lights for (potential) media entrepreneurs.

KEY WORDS: entrepreneur, social entrepreneurship, magazines, Sweden

In the past years, media management has attracted increasing scholarly attention. Specialized teaching programs have been initiated at different academic institutions, often in response to the demand of established media companies to professionalize their management skills and to receive new input for rejuvenating their companies. But also research

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activities in media management are on the rise. Yet, most media management research to date focuses on larger, established firms. In comparison, very little is known about entrepreneurial activities of independent start-up companies in the different media industries. This is somewhat surprising, as both the need for media companies to be entrepreneurial (e.g. Hang & van Weezel, 2007) and a supposedly high level of entrepreneurship among media firms have been claimed (e.g. Hoag & Seo, 2005). Much scholarly work in the area of media economics and media management has been conducted with the aim to explain media industry performance, and largely disregarded entrepreneurial behavior of individuals as well as entrepreneurial activities and processes of individual start-up companies. In the few instances where such behavior, activities, and processes have been addressed, the vantage point has almost exclusively been in the new media (see Hang & van Weezel, 2007). Entrepreneurship in the traditional media has so far mainly been addressed regarding corporate entrepreneurship activities which aim at rejuvenating existing businesses and attempting turnarounds of companies in decline.

Despite this apparent lack of scholarly attention, new ventures of course do emerge in traditional media industries. Yet, as the area of media entrepreneurship is still a young and undeveloped field, this phenomenon is poorly understood. Therefore, the aim of this paper is to contribute to reducing this gap of knowledge by exploring and conceptualizing media entrepreneurship in traditional media industries. This is firstly achieved by reviewing and integrating relevant literature mainly from the fields of entrepreneurship, social entrepreneurship, and media management. Secondly, issues relevant to new ventures within a traditional media industry are explored based on the case of a young, entrepreneurial media company.

The remainder of this article is structured as follows. First, an introduction into media entrepreneurship is provided, leading to a conceptualization of the phenomenon. This lays the ground for the presentation of the methodology as well as case study of the Swedish company Latifeh and its magazine *Gringo*, followed by the analysis, discussion, and development of propositions. The last section presents conclusions and implications. Many successful entrepreneurial media endeavors were started about a generation ago, when the field of media management had not yet emerged, and they have by now developed into established companies. As media entrepreneurship has yet to be academically investigated, the main contribution of this article lies in exploring and conceptualizing entrepreneurship in traditional media industries by focusing on those aspects that are different from entrepreneurship in other industries.

MEDIA ENTREPRENEURSHIP

Interest in the phenomenon of media entrepreneurship is currently emerging in different academic institutions around the world. Some universities have initiated centers or research activities with a focus on media entrepreneurship—Arizona State University’s Walter Cronkite School of Journalism and Mass Communication has, for example, recently received a major grant to open the Knight Center for Digital Media Entrepreneurship. In 2006, the Media Management and Transformation Centre at Jönköping International Business School in Sweden hosted an international research workshop on media entrepreneurship. And media entrepreneurship is not only of interest to academic scholars—the topic also is of highest relevance to practitioners, as the title of the 6th Journalism Leaders Forum in Preston, U.K., in May 2007 “Editor as Entrepreneur: Lessons from the Digital Front” underlines (Journalism Leaders Forum, 2007).

Despite this increasing interest in media entrepreneurship, very few research articles have been published so far on this topic. Of course, this could partly be due to the long time span needed firstly to rewrite conference papers into publishable articles, and secondly from submission, over revision(s), to accepted and printed papers. In a meta-review of publications within the *intersection* of media and entrepreneurship, Hang and van Weezel (2007) identified 78 articles referring to both media and entrepreneurship during the period of 1971-2005. They conclude that many of these articles either address innovation in media industries or could be placed in the field of corporate entrepreneurship—namely, they address new venture activities initiated by established media companies, as well as the challenges encountered during this process. Entrepreneurial activities of new, independent start-ups are almost exclusively discussed for the case of the new media.

Necessarily, at this point the question emerges whether media entrepreneurship matters. In other words, is there anything ‘special’ about media entrepreneurship that would justify that academic attention be paid to it? The obvious answer is ‘yes’. For example, “media firms are not thoroughbred commercial entities, but must also comply with public interest and artistic and creative imperatives” (Küng, 2007: 24). Thus, from their very inception media start-ups need to balance different, sometimes conflicting, interests and demands. Second, while many industries are currently facing technological changes, the scope and velocity of the changes relevant for media industries make outcomes non-linear and unpredictable for media start-ups. Thirdly, media companies depend on the creative content they develop and bring to the market (Küng, 2007: 26-8). Fourthly, demand for media products is influenced by the dual product nature of commercial media—revenue for media products carrying advertising is not only determined by the time and

attention given by audiences, but also by advertising. Thus, survival of media products—and ultimately media companies—often requires that they appeal to both audiences and advertisers (Picard, 2005b: 67). These factors pose distinct challenges to media start-ups which start-ups in other industries do not face, exemplifying why the study of media entrepreneurship is relevant.

Equivalent to what Küng (2007) maintains for media management, the goal of studying media entrepreneurship must be to build a bridge between the general discipline of entrepreneurship and the specificities of the media industry and media organizations. But what is media entrepreneurship in the first place? Despite the emerging interest in the phenomenon, no clear definition exists. However, developing a definition is an important step in conceptualizing media entrepreneurship.

Even in the field of entrepreneurship many rivaling definitions still coexist, as is typical of rather new academic fields. As summarized by Davidsson (2003), existing definitions of entrepreneurship differ along a number of dimensions, such as

- whether entrepreneurship should be defined in terms of *dispositions, behavior, or outcomes*;
- whether it belongs in the *economic-commercial domain* or can be exercised also in not-for profit contexts;
- whether it belongs only in *small and/or owner-managed firms* or in any organizational context, and
- whether *purpose, growth, risk, innovation* or *success* are necessary qualifiers for entrepreneurship.

In the entrepreneurship literature, much attention has been given to the importance of recognizing profitable business opportunities and exploiting them (cf. Shane and Venkataraman, 2000). Yet, a definition of media entrepreneurship needs to incorporate other important aspects of media products, such as more missionary attempts of ‘changing the world’ or literary and artistic endeavors (see Picard, 2005b). These aspects as well as the possibility of different existing degrees of consciousness in entrepreneurial aspiration, the entrepreneurship process as well as the entrepreneurial individual(s) are included in a broad definition of media entrepreneurship as *how new ventures aimed at bringing into existence future media goods and services are initially conceived of and subsequently developed, by whom, and with what consequences* (based on Davidsson, 2004).¹

¹ Another attempt of including the specificity of media products into an entrepreneurship definition has been made by Hoag & Seo (2005), who defined media entrepreneurship as “*the creation and ownership of a small enterprise or organization whose activity adds at least one voice or innovation to the media marketplace*”. However, this definition is somewhat problematic; any person starting a blog would be covered by it, as this would be a new voice in the media marketplace. Therefore, the above-mentioned definition is preferred as a point of departure for the further conceptualization of media entrepreneurship.

For the context of media entrepreneurship another aspect is crucial—namely the question of ‘*why?*’. Yet, even in the entrepreneurship literature, human motivation has been largely ignored, as argued by Shane, Locke & Collins (2003). These authors provide a comprehensive review of previous studies on entrepreneurial motives and suggest that common motives for why someone would decide to become entrepreneurially active are a relatively high *need for achievement*, an *internal locus of control* (i.e. people believe that their personal actions directly influence the outcome of an event, as proposed by Rotter, 1966), *self-efficacy* (as task-specific self-confidence), the setting of *performance and growth goals*, the *desire for independence*, *drive* (to bring one’s idea into reality), and *egoistic passion* for work. While these motives can explain why purely commercial media ventures are founded, they do not fully explain the non-commercial characteristics of many media start-ups (e.g. Picard, 2005b). For example, some media ventures are torn between aiming to make a profit *and* the world a better place to live in—by addressing and aiming to reduce a social problem or by providing artistic and cultural value, entertainment or intellectual stimulation. It is exactly this double ambition of founding a commercially feasible venture *and* pursuing some additional, non-commercial goal that characterizes much media entrepreneurship in traditional media.

Inspiration for developing a better understanding of this double ambition characteristic of much media entrepreneurship can be drawn from the new academic field of social entrepreneurship, “a practice that integrates economic *and* social value creation” (Mair & Martí, 2006: 36).² Entrepreneurship research has long acknowledged a connection between entrepreneurial opportunities and emerging social trends (Timmons, 1990), but entrepreneurship as a process to foster social and/or societal progress has only recently attracted the interest of researchers (Alvord, Brown & Letts, 2004; Dees & Elias, 1998). Relevant for the context of media entrepreneurship is the definition of social entrepreneurship as a “process involving the innovative use and combination of resources to pursue opportunities to catalyze social change and/or address social needs” (Mair & Martí, 2006: 37).³ For many media entrepreneurs, just as for social entrepreneurs, the (societal) mission is explicit and central in founding and running a venture (cf. Dees, 1998). This also affects how entrepreneurs perceive and assess opportunities. Mission-related impact often becomes the central criterion, not wealth creation. Wealth might just be a means to an end for media entrepreneurs. Another feature which media entrepreneurship (in traditional media industries) share

² Some writings on social entrepreneurship have defined it more narrowly as “non-profit organizations that employ entrepreneurial strategies to sustain themselves financially while having a greater impact on their social mission” (Lasprogata & Cotten, 2003: 69; see also Mort, Weerawardena & Carnegie, 2003).

³ Although social entrepreneurship is often based on ethical motives and moral responsibility, it should be noted that the motives for social entrepreneurship can also include less altruistic reasons such as personal fulfillment (Mair & Martí, 2006: 38).

with social entrepreneurship is that the value created can be difficult to capture—in more concrete terms, a media company which has achieved an impact on society might not be able to gain much economic value from this impact.

What is the current state of scholarly knowledge on media entrepreneurship? Due to the recent emergence of academic interest, entrepreneurial activities in traditional media industries have not yet been investigated to any major extent. Much of the interest is addressed towards the impact of new technologies on media, and therefore entrepreneurship in *new* media is at the centre the attention. For example, even though Hang and van Weezel (2007) found that 26% of the articles included in their meta-review on the intersection of media and entrepreneurship regarded the publishing industries (books, newspapers, magazines), they could not identify academic articles or conference papers which focused on entrepreneurial start-up activities in this sector. Rather, the contributions mainly either aimed at explaining industry-level phenomena (such as Neiva, 1995; or Ghiglione, 1984) or were merely practitioner-oriented (such as Lesonsky & Anderson, 2001). Those contributions most relevant to media entrepreneurship—yet typically without much link to the established entrepreneurship literature—were historic portraits of, for instance, newspaper companies (such as Springhall, 1994; Wineka, 1999; or Nyberg, 2003).

More scholarly investigation of the phenomenon of media entrepreneurship is called for, as drastic changes are currently under way in media industries (e.g. Küng, 2007). For example, established companies are not only challenged by the advent of new technologies changing their business logics, but also by fundamentally different ways of conducting traditional business concepts (see Aris & Bughin, 2005). Traditional print-media companies are especially interesting in this respect, as it has been suggested that their products (such as printed newspapers) will become extinct in the nearer future (e.g. Economist, 2006; Meyer & Zhang, 2002). Start-up companies take advantage of the rise of media niche products: Technological advances have reduced barriers to entry in content creation, made professional-level production more widely available, and created new distribution and promotion channels—specialized content can now easily be matched with specialist audience niches (Küng, 2007: 31). The logic of such start-up companies deserves closer attention in order to understand more fully what is going on in the media industries.

METHOD

As media entrepreneurship is still poorly understood, a research method inspired by inductive inquiry appears suitable (cf. Glaser & Strauss, 1967). Such a method allows new theoretical insights—and thereby the opportunity to reach the aim of enhancing knowledge in the field of

media entrepreneurship—based on the thorough examination of relevant data. In order to ensure the quality of the research, data should be collected from different sources and triangulated, as well as analyzed in a continuous process of going back and forth between data and theory (Eisenhardt, 1989). To study entrepreneurial behavior and activities within a traditional media industry, it seemed important to choose a setting in which aspects were pervasive and could be well-observed. Therefore, a young venture from the print-media industry which has entered this traditional industry in an innovative way—but not based on new media—has been chosen. As this venture has received massive media attention in Sweden since its foundation, this case provides a unique opportunity to illustrate entrepreneurship within traditional media industries (cf. Yin, 1989: 47).

Data Sources and Analysis

Data Sources The data for this paper were collected from different media as well as the company itself. All newspaper articles referring to the magazine *Gringo* and its founder Zanyar Adami that were published in any one of the major Swedish newspapers (until March 15th, 2007) were downloaded from media databases and analyzed. Table 1 below displays the different publications included in the two full-text databases used for the research. The two databases Mediearkivet and Presstext together cover all major Swedish newspapers. The search term for both databases was “Gringo AND Zanyar Adami”, thus representing the magazine title as well as the founder’s name. The name had to be added to the original search term of “gringo” to avoid all articles referring to the use of “gringo” in Latin America as a largely pejorative term for North Americans.

Table 1: Publications included in the databases used for this study

Mediearkivet	Presstext
This database includes: <i>Aftonbladet</i> <i>Dagens Industri</i> <i>Göteborgs-Posten</i> <i>Svenska Dagbladet</i>	This database includes: <i>Dagens Nyheter</i> <i>Expressen</i> <i>Göteborgs Tidningen</i> <i>Kvällsposten</i> TT Nyhetsbanken TT Spektra <i>Veckans Affärer</i>
Total of 140 articles downloaded	Total of 59 articles downloaded

Thus, a total of 199 articles were downloaded as the main empirical source of this paper. In addition, the homepage of the case company itself, as well as different blogs, chatrooms, radio interviews, and other

internet sources were included in the analysis. Using these different sources of data in addition to the newspaper articles is in line with Glaser and Strauss' (1967) recommendation to use different sources of data to gain multiple vantage points to the phenomenon under study (Rindova & Kotha, 2001: 1266). The different types of data used typically cover different kinds of information. Newspaper articles report on the company's and its founder's activities, or they are editorials written by the founder or one of his staff. Different blogs comment on their activities and are at times responded to by staff of the case company. These blogs, of course, reveal a more emotional side and typically also have a more critical tone. Radio interviews, especially, provide unedited statements and comments by the founder. Thus, a complementary mixture of objective, subjective and contextual data could be collected.

Data Analysis The case study is based on a content analysis of the collected texts. Content analysis is an accepted model of investigation in qualitative research, particularly in the field of mass communication close to media management research (Silverman, 1993: 59). The databases provide the articles in chronological order, which allows reconstructing the development of the venture since inception in a longitudinal way. Thus, typical for inductive research, a case description following the chronological development of the company was first developed (cf. Yin, 1989). From the analysis of this case description, important themes emerged, which form the basis for developing propositions.

The chronological case description also allows tracing changes in rhetoric and communicated self-perception of the entrepreneurs behind the case study. Usual criteria to ensure the quality of the research design were followed. Construct validity was achieved by using multiple sources of data. Reliability was ensured by revealing the data collection, sources of data, and research procedure in detail. Internal validity does not apply for exploratory studies (Yin, 1989: 40). As this study is based on a single case study, external validity cannot be established in its traditional meaning. Rather, the focus is on establishing analytical generalizability, for which the investigator strives to generalize a particular set of results to some broader theory (Yin, 1989: 43-4). In addition, developing propositions is a first step towards larger-scale studies which could achieve generalizability of the results. All quotes from newspaper articles have been translated from Swedish by the author.

THE CASE OF GRINGO

The phenomenon of entrepreneurship in traditional media industries is explored by analyzing the Swedish magazine *Gringo* between its foundation in the summer of 2004 until the spring of 2007. The founder of the magazine *Gringo* not only managed to quickly launch the magazine (leveraging the publicity gained from distributing a monthly

insert with the free-sheet *Metro*), but also to create a brand around it which could then be leveraged as a platform for further products and services (such as regular contributions to the Swedish daily newspapers *Svenska Dagbladet* and *Aftonbladet*, further magazines, training courses, and lectures). At the time of the writing of this paper, the magazine reaches one million readers in Sweden with its insert *Gringo i Metro*, which is included into the free sheet *Metro* in Stockholm, Gothenburg and Skåne once a month. Four times a year, the magazine *Gringo Grande* is sold in the three major press shops in Sweden (Pressbyrån, 7-Eleven, Presstop).

The Entrepreneur The main entrepreneur behind *Gringo* is Zanyar Adami, the son of Kurdish freedom fighters who had immigrated to Sweden when Zanyar was five years old. Even though he had studied engineering at the Royal Institute of Technology in Stockholm, he decided to go into journalism. Having grown up in a suburb of Stockholm, he had grown frustrated with the discrimination he was facing despite his attempts to integrate into Swedish society. While trying to figure out what he wanted to do and could do in the future, Adami got more and more angry with how media reported about the suburbs and the stereotypes that were typically transmitted in the articles. He concluded that the negative image transmitted by media led to a self-fulfilling prophecy, namely that people from the suburbs would not strive higher than the image of them painted (*Dagens Nyheter*, August 3, 2005). In addition, he considered the issue of pride as important: “If I am not welcome to participate, I do not want to participate” (*Sydsvenskan*, 13 December 13, 2006). Reflecting about the career choices he had considered previously, Adami states: “And I thought that I probably would become a pizza baker. It was also clear among my friends that we had a very limited perspective on what we could achieve and what we could do and whom we could become” (Adami interviewed in *Dagens Nyheter*, July 2, 2006). Given the limited options for employment perceived as realistically available coupled with the frustration felt about the discrimination of ethnic minority groups in media and society, Adami decided to launch his own project. The underlying aim was to provide journalism that would change the image of the suburbs and of immigrants in Sweden, and to open up the definition of Swedishness to include the many immigrants living in Sweden.

Starting Gringo Thus, the starting point for *Gringo* was to oppose the public image of immigrants as “threat, victims or exotic exceptions” with “warm-hearted, tender, and optimistic journalism about Sweden” (Gringo.se/gringo.asp, 2006), and thereby to counteract the segregation of many immigrants in Swedish society. The name “Gringo” reflects the basic value that race (as well as gender or sexual orientation) should not limit anybody to realize one’s ideas and that in fact everybody is a foreigner—one only needs to change standpoint: “Gringo” is a Latin

American pejorative name for all Westerners, and especially North Americans. The name “Gringo” was already taken by another journalist, but Adami contacted that person, persuaded him of the idea and received not only the rights to use the name Gringo but was also introduced to a number of relevant actors in the industry.

As Zanyar Adami did not have the resources to finance the start-up, he approached the editor-in-chief of the free-sheet *Metro* and persuaded him to support *Gringo*. The deal made with *Metro* was crucial for the break-through. *Gringo* is distributed as a supplement to *Metro* once a month, and thereby reaches about one million people in all of Sweden. This deal made *Gringo* well-known in Sweden in a very short time, thereby generating customers for the magazine *Gringo Grande* (as well as publicity for other projects initiated by the *Gringo*-team).

Developing (Business) Activities *Gringo* is independent of *Metro* and wholly financed by advertisements. To generate readership, a mix of a joking style and more serious reporting was chosen. Often, articles are based on exaggerating typical prejudices—a powerful technique which has resulted in much praise but also heavy and emotional criticism. In the aim to change the situation of people living in the suburbs, the cooperation with *Metro* seemed like a good choice also because “it was *Metro* who managed to make young people, suburb people, the working class and immigrants read the newspaper” (Zanyar Adami in *Dagens Nyheter*, August 20, 2004). In the rhetoric of the founder and his company, people from the suburbs—and especially immigrants—are often claimed to be the people *Gringo* is published for. However, this has generated much criticism and stirred up emotions. The most frequent counter-argument is that the disadvantaged in Sweden would hardly be able to read and understand *Gringo*, which frequently uses puns, and which draws on typical Swedish particularities or traditions. The argument goes that someone not well integrated into Swedish society would not be able to grasp this content, while those who do probably are not that disadvantaged at all. Yet, beyond this (rhetorical) strategy of providing a magazine for the disadvantaged, the aim of bringing the issue of reporting style about immigrants (as well as other groups disadvantaged in Swedish society) on the agenda and to stir interest for the *Gringo*-reporting style even among the native Swedish community can be considered as more relevant.

In addition to advertisement as the major source of revenues, the *Gringo* team acts as an advertising agency for external customers, and offers lectures on topics such as diversity management. Thus, the company has managed to quickly establish a portfolio of offerings beyond advertisement. After the establishment of *Gringo* as a supplement to *Metro*, a full-scale magazine *Gringo Grande* was developed, which appears four times a year. In addition, Zanyar Adami writes editorials in *Metro* as well as *Svenska Dagbladet*, one of the major Swedish dailies. Some of his colleagues from the *Gringo* team similarly write for other

newspapers, so most major newspapers have by now introduced some “ethnic minority commenting”—which by itself can be judged as a success of the *Gringo* initiative.

In a next step, the *Gringo* team also got involved into more cultural activities. In the Hoodsfred Festival, the fine arts crowd in Stockholm city meet the suburban culture outside of Stockholm—some of the large, established museums from Stockholm cooperate to bring their exhibitions closer to the people in the suburbs by displaying some artifacts during the festival, different artists from the city and the suburbs perform in music and drama etc. For example, the successful Swedish musician Ayesha Quraishi who also has a background as member of an ethnic minority community, frequently appears in *Gringo*-related activities. This festival is an attempt to bridge the gap in cultural activities between the city and the suburbs and to draw more attention to the suburbs—after all, most attention (and financial support) to date goes to the city. “I wanted that the heavy culture from the city should come here to learn more about the people in the suburbs, and that people from the suburbs should learn about what is going on in the city, that it is made for them as well” says Zanyar Adami in an interview (*Dagens Nyheter*, June 19, 2005). The link between this and other cultural projects which Adami is thinking about or already initiating (such as a cultural centre “Plaza”) and the media products of *Gringo* lies in the attempt of bridging between the suburbs and the inner-city establishment.

In the meantime, Adami also introduced a new magazine, *Macho*, in Spring 2006. *Macho* focuses on gender equality issues, and is issued in cooperation with a large Swedish newspaper, *Aftonbladet*, which finances the magazine. In addition, the *Gringo* team publishes the *Pride* magazine in connection with the Gay Pride Parade. Thus, the audience is systematically broadened to include more and more groups that might be disadvantaged by society and to strengthen their position in societal and political debates. Recently, *Gringo* is moving more into the political arena, and wants to become more active in anti-racist activities. For example, the magazine is discussing to open a subsidiary in Landskrona, a town with a high unemployment rate and the homestead of the ultra-nationalistic Sweden-Democratic party. This plan has led to much discussion in the media.

When asked about his future, Adami replies: “I am doing this to change the world. My dream is to trigger a new movement by the people, in the same spirit as *Gringo*. It should be funny, but always with a message and a serious undertone. It means trying to make clear for as many people as possible what the current power structures look like and to try to break them up. If *Gringo* could become a catalyst for the media, I want to create something similar for other areas as well, for example business. In only two years, we have moved from nothing to twenty employees and a turnover of millions of Swedish crowns.” (Zanyar Adami interviewed in *Dagens Nyheter*, July 2, 2006). In addition, “3-4 book

publishers want us to write books, TV companies want to do TV with us, and the radio is calling. We need to prioritize” (Adami in *Göteborgs-Posten*, August 7, 2006). As of September 2006, Adami employs 22 people, and was expecting to achieve a turnover of 200 million SEK (approximately \$30 million) in 2006. Yet, the *Gringo* team has by far not only received positive responses—Adami has received threats on his life, and *Gringo* has been harshly criticized by both native Swedes and immigrants. But the—positive and negative—excitement that the *Gringo* team has managed to incite by its activities can be viewed as an important step in achieving their goal of changing society, which can only be achieved by triggering an involved discussion.

Developing a Reputation for Innovativeness The magazine *Gringo Grande* has received the prize as the ‘Newcomer of the Year’ (“Årets Nykomling”) from the Swedish magazine industry association in 2005. The motivation for the prize was that *Gringo Grande* manages to challenge the image of Sweden and Swedishness, by crossing borders, and being authentic, thorough, energetic, and funny (*Dagens Nyheter*, October 26, 2005). This prize was awarded to Adami also for having established his products in the Swedish media landscape within a very short timeframe. The founder Zanyar Adami has also received the “Great Journalism Prize 2005” (“Stora Journalistpriset”) as the “Innovator of the Year” (“Årets förnyare”), which can be interpreted as an acknowledgment of Adami’s critique of the previous reporting on immigrants. Adami received the prize with the motivation that he “with warmth and humor has opened an arena for the young and multicultural Sweden, to bring the suburbs into the center, and to contribute to enriching journalism both in terms of language used and topics covered” (*Dagens Nyheter*, November 20, 2005).

ANALYSIS AND DISCUSSION

This section will present an analysis of the case with regard to media entrepreneurship: What characterizes media entrepreneurship in a traditional media industry as displayed by Adami and the parent company behind *Gringo*, Latifeh? A number of propositions are derived from this discussion, capturing relevant themes emerging from the case presented above (cf. Silverman, 1993).

One major entrepreneurial driving force behind Latifeh is the aim of changing the perspective and opinion of readers regarding, for example, the image of suburbs and their inhabitants (which include many immigrants and economically disadvantaged people), in the case of *Gringo* and *Gringo Grande* as well as of gender issues in the case of *Macho*, through an innovative form of journalism. Fully in line with the conceptualization of media entrepreneurship (drawing on insights from social entrepreneurship literature) presented earlier in this paper, the attempt is to balance this aim to change the world with commercial

feasibility: “We will earn tons of money so that we can do lots of good stuff in line with our beliefs. I have never understood why one should not be able to combine commercialism and changing the world” (Adami in *Dagens Nyheter*, February 22, 2006). This paper extends the findings by Hoag and Compaine (2006) who had argued that media entrepreneurs can be categorized as either missionaries or as merchants—and thus either along ideological or profit-seeking motives. The *Gringo* case shows that such a dichotomy might be misleading, as entrepreneurs in traditional media industries might combine different motives, such as of missionaries and merchants (while having fun at work).

Proposition 1: The motives of entrepreneurs in traditional media industries are not restricted to achieving profitability. Rather, they include effects in terms of changing the customers’ points of view and/or entertaining them with the media product or service.

One prerequisite for achieving this balance is to provide an innovative product and/or perspective. A newspaper comes to a similar assessment: “The aim is to change perspective and to create a newspaper about the suburbs and their multicultural norms. This is a great idea. Here, there is something to tell about which many people do not know yet—which precisely matches the definition of news. Trying to realize the ambition within the free-sheet *Metro* also has a taste of the classic encounter between commercialism and journalism which has been driving the best newspaper projects in history. Strong journalism meets a successful form of distribution” (*Dagens Nyheter*, August 24, 2004). It is this change in perspective that attracts readers’ attention and triggers (positive and negative) opinion-building. This is in line with the assumption common in media studies that media must engage their audience in order to be consumed (cf. Aris & Bughin, 2005). It also illustrates the increasing importance of niche strategies for media products, in which specialized products are aimed at specific consumer segments (Küng, 2007: 31). To achieve this match, novel content alone might not suffice. Rather, the content is coupled with an innovative style of presenting it in an entertaining manner, playing with common stereotypes.

Proposition 2: Entrepreneurial ventures in traditional media industries fulfill their ‘mission’ (of providing artistic, cultural and/or societal value) in an economically feasible way by offering an innovative perspective and/or experience to the audience.

A major challenge for a media company is to make such innovation sustainable. The innovative perspective of *Gringo* started out as offering a different reporting style about immigrants and life in the suburbs in a funny, entertaining way, yet with a serious undertone. This perspective alone, however, is hardly sustainable in the longer run, as readers might

soon get tired of this rather narrow reporting style and content. Adami and his company Latifeh attempted to leverage their customer and media attention quickly into a product and service platform beyond the *Gringo* supplement to *Metro* and the *Gringo Grande* magazine. The additional activities, such as lectures on diversity management or the organization of cultural events, can in fact be expected to be more sustainable. In the entrepreneurship literature it has been discussed that companies usually start diversifying beyond their original niche once they have entered a more established and mature stage, and are typically already characterized by a separation of ownership and control (McCann, 1991). As pointed out by Dodge and Robbins (1992), at this stage firms often discover that their market niches have disappeared as a result of competitors' reactions. This situation calls for strategic flexibility, here referred to as the ability to expand and develop from an initial market strategy (O'Gorman, 1997). However, many one-product media companies have demonstrated major difficulties when attempting to implement a product portfolio at later stages (Picard, 2005a). The case of *Gringo* demonstrates the relevance for young, entrepreneurial media companies to exploit the opportunity to act differently than large companies and build a platform of offerings at an early of development. Hence, diversification at a much earlier stage might be a critical success factor for securing a sustainable, stable market presence due to the short life-cycle as well as high market risk of most single media products:

Proposition 3: Entrepreneurial companies in traditional media industries diversify beyond their initial product at an early stage of existence. They build a platform of products/services, which they can leverage to different audiences and which they can quickly adapt according to customer responses.

During the process of bringing new ideas to market, Adami and the team around *Gringo* made extensive use of their informal network of contacts, for example for striking the deal of distributing *Gringo* with *Metro* or for cooperating with well-known artists such as the Swedish musician Ayesha Quraishi. Here, Adami clearly demonstrates the skill of working effectively across diverse constituencies important for media ventures (such as advertising customers, content providers and staff, or media houses) and to develop the organization in a way to provide a functioning 'infrastructure' for the different activities:

Proposition 4: Entrepreneurs in traditional media industries display the capacity to work with and build bridges among different stakeholders.

For many young companies, marketing is a difficult topic. Large, established companies often employ massive resources to push certain products into the market—resources a young company usually lacks.

Still, marketing is extremely important even for young companies to become well-known to their potential customer base quickly, as the product life-cycle might be limited. Yet, marketing activities require resources, which the company might not have readily available. But, entrepreneurship has been defined by the pursuit of opportunities regardless of the resources available at hand—given the right opportunity, resources would follow (Kirzner, 1997; Stevenson & Gumpert, 1985). One of the most important factors in the success of niche marketing is relationships (Parrish, Cassill & Oxenham, 2006: 697), and the talent of promoters to mobilize resources by, for example, leveraging relationships has been found crucial for social entrepreneurial ventures (Leadbeater, 1997). *Gringo* is a prime example of leveraging external resources for its own marketing in such a way. The innovative distribution deal with the free-sheet *Metro* made the founder of *Gringo* and his team very well known to an audience of millions of people, and allowed them to quickly establish a brand-image. Thus, this strategy of leveraging external resources not only generated customers for the magazine *Gringo Grande*, but also led to many following offers, such as presentations and book contracts as well as massive media attention.

Proposition 5: Entrepreneurial ventures in traditional media industries manage to mobilize external resources for their operations. Establishing (informal) networks with actors that will support the carrying out of operational activities is thus an alternative to expanding the impact and coverage by investing in the own organization and management system.

Proposition 6: Entrepreneurial media ventures manage to quickly become known to their target audience, for example by finding an innovative distribution channel.

An important success factor of media products is that they engage their audience (cf. Aris & Bughin, 2005). The Latifeh team managed very well to achieve such engagement with *Gringo*, as they triggered media attention which was enhanced by the controversy generated through the reporting style and content the Latifeh gang had chosen to employ. This media attention further stirred up positive and negative emotions, creating even more attention. As a result, Adami and the key people from his Latifeh team were constantly present on TV, radio and in print products. Over time, this firmly established their credibility on the market despite the criticism received. In addition, the presence in media could constantly be used to promote their own products—thereby also prolonging the products' life-cycles—and the different prizes won for journalistic content as well as the magazine format enhanced the perceived legitimacy of the company as an actor in the media field. Due to the need of balancing a culture of commerce and serving the public, maintaining legitimacy is challenging. Legitimacy can, for example, be

undermined if the media firm tends more towards commercialism (cf. Lasprogata & Cotton, 2003: 100). When the company tends overly towards commercialism, it might lose sight of its mission, risking a loss of identity among the actors involved in the venture.

Proposition 7: Triggering continuous media interest and stirring up (positive and negative) emotions increases the audience's interest in the products offered by an entrepreneurial media firm.

CONCLUSIONS AND IMPLICATIONS

The media company Latifeh with its flagship project *Gringo* has managed to establish itself as a credible actor in the Swedish media landscape. Unusually, it has not only acquired a customer group drawn from both ethnic minorities as well as native Swedish people, but has also managed to act on a range of additional business opportunities by developing a product and service range beyond the original magazine. The entrepreneurial company is clearly acting on opportunities. Yet, these opportunities are not evaluated on the basis of their profit potential (only), but also on their potential impact on changing society and entertaining readership—thus illustrating the specificity of media entrepreneurship as opposed to entrepreneurship in other industries.

The company has successfully managed to bring the issue of (ethnic) minorities in Sweden on the agenda of public discourse, and by now delivers commentaries to nearly all large Swedish newspapers. As the *Gringo* team stresses their “warm-hearted, tender and optimistic” attitudes towards Sweden, they have managed to reduce the fears which the unknown or foreign typically trigger.

The main contribution of this paper is that it defines and conceptualizes media entrepreneurship by integrating insights from the academic fields of media business studies, entrepreneurship and social entrepreneurship. The case study presented illustrates this conceptualization and some typical issues faced by entrepreneurial media ventures. Based on Dees' definition of social entrepreneurship (1998: 4), and combined with the conceptualization of media entrepreneurship and the findings from the case presented above, the following can be concluded from this paper: Media entrepreneurs play the role of change agents in society, by

- adopting a mission to create and sustain some kind of artistic, cultural and/or societal value (not just economic value),
- recognizing and relentlessly pursuing new opportunities to serve that mission,
- engaging in a process of continuous innovation, adaptation, and learning,

- acting boldly without being limited by resources currently in hand, and
- exhibiting a heightened sense of accountability to the constituencies served and for the outcomes created.

The conceptualization of entrepreneurship in traditional media industries provided in this paper can be employed as a starting point for a more detailed examination of the main components of media entrepreneurship, namely combining and balancing commercial and non-commercial value creation. Further empirical and conceptual work is needed to establish a more comprehensive picture of entrepreneurship in traditional media industries.

The practical implications that can be drawn from this study would suggest media entrepreneurs to focus on business ideas that can be leveraged, as the current target audience and consumer groups might limit growth based on the initial business model. The clear challenge lies in developing sustainability beyond the initial success as well as in creating a balance of revenue streams stemming from advertising and audience payments. Lastly, taking advantage of public visibility can support the relatively inexpensive creating of a brand image. the media sector or subsector under study.

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