



Journalist Fellowship Paper

# In search of the winning formula for local news: the role of needs & trust

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# Introduction

I arrived at the Reuters Institute with one goal in mind: I wanted to give high-quality Finnish local media something to grab onto; something that will help us retain readers, engage new readers, make people feel that producing high-quality Finnish local journalism is necessary, valuable, and useful.

My first thought about the whole project was this: local media must be so good that its audience cannot stay away from its websites. There must be so much attraction that people return to it again and again, preferably several times a day.

Finnish local newspapers are struggling with the same problems as commercial media companies in other Western countries. I wanted to see how other small and large media companies had developed in response to the challenges. I wanted to pinpoint the role of small local newspapers in the future.

One of the fellows asked me: “Why local journalism?” My answer is simple: local journalism is the bedrock of democratic society, and the foundation stone of journalism.

When we’re doing it right, our readers should feel that the local newspaper matters because it helps them, and a certain sense of community is built around its existence. When a town has its own newspaper, it exists. There is a watchdog who is awake, safeguarding the rights of citizens, capturing and publicizing grievances, celebrating the good news, and facilitating debate.

Local journalism is nearby – not far off in a capital city that doesn’t understand. It’s not always deep, investigative work; it’s firmly bound to everyday life. It captures what is unique about people in that location.

The local news is not a municipality’s PR department, and it answers different questions than a company’s communication team. When something unpleasant or surprising happens, people call the local authorities. When that doesn’t work, they can call the local newspaper.

In this final paper of my project, I will present the history of local media in Finland, examine the economic predicament that has unfolded in the 2020s, explore the models others are trying to help keep local news viable, and present an idea bank of innovation that local newspapers can adapt and adopt to secure their own future.

# A brief history of local newspapers in Finland

Finland publishes around 250 newspapers, of which 60% (150) are local news outlets. Almost every municipal area in Finland has its own, and regional newspapers hold big sway – particularly in the larger cities of each region.

The history of the Finnish newspaper dates to 1771 when Aurora-Seura started *Åbo Tidningar* (1771-1861). The first newspaper written exclusively in Finnish was *Tietosanomats* (1776). In the 19th century, the Finnish press began to expand and, by 1860, there 29 different newspapers published in the country.<sup>1</sup>

With industrial and economic growth, the number of local newspapers increased – especially in the 1950s. That rise continued into the 1990s until the turn of the millennium when the digital media revolution brought mergers and closures.

The business case for the local press in the late 18<sup>th</sup> and early 19<sup>th</sup> centuries still sounds familiar today. Media researcher Sanna Ojajärvi describes the main mission of the local press as educating residents and maintaining commercial life.<sup>2</sup> According to her, the earliest local papers were founded by individuals interested in local culture: family businesses or joint-stock companies founded by small groups. Until the 1960s, they were backed by community groups (Lions clubs, sports clubs, or white-collar clubs), museum projects, or scholarship associations.

Newspaper ownership began to change in the 1970s, when regional newspapers began to buy up surrounding outlets, followed by national media companies. Today, there are significantly fewer local newspapers operating independently than those owned by corporations. In my region, North Karelia in eastern Finland, there are six local newspapers in group-based ownership and three in private ownership.

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<sup>1</sup> Tommila, P. & Salokangas, R. 1998. Messages for everyone: A history of the Finnish press. Helsinki: Edita. <https://oula.finna.fi/Record/arto.003545808>

<sup>2</sup> Ojajärvi, S. (2014) The Finnish Local Newspaper from Family Album to Journalism Innovator? Viestinnän tutkimuskeskus CRC, Sosiaalitieteiden laitos, Helsingin yliopisto. [https://blogs.helsinki.fi/crc-centre/files/2014/04/suomalainen\\_paikallislehti\\_raportti.pdf](https://blogs.helsinki.fi/crc-centre/files/2014/04/suomalainen_paikallislehti_raportti.pdf)

### What needs did local newspapers meet back then?

Finnish journalism research sums up the role of the local press as relaying local information, building a local identity and speaking on behalf of the locality.

Even in the 20th century, according to Finnish journalism lore, local newspapers were seen as important in building community and strengthening a shared value base. In the 21st century, local newspapers have taken on journalistic, social, regional and commercial dimensions. The most important of these is considered to be the communication of information in a relatable way.

In British and American journalism research, the most important role of local news has been described starting conversations and nurturing democracy at the local level. Ojajärvi's [2014 report](#) chronicled the importance of local newspapers in her own region. The central location of the newsrooms – often in the town centre – was proof of their importance to the community, she said.

Unlike national newspapers, YLE or even regional newspapers, local newspapers have traditionally offered their readers more than just journalism. Some newsrooms doubled as lost-and-found offices, where people brought lost wallets and keys. Ojajärvi said readers of local newspapers are very eager to report if something has happened – even very minor. The local newspaper is the gatekeeper and core of the community's public relations network.

The best example of newsrooms doing double duty is *Puolanka-lehti*, which serves the municipality of Puolanka, just north of my own region. The local newsroom there has served as a photo studio, a souvenir shop, a laundry service and a shop for telecom operators. In this way, local newspapers have often been able to bring services to the community that it otherwise lacks.

### Trust as capital

Finns' trust in the news media has always been top-notch. Despite a dip caused by the COVID-19 pandemic, it rebounded stronger than ever in the [2024 Digital News Report](#), with 69% of Finns saying that they trust the media in general.<sup>3</sup> Trust in local newspapers is especially high: 81% of Finns said they trust us.

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<sup>3</sup> Reuters Institute for the Study of Journalism. (2024). Digital News Report 2024: Finland. Available at: <https://reutersinstitute.politics.ox.ac.uk/digital-news-report/2024/finland>

This trust is, in large part, imbued to the press by the high functioning Finland's other institutions: a transparently functioning egalitarian society with a comparatively high standard of living thanks to a system of social benefits in a consensus-driven multi-party democracy.

Editors in chief interviewed for Ojajarvi's report said the most important values for local news were reliability and closeness to people. This project will propose one more core value: utility.

The digital media revolution has been a threat to all three values, but it can equally be seen as an opportunity: to position ourselves as the best place for reliable information amid social media fakery, to bring back together what has been pulled apart by screens and online orders, and providing true utility by gathering in one place all the various data and democratic needs of the community.

# People's needs: as residents, as readers

To provide utility in a community, we must understand its needs. But needs are a little more difficult to measure than trust – where do we even begin? Does the average person even know their own needs?

For centuries, printed news media exercised omnipotence when it came to deciding what its readers wanted. They were flying blind on the back of a triple threat:

- no way beyond circulation figures to definitively say how many people were reading what, or for how long,
- the enduring belief that the affluent must surely be reading, and
- a stranglehold on advertising, listings, and classifieds.

It was easy to tell ourselves we had a “gut feeling”, a “nose for a story”, and an innate sense of what was important. After all, feedback only came in the form of proactive telephone surveys or reactive letters to the editor. Results were measured in the form of changing or influencing policy or society. The power to decide rested with the editor and any attempt to meddle with that power was frowned upon.

In the past 30 years, everything has changed: the monopoly is shattered, and feedback is available in real-time analytics or blunt comment sections. Suddenly, we (and our former advertisers) very much want to know about all of our readers' wants and needs. It is a matter of survival.

## Lessons from the magazine sector

Magazines have led the way in assessing and prioritizing the needs of their readers in detail. In Finland, the topic was studied by Tapio Kivistö in his 2016 dissertation at the University of Jyväskylä, *Towards the Core of the Magazine*.<sup>4</sup>

According to Kivistö, readers' needs came into focus at the turn of the 21st century. Kivistö said business managers of faltering media companies emphasized the service nature of their magazines and their desire to satisfy readers' needs since the turn of the century.

Those needs have been clarified through usage studies that aim to pinpoint how and why people use mass communication tools, and what satisfaction they get from

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<sup>4</sup> Kivistö, T., 2016. *Kohti aikakauslehdien ydintä - Suomalainen aikakauslehti, lukijan tarpeet ja mediamurros*. Jyväskylä: Jyväskylän yliopisto.



them. For Kivistö, “satisfaction” is the end result and “need” is the motivation. He identified four motives for media use in Finland in the 2010s:

- 1. Emotional motives** Media is used for, among other things, relaxing, enjoying yourself, escaping from routines and the bad world, gaining experiences, and passing time.
- 2. Social motives** Media is used to maintain family relations and friendships by keeping up with trends, providing topics for future conversation, or the chance to compare one's own life and thoughts with the lives and thoughts of others.
- 3. Informed motives** The media is used, for example, to obtain information and advice, to stay on top of things happening in the world, and for self-development.
- 4. Identity motives** The media can be connected to the reader's own identity, helping them understand their own life, addressing key problems, affirming values and advertising to others the lifestyle and values you align with.

### The rise of “interestingness”

A [2012 report by Heikkilä](#) et al. found newsrooms were uncertain about what kind of media content they should produce in order to maintain public trust, the social status of journalism, and the financial operating conditions of newsrooms.<sup>5</sup>

This uncertainty, the authors said, has given rise to “interestingness” as a core goal directing the daily work of journalism. “Interestingness”, they wrote, has been measured primarily by clicks, time spent, and logged in users or subscribers.

The Reuters Institute's [2024 Digital News Report](#) asked respondents what their most important reasons were for following different media:

1. Keeps me up to date with what's going on (72%).
2. Helps to learn more about topics and events (67%).
3. Offers different perspectives on topical issues (63%).
4. Provides practical information and advice for everyday life (60%).
5. Keeps me engaged with issues in society (59%).

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<sup>5</sup> Heikkilä, H., et al., 2012. *Kelluva kiinnostavuus: Journalismin merkitys ihmisten sosiaalisissa verkostoissa*. Tampere: Vastapaino: COMET-tutkimuskeskus, Tampereen yliopisto.

6. Makes me feel better about the world (54%).

7. Makes me feel connected to others in society (50%).

What is clear is that people's information needs have changed. Whether it's how we're announced at birth, find our first apartment, celebrate a marriage, or commemorate our dead, our information habits are very different. What then is the role of local newspapers in a world where every phone is a self-contained printing press, marketing department, and distribution plan?

### **The role of local news according to... Google?**

An unexpected source, but one who arguably has more access to news data than anyone else in the world, had definitive opinions to share. "I believe the role [of local news] is strong, and the future is bright," the vice president of Google News Richard Gingras told me.

In fact, Gingras expressed more faith in the future role of local news than big national outlets. Google News statistics show a continuous interest in local news. When the world's news is at your fingertips, he said, stories from the immediate surrounding environment increase in value.

"People want to know and influence things close to them," Gingras said, citing the example of Canada's [Village Media](#), which has done meritorious work reviving small local media through a needs-based approach.<sup>6</sup>

Self-awareness, Gringas said, is key: "I think it is important for local media to remember where its roots are and what it was created for. In my opinion, serving local residents is the most important thing local media can do. [...] It is not just serious journalism, but everything that the community in question needs.

"If the local media [can carve out] a role where it functions as an integral part of the community, like a fabric that weaves the community together and provides people with what they need, it will certainly endure. But if people don't feel the local media is of any use to them, why would anyone come to the newspaper's website or pay for a subscription? The most important thing is to be needed."

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<sup>6</sup> <https://www.villagemedia.ca/>

## Bringing it home

To put needs theory to the test, I zeroed in on my own hometown, Joensuu, where I have served as editor-in-chief of our local newspaper, *Karjalan Heili*. Joensuu is a town in eastern Finland, serving as the regional capital of North Karelia, and home to around 76,000 people.

Work has already been done by city officials, via several surveys in recent years, to establish the town's needs. I interviewed the communications manager of the city, Petri Varis, about what they have found. He named three essential needs:

- 1. Things related to the circular economy** are on the rise. Younger residents in particular would prefer to borrow or rent or jointly own goods that are not used all the time, for example tools and accessories needed for home and yard renovation or rarely used sports equipment. Behind this sentiment: consumerism concerns, and a lack of storage space in small homes. To make community lending, renting or joint ownership possible, there would need to be a subscription to a trustworthy platform with a sufficiently large user base that is readily accessible to people.
- 2. Community spirit and companionship**, or just finding friend in your area for different situations. Feelings of loneliness touch many people of different ages in Joensuu. Resident surveys found people wanted a way to reach out to others, find new friends or join in on new events and hobbies.
- 3. Access to public data** Residents want easy access to a range of information, in one place. Younger residents were interested in where to find student discounts; older people wanted to know about store sales, events and opening hours. Many felt information had become so fragmented that they did not know where to look for it.

The city of Joensuu tried to meet these needs by developing an app. But its use remained quite limited, and the application has now been discontinued. According to Varis, the main challenge in developing that service had been in finding genuinely useful content people could use regularly.

## Connecting the lonely

All three of these needs could be met in various ways by a local news outlet. But one stood out to me more than the others: loneliness. Despite living in the happiest

country, 30% of Finns report feeling lonely on a regular basis, and 46% of Finns live alone, a significant contributor to feelings of isolation.<sup>7</sup>

Theoretically, we have all the diverse people and hobbies of the world at our fingertips in 2024. And yet loneliness and its byproducts – anxiety, depression, malaise – continue to grow. We’ve all heard the explanations for this: we don’t interact with each other as we once did because of social media; we are made to feel alone by faceless unpleasantry in comment sections; we are bombarded by images of “happy lives” that make us feel inadequate.

When I moved to Oxford for this fellowship, I didn’t know a soul. One factor that made settling in easier was the WhatsApp group shared by all the residents of the street I moved to. I was added within days and found people talking about the upcoming Christmas concert, offering leftover food to their neighbours, and asking for homes for kittens. Sometimes they would share funny pictures or memes, other times a link to a story in local newspaper, the *Oxford Mail*. I felt part of a community where I could get help if I need it. Another example of this can be found on Instagram, where influencers organise find-a-friend meetings for those who want companions for hobbies and events that are more enjoyable to attend together.

Is there room for local newspapers around this need? The point is not to recreate a social media platform, but to foster a well-functioning community where people could meet and find each other locally. As Gringas puts it, local media can contribute to the “fabric” of society when it weaves together complementary needs.

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<sup>7</sup> Finnish Institute for Health and Welfare (THL). (2020). Loneliness and social isolation in Finland. Available at: <https://www.julkari.fi/handle/10024/146766> [Accessed 15 July 2024].

## Local journalism: Reliability matters

Saving local journalism is not just a matter of what we cover (local needs), but also how we cover it (reliable information). The starting point of good local journalism is still... well, good journalism.

An excellent example of good journalism in a local context can be found in the town of Imatra in Eastern Finland, and its local newspaper *Uutisvuoksi*.

While the town has experienced population decline, the number of digital subscriptions to the newspaper has grown significantly. Mari Markkanen presided over that growth as editor-in-chief between 2021 and 2023. She told me the key was producing local news with a suitably critical approach and a digital-first outlook.

### Investigating with a digital first outlook

Markkanen said investigative journalism was one of the newspaper's most important cornerstones. "Political life in the city of Imatra provided suitably juicy topics and even scandals. For instance, we uncovered the city's dodgy dealings in financing the Imatra Spa and the affiliations of municipal decision-makers."

Mari Markkanen's clear mission was that the local newspaper should serve its readers continuously. "I wanted the readers to come to *Uutisvuoksi*'s website every morning to see what investigations we had come up with. Every morning at 5am, a key article, the main story of the day, which had certain quality criteria and objectives set for it, was published on our website."

"We concentrated very heavily on digital efforts. This had already started during the tenure of the previous editor-in-chief, Mari Pajari. Out of our seven journalists, only one focused on the print newspaper's format, while the rest of us focused strictly on digital. We worked strongly with a digital and analytics-first approach, and it naturally followed that the quality of the print also improved, as we created more readable, interesting, and thoroughly thought-out articles."

### Intentional story choices

Producing investigative journalism with such a small team requires real commitment. "You have to choose what to do and what not to do," Markkanen said. Fortunately, *Uutisvuoksi* has a very ambitious and skilled editorial team. Everyone was committed to the mission, and wanted to create the best possible newspaper for their readers together.

Not every local newsroom will be able to replicate that success if they don't have the same skills and commitment to hand. In smaller newsrooms, this must be kept in mind – focus on stories the team can deliver well. "I myself was the first to stop printing the traditional sports pages," said Markkanen. "The reason behind that decision was

that we had days when there were no sport matches, and we had huge blank pages waiting to be filled with vague sports stories that had no real purpose.”

### **A new approach to the workday**

The reform also required different working patterns. “I stopped the [evening and weekend] shifts. When people are working on weekdays and during the day, much more high-quality journalism is produced. [And our] world mostly revolves around weekdays. I handled emergencies on weekends and evenings myself, if and when something happened that needed to be quickly reported online. This freed up a lot of resources for day work.”

Under Markkanen’s system, about 10 articles were published a day with a new story appearing on *Uutisvuoksi* approximately every two hours until 9pm. Readers quickly learned they could find new, interesting material throughout the day.

“I would say that in digital or journalistic content in general, one super good article replaces three lazily done articles. We no longer went to reporting assignments just hoping something good would come out of it. The story’s perspectives were carefully thought out in advance.”

### **The watchdog role**

“We were a pretty effective watchdog, and you could feel it sometimes when the local politicians and officials came along. Some accused us of not being for the town, but against it. But I think the local media is on the side of its readers. Journalistic ethics oblige us to take care of the rights of readers and citizens and to monitor those who use public power and funds,” Markkanen said.

“Journalism must be honest, transparent, fair and equitable. It’s good to open up the story making process and tell readers why some stories are made.”

Markkanen said this role was particularly key to the importance of local news and its relevance for the residents of the area. “The task of journalists is to promote truth-telling and open up the overall picture to the residents of the area,” she said.

“Readers do reward a job well done. Our subscriber numbers grew even in print, which we didn’t even invest in, and of course especially in digital. Readers often praised our courage and the fact that we dared to find out even unpleasant things. Many readers said they felt *Uutisvuoksi* solved things for them that would otherwise remain in the dark.”

Creating high-quality content for a specific audience doesn’t happen by itself. Markkanen noted that local newsrooms have to always be moving forward. “What worked a few years ago may no longer work at all.”

## Repositioning and audience profiles

*Sanomalehti Karjalainen Oy*, a regional newspaper based in Joensuu and serving the wider North Karelia audience, began reshaping its content in 2023 after taking part in the [Table Stakes Europe](#) programme (TSE).<sup>8</sup>

TSE is a programme presented by [WAN-IFRA](#) and designed by [Douglas K. Smith](#) to use “audience needs to unlock digital transformation”.

*Karjalainen* news editor Anni Rodriguez explained: “A significant reason for applying for the programme was that the majority of *Karjalainen*’s digital-only subscribers are over 60 years old. Looking at those statistics, I wondered who we would be making this newspaper for, say, 20 years from now.

“We started to develop a model in which all articles were designed to appeal to readers under 50 and were truly ‘digital first’. Print was finally relegated to secondary. It was an aim we had pursued for years, but our daily work had still always been print driven.”

The new operating methodology required careful planning – and sticking to those plans. “We created clear goals regarding how many articles we wanted on different topics, at what pace they would be published, and the reader profiles we were aiming for. At the same time, consumer marketing became involved in the daily work of the department. With the help of analytics, we began to closely monitor how stories performed and how new subscriptions were created.”

The 40 journalists at *Karjalainen* were divided into eight different teams, all targeting two core reader profiles: families with children and nature hikers. “The different teams cover the city (including municipal politics), money and economy, sports and exercise, home and living, well-being, culture and leisure, politics and opinions and breaking news.”

For reform to work, it required pruning the old ways. “When you want to add something, of course you have to take something out,” Rodriguez said. “For us that has meant focusing mostly on the Joensuu area. Whereas before we tried to monitor the affairs of all [11] municipalities in the province, today we focus on the affairs of Joensuu and its neighbouring municipalities. Of course, stories are made and published from other towns too, but with the idea that they must be of interest even in Joensuu.”

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<sup>8</sup> <https://www.tablestakes-europe.org/>

## Sounds great; who's paying for it?

Good journalism based on local needs. It's all sounding so simple, so it must be time for a reality check: how are we going to pay for it?

Commercial media companies around the world are struggling to answer that question – even when heavily subsidised.<sup>9</sup> Finland is no exception. I spoke to the editors of three major local newspapers with both subscription and free distribution models to understand the challenges and opportunities.

### **Karri Kannala, editor-in-chief of *Helsingin Uutiset***

Karri Kannala is the editor-in-chief of Helsinki's *Helsingin Uutiset*, but he also serves as local director for the southern business area (known as Etelä-Suomen Media) of Mediakonserni Keski-suomalainen, which publishes 18 local newspapers in Southern Finland.

The decline of printed products has been particularly steep in the last couple of years, he said. That decline has been precipitated by the constant shrinking of advertising revenue in combination with the rising cost of printing and, in particular, distribution costs.

“Throughout 2023 there were reports about the reduction of publication dates and some magazines were stopped for good. Unfortunately, I don't think 2024 will be any easier in that respect.”

*Länsiväylä*, published in Espoo and under Kannala's oversight, changed its business model in early 2024. The free city newspaper became a paid digital outlet, although the print version is still distributed to homes for free once a week.

“The *Länsiväylä* model could work in a very limited number of cities or towns in Finland,”

said Kannala. “I strongly believe it will work in Espoo because the population base is large enough and the area is growing and vibrant.

The same could be done, for example, in Vantaa, Nummijärvi, Mäntsälä and Vihti.

“ The *Länsiväylä* model [paid digital with reduced free print] could work in a very limited number of cities or towns in Finland.

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<sup>9</sup> And sometimes because of heavy state subsidies: Finland's media subsidies are more limited and focused on supporting news media in minority languages. This means Finnish commercial media outlets might face tougher competition compared to their Nordic counterparts that benefit from broader subsidy schemes.



“But in sparsely populated or depopulated area, it would be an impossible equation. Above all, it requires a situation where there is no regional newspaper that is meeting local needs. That’s why it is quite difficult for this local model to operate in the provincial centres or their nearby areas.”

There are no news deserts in Finland yet, according to Kannala, unlike certain areas of the United States. “We still have a strong YLE [public service media] and the provincial and local newspapers are solidly group-led. Even if print products are discontinued in some areas, we will follow bigger events from afar. *Helsingin Sanomat* also operates nationally. But the situation has deteriorated to such an extent that hyper-local content has been left out or is at risk of being left out.”

After print and distribution, staffing tends to be one of the highest costs. “Start-up-minded small media outlets, staffed by one or two people can arise in very small towns, but if their turnover is €50,000 to €100,000 and only a couple people are responsible for all activities, then how journalistic a product can it be?”

Other business models that support core journalistic work are being systematically explored all the time, he said. “Positive experiences have been gained, for example, from organising events, or digital advertising sales. The most important thing in adapting is to create new synergies. For example, advertising sales can migrate from print to digital [...] quite effortlessly.”

Recently, there has also been a lot of discussion about ways of doing journalistic work at Etelä-Suomen Media. “Digital-first production has been the main focus of almost all media companies in Finland in recent years, but I have started to wonder if it is always the most sensible way to operate. We have a few small local newspapers in the group that still generate profit well in print, with a readership who can’t be reached via digital. Maybe in those newsrooms it’s worth doing print as well as possible, for as long as possible.”

The survival of local media, Kannala said, is ultimately determined by the relationship between content and audience. “In order for audiences to pay for content, it must be unique, local and useful. Nothing else will save the local media.”

**Esa Nevalainen, CEO of Pohjois-Karjalan Paikallismediat Oy in North Karelia**

Esa Nevalainen is chief executive of six subscription-based local newspapers under Pohjois-Karjalan Paikallismediat Oy, which operates local newspapers in North Karelia.

The situation for freely distributed city newspapers is fast becoming untenable. “Costs have run out of control and advertising sales froze: first due to the COVID-19 pandemic, then the war in Ukraine, the energy crisis and inflation. Distribution costs are the biggest question mark. This year, we have seen huge increase in prices, and distribution quantities

“ Content marketing has been perceived as the least disturbing advertising, and the demand for it has also grown.

will have to be reduced in our group's city newspaper [*Heili*]," Nevalainen said. "I am following with interest the new model of *Länsiväylä*, where the printed newspaper is distributed once a week for free and the digital content is paid for and constantly updated. The time of free lunches is coming to an end, and [we] must also generate income from readers. Some kind of extra content plan for subscribers could be one way to get income, but of course in a small newsrooms it can be challenging to produce such."

Media in North Karelia still rely heavily on advertising revenue – mostly sold in print. "Currently, the ratio of local newspapers' earning models is 55% subscription revenue and 45% advertising revenue, the vast majority of which comes from the printed newspaper," he said. "For digital advertising to grow in local media, our hope is to see more business digitalization of rural areas, where many entrepreneurs are just setting up their websites. Of course, in competition, we are facing the big giants, and that creates a lot of pressure on pricing."

The share of digital advertising sales is still quite small: in 2023, digital sales accounted for just 2% of all sales at Pohjois-Karjalan Paikallismediat Oy.

"It was an election year, and election advertising has traditionally been focused on print. The shift of revenue streams from print advertising to digital advertising feels like a far-off idea," he said.

"In digital advertising, in my experience, content marketing has been perceived as the least disturbing advertising, and the demand for it has also grown. People come to the site of local newspapers for many different things, and one of them is local advertising. It should not be intrusive or make it difficult to use the site; it should have real value for readers."

As the majority of digital income for local newspapers is likely to come from paid subscriptions, the existence of strong local journalistic content plays a crucial role in the vitality of the offering.

"Other earning models are being considered all the time – anything that might supplement the trade is certainly of interest," said Nevalainen. "Managers of local newspapers have presented all sorts of ideas to preserve their newsrooms: from selling information services to customers to providing passport photos, postcards, or online shopping.

"In many cases it has also been brought up that local media could act as a kind of unifier of different industries, organising events for operators and entrepreneurs from different industries, and thereby form a network where different operators could network through a reliable route. But it is true: coming up with completely new ideas is difficult."

“ For digital advertising to grow in local media, our hope is to see more business digitalization of rural areas, where many entrepreneurs are just setting up their websites.

### **Pekka Mervola, editor-in-chief and director of Keski-suomalainen Group**

Pekka Mervola is the director of Keski-suomalainen Group, which owns 85 regional, local and city newspapers.<sup>10</sup> “Keski-suomalainen’s media sales have dropped from €22 million to €7 million in two decades,” Mervola told me. “In the most threatened position are city newspapers that have only advertising sales as the basis for their operations.”

Like Nevalainen, Mervola is also interested to see how the *Länsiväylä* model works in different operating environments. “In many smaller cities, the regional newspaper covers the municipalities and issues of the surrounding area so closely that there may no longer be a need for another operator.”

When local newspapers were first created in small towns, Mervola notes, regional papers paid little journalistic attention to the specifics of each surrounding locality. Now, with better resourcing at regional desks, this may no longer be the case.

For him, the core questions about the fate of local newspapers revolve around the same themes as others: how to get readers engaged, how to get young people to read and pay for news, how to move older readers to the digital world, and how to keep advertisers involved.

In tandem with these problems is the remoteness and shrinking nature of the localities. “I see as a very realistic option that group-owned local newspapers, which today the vast majority of newspapers already have, merge with the regional newspaper. Readers could section their digital subscription if they want to read, for example, only about news in a certain town,” he said.

With the growing effectiveness of personalisation, Mervola is correct that merging resources no longer means that unique areas would not be effectively served with a relevant experience, although maintaining some sort of physical presence in each community – whether via embedded journalists, pop-up bureaus or regular events – will always be crucial.

“ I see as a very realistic option that group-owned local newspapers [...] merge with the regional newspaper.

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<sup>10</sup> Disclosure: while working on this project, Keski-suomalainen Group completed the purchase of several new local outlets, including my own, *Karjalan Heili*

## Innovative revenue streams

All of the journalists and editors I interviewed for this project were unanimous: doing journalism is expensive; costs are up and revenue is down. One manager told me his media company is losing up to €2 million in revenue per year since 2020.

If neither advertising sales nor subscription fees are cutting it in 2024, what other ideas could media owners explore to supplement the work of journalists?

### Article sponsorship

Although somewhat foreign in Finland, the idea of article sponsorship is used in other countries. In this model, the advertiser pays for the outlet to pursue a particular investigative story or series.

The coverage is created following independent journalistic principles, but a sponsorship message and branding is included on publication. Partnerships must be carefully vetted for conflicts of interest, but – in the words of Nevalainen – synergies do exist. For example, a brand keen to show their support for young mothers might sponsor a series investigating the accessibility of playgrounds without compromising editorial integrity.

### Donations

Another way to generate reader revenue is via donations. Most famously implemented by the *Guardian* in the UK, the model involves prominently marketing the ability to read stories for free, and frequently asks readers to support the publication with donations – either via a one-off or monthly donation.

[NiemanLab reports](#) that roughly a third of the Guardian's \$341 million revenue was generated by reader donations last year, including \$33 million from U.S. and Canadian readers.<sup>11</sup>

Their messaging appeals to the goodwill of readers who can afford to pay to keep quality journalism freely available for all. This model has the added advantage of helping readers feel part of a community with purpose.

### Mobile gaming

In the last year, large media companies have become enthusiastic about the possibilities of the gaming world.

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<sup>11</sup> Benton, J. (2024). How The Guardian raised a record amount of reader revenue in the U.S.. Nieman Journalism Lab. Available at: <https://www.niemanlab.org/2024/01/how-the-guardian-raised-a-record-amount-of-reader-revenue-in-the-u-s/> [Accessed 15 July 2024].

According to ValueAct, the venture capital firm that owns the *New York Times*, since the end of last year, people have spent more time playing games than reading journalism in the *New York Times* app. Of course, the growth is no accident: media companies noticed the increase in interest in gaming during the pandemic, and now, according to Jonathan Knight, the line is clear: “Come for the news, stay for the games.”

The link to the Games tab has the most prominent position in the app. With a combined subscription, readers get access to the crossword puzzle, daily-release word games, food recipes and a consumer website.

In Finland, *Helsingin Sanomat* has followed the same path. In an interview with *Suomen Lehdistö* (April 18, 2024), *HS*'s director of journalistic development Esa Mäkinen said the mini crossword puzzle started as an experiment that “now has a reasonably enthusiastic group of a few tens of thousand users”.<sup>12</sup>

In addition to the mini grid, *HS*'s game world includes Uutisvisa (news quiz), Sanalouhos (word mine) and Sudoku. Like the example in the *New York Times*, also in *HS*'s application the games are offered in the best place at the bottom of the app.

In both cases, readers are drawn back to the product for the next daily instalment of their favourite pastime.

### Events and tourism

Many media outlets have created a calendar of live events and conferences to drive additional revenue. In Sweden, [Bonnier News](#) has diversified into organising conferences and seminars, which attract a wide range of attendees, from business professionals to general audiences. By [hosting events](#) such as the “Di Tech Strategy Week” they have successfully created additional revenue streams while also strengthening their brand presence.<sup>13</sup>

### Diversified business portfolio

In Finland, Sanoma, which publishes *Helsingin Sanomat* and dozens of other magazines and newspapers as its main product, is currently a major player in the publishing of educational material.

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<sup>12</sup> Suomen Lehdistö. (2023). Suomalaislehdet panostavat nyt digitaalisiin pulmapeleihin – New York Timesin sovelluksessa lukijat käyttävät jo enemmän aikaa peleihin kuin journalismiin. Available at: <https://suomenlehdisto.fi/suomalaislehdet-panostavat-nyt-digitaalisiin-pulmapeleihin-new-york-timesin-sovelluksessa-lukijat-kayttavat-jo-enemman-aikaa-peleihin-kuin-journalismiin/> [Accessed 15 July 2024].

<sup>13</sup> <https://www.di.se/event/>

Joensuu's PunaMusta started alongside the regional newspaper *Karjalainen*: first it printed the paper, then it grew into a major commercial printing operation. Now, its activities include digital advertising sales, brand marketing, and storage logistics, among other arms of the business.

Pekka Mervola, journalistic director of Finland's second largest media company, Keski-suomalainen, issued a warning about business diversification: often, when new businesses are developed alongside the journalistic business, problems arise when they start to succeed. Just as the business begins to show great profit, it is separated into its own entity, and journalism is left alone again.

In March 2024, PunaMusta was spun off into a separate business after its regional media products were sold to Keski-suomalainen.

### **Bundling**

The latest buzzword in media revenue streams, bundling can refer to any number of approaches but essentially boil down to the same idea: offering a subscription to more than just one news product.

Some media houses choose to bundle multiple news products for a reduced price – to serve, for example, the family that wants a local subscription in Joensuu but access to a different local product when they are at their summer home.

Others, like the New York Times, structure bundles of different sections for different prices – thinking Games, Cooking and News.

Another outlet might team up with a local coffee shop to offer access to both the news and a daily coffee. Here, a keen understanding of what your audience needs will serve you well in creating unique bundles.

### **Non-profit newsrooms**

In the U.S., where local newspapers have withered away and created news deserts, some are experimenting with the creation of media outlets as non-profit entities that can seek donations and grants. The [Salk Lake Tribune](#) and [Philadelphia Inquirer](#) are two prominent examples.

In many places, the existence of local media relies on the work of foundations, like the [Knight Foundation](#), which in 2019 announced a \$300 million commitment to financing local news projects over five years.

### **Collective support**

In addition to the Knight Foundation, many different alliances and collectives have been built in support of U.S. digital local news outlets. These collect funds from donors, sponsors, and financiers to help local media stay alive.

Such groups include, for example, the [Institute for Nonprofit News](#) (INN), which includes 416 member media outlets with a turnover of \$4.8 million in 2022 and the [Alliance of Nonprofit News Outlets](#) (ANNO), which describes itself as a “light alliance” of people who encourage funders to invest in local and regional non-profit journalism. In Canada and the U.S., [Lion Publishers](#) exists to meet the basic needs of local journalists, and help independent hyperlocal news companies develop better business models.

News agencies focused on state administration and state politics have united to form the [Statewide News Collective](#), a group dedicated to mutual support and collaboration among member newsrooms.

Support from collectives like these is particularly important for small newsrooms, to assist in sharing digital development work, staff training and innovations.



## A winning formula for local news

By now, I hope you are beginning to feel inspired by all the different ways you can create a local newsroom that serves its audience intentionally and generates revenue creatively.

There is no single formula for successful local news operations. However, a combination of the elements listed below are likely to give your local news operation a fighting chance.

### **Generate local journalistic content**

Local news, reports, investigative articles, personal interviews, coverage of local politics, news events (accidents, traffic reports, crime), service articles, movie and theatre reviews, product reviews, and more – all from a local angle.

If you are leveraging shared content from other local outlets as part of a larger media group, ensure these stories do not dominate the landing page and add deep localizations where you can.

### **Collate or aggregate public data**

Weather forecasts, event calendars (in cooperation with the city and other event information collectors and organisers), traffic and road site information, ski slope and ice rink renovation schedules, swimming pool opening hours and peak hours, water temperatures and algae reports from local wild swimming spots... This will not work if you have to assign a journalist to manually collecting and formatting the information. But use technology and public data feeds to your advantage to collate, clean and present your readers to crucial data streams in one place.

### **Rethink your advertising pipeline**

The huge advantage of local news sites is that your readers actually want to see local business advertisements. The offers are especially interesting, and many will consult your outlet to find deals and services. With this in mind, think again about what kind of advertising you sell and at what price point.

In Eastern Finland in particular, where many rural companies are only just beginning to explore their digital strategy, it may be necessary for your Sales team to provide marketing assistance to develop and target key messages online.



### **Introduce award programmes**

A local media website could serve as a suitable platform for a local awards strategy, charging a small entrance fee to judge, for example, best restaurant, or a sponsored event to award Citizen of the Year.

### **Commission user-generated content**

Finnish tabloid [Ilta-Sanomat](#) had huge success introducing a new video contest for readers, seeking submissions and allowing the audience to vote on video of the week.<sup>14</sup> There is no reason an idea like this cannot be adopted and adapted for local news outlets.

For example, you might invite entries for best local short documentaries (10 minutes on what makes Joensuu home to you). An awards ceremony could form part of key annual event, like a community fair. There are hundreds of different iterations for this idea: best video of a ski trick, best snowman after the first snow of the season, best pet in Joensuu.

Local videos and pictures are a wonderful place to create sponsorship deals or sell advertising space with good visibility.

You need not be limited to photos and videos (although these do appeal to a specific demographic that local news craves): poetry and essay contests are also great UGC opportunities that help bring communities together.

### **Add serialised wellbeing tools**

A daily notification for a stretching break, positive reinforcement, meditation, breathing exercise, or exercise challenge? This kind of content is easily created and pre-programmed, and will provide users with daily reason to open your app.

This is universal content that needn't be hyperlocal: the same content could be created and shared by 50 different local newspapers. Time your best stories to appear on the front page at the same time so that users stick around for more than a moment of wellbeing.

And, again, this is a great opportunity for a brand partnership with a local gym or spa, or with a major national wellness brand.

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<sup>14</sup> <https://www.is.fi/sivu/lukijan-video/>

### Think about games

We know from experiments by the *New York Times* and *Helsingin Sanomat* that mobile gaming has increased in popularity, can help create daily visitors, and can be as valuable to readers as the news itself.

While game development is not child's play, this is another area where the owners of local media groups could extend a service to multiple outlets.

What's more, it is another opportunity to create advertising sales opportunities, as we've seen from the example in *Ilta-Sanomat*, where daily quiz answers are only revealed after a short video advertisement plays.

### Create services that foster community

And now this is where I get really excited because local media is a natural digital gathering point for all community activities.

Most sites require registration and, unlike Facebook, the towns they serve are usually small enough that bullying behaviour is discouraged by the fear of being identified and good behaviour is encouraged by the possibility of fostering a good reputation among neighbours.

It might be worth introducing the ability for registered users to upload profile pictures and have their usernames verified to add additional accountability. Add a section where users can put in requests or invitations to collaborate.

From there, the community feeds itself: finding friends to go to the theatre with, inviting new guests to a dinner club, finding a group at the same fitness level to hike with, or a group of new moms who want to go open water swimming together.

By keeping an eye on the requests that come in, you will gain valuable insights into the needs of your community to organise official sponsored events: do they crave a book club, a choir, a wine club, a Santa run? The clues will be there.

Encourage sharing with creative prompts: are there parents of small children stuck at home all day who need a play date? People who have made a big lifestyle change, like quitting drinking, who would like support from others? People taking up a new skill who want to learn with others?

A safe community supports more circular economy activities: does someone need to borrow some skis, barter a pie for a few hours with the lawnmower, or trading summer houses for a change of scenery? And how about volunteering possibilities: visiting elderly people in care homes to offer tech support, like showing them how to Facetime their grandchildren in a different city.

You can serve the small-scale service economy, too by offering a single day of the week for people to advertise on a dedicated page: help with dog walking, cake baking services, DIY help, or local car washing. Be wary of having rules and keeping this contained, or the whole section risks being overrun by small businesses seeking free advertising.

Increasing community cohesion is as valuable as independent journalism in the preservation of democracy. Done right, it a path to unsurpassed reader loyalty.

## Seven ways AI might help local news

The use of artificial intelligence in media companies is expanding rapidly, and corporations and research institutes are working hard to keep up with developments.

In Norway, the newspaper *Aftenposten* harnessed AI to expand from the written world into the audio arena. Speaking at the Perugia International Journalism Festival in April, Lena Beate Hamborg Pedersen said *Aftenposten* had begun experimenting with cloned voices a few years ago to reach a younger audience.

The first experiments encouraged *Aftenposten* to create a wide range of new audio products, from personal playlists to educational materials for children. *Aftenposten* also offers immigrants text and audio in seven different languages to make it easier for them to understand Norwegian society. According to Pedersen, AI has made their content more accessible to a wider group of people.

In the United States, the Associated Press (AP) published [a major report in 2022](#) on the potential uses of artificial intelligence in newsrooms. The report was a compilation of responses from 200 newsrooms in 50 states who shared their own visions and wishes for what machine intelligence might bring to their newsrooms.<sup>15</sup>

Nick Diakopoulos, professor of communication at Northwestern University, oversees the [Generative AI in Newsrooms Project](#) and co-authored the AP's [2024 report](#), which weighs the risks of different use cases.<sup>16</sup>

At the time of writing, in the spring of 2024, developments are unfolding so rapidly that I expect new ideas or operating models may seem obsolete by the end of the year. Nevertheless, I have selected a few ideas about harnessing artificial intelligence that may be useful in local newsrooms.

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<sup>15</sup> Associated Press. (2022). Helping local newsrooms use AI. Available at: <https://blog.ap.org/industry-insights/helping-local-newsrooms-use-ai> [Accessed 15 July 2024].

<sup>16</sup> Diakopoulos, N. (2023). Generative AI in journalism: The evolution of newswork and ethics in a generative information ecosystem. Available at: <https://www.aim4dem.nl/out-now-generative-ai-in-journalism-the-evolution-of-newswork-and-ethics-in-a-generative-information-ecosystem/> [Accessed 15 July 2024].

Introducing some of these ideas will be difficult for small local newsrooms to achieve alone. Large companies, private donors and state funding can create a real impact in small newsrooms by integrating some of these use-cases as part of a free-to-use content management system, for example.

### **1. Searching for content**

Artificial intelligence could be used to collect leads from social media. Artificial intelligence can identify trends, alert to new information released by public bodies, and collate new data sources, for example from COVID-19 data, legal documents, or law enforcement registers.

### **2. Document analysis**

AI can assist in the analysis of extensive public documents, such as campaign finance information, state legislation, special appeals, or complaints, or, for example, municipal budgets. It could help journalists structure information. Artificial intelligence could also produce summaries of documents that a reporter can quickly scan through.

### **3. Translation into different languages**

The translation of articles into different languages is already being tested in different countries, and there are high expectations for the potential that might be unlocked as the technology develops. While it is technically possible to translate into multiple languages already, the cultural appropriateness, and accuracy of translation still requires thorough vetting.

### **4. Creating social media content**

Taking a single news story and turning it into engaging posts for multiple social media platforms, then scheduling and posting them at the most effective time? Dream. [Buffer](#), [Hootsuite](#), and [Sprout Social](#) all offer this service already. But have we reached the point of AI integration where the tool can be trained by the newsroom to accurately adapt to the tone that resonates with each platform community, is it smart enough to pull down inappropriate scheduled posts in response to breaking news, and is it ready to flag comments that require human intervention?

## 5. Newsletters

The use of AI to compile draft newsletters has already been planned by many Finnish newspaper houses, and a practical transition in this matter may be very close. Diakopoulos thinks there is a lot of potential in using artificial intelligence to create, for example, personalized newsletters for specific audience profiles, but – as always – a human check is required to prevent public relations disasters.

## 6. Comment moderation

Using artificial intelligence to moderate comments written by readers is a very interesting possibility, [according to Diakopoulos](#). This applies not only to news organisations but to all social media platforms too. Properly trained (and labelled) AI can improve, for example, the elimination of hate speech and ease the workload of the editor significantly.

## 7. Content conversion

Finally, the ability to convert content into the format most desired by readers – audio, video, summary, infographic, or long-read – may very well be made possible by AI in the near future.

## Conclusion

Thinking back to the summer of 2022, when I first started planning this project and applying for the Helsingin Sanomat Foundation's scholarship to the Reuters Institute, I remember a huge sense of anxiety.

As the editor of a local newspaper myself, I was concerned that our sector of the trade was doomed to extinction and I had bitten off an impossible task by saying that I wanted to find solutions.

Now, at the end of this process, I feel a huge sense of relief because I am returning home inspired to test these ideas at my own outlet. I hope that means others might be inspired too.

Local newspapers still have a solid foothold in the lives of Finns. They are trusted and their impact on the environment is significant. For many, local newspapers are still the last resort. When something unpleasant happens and no other public entity will listen, they turn to the local newspaper.

Despite this, we must remain pragmatic, because many local newsrooms who produce great journalism are approaching their final "lights out". This is not a reflection on their failure to try: even the biggest and most successful news outlets are struggling with shrinking advertising revenue, and the best investigative reporting in the world will not stop your elderly readers from dying, or convince a Finnish teenager to trade TikTok for your 800-word article.

What remains then for us to try? To be successful in the future, local news must meet the needs its readers have now, and do so with the same great journalistic values they upheld in the past. We must be supported by business minds who know what software and services can be provided centrally, and how to leverage technology to make us ever-relevant locally.

The "threat" of artificial intelligence may prove an opportunity: in a world where it is becoming increasingly hard to tell the difference between what is fake and what is real, the local newsroom is a place our readers can visit and touch and trust. We are the journalists they pass in the street or queue behind in the grocery store.

To maintain that trust, we must ensure that we maintain quality standards. Our journalistic processes must withstand the light of day, and our coverage should be guided by a commitment to key principles – no matter how small the newsroom is.

That's why it so important that we be present and accountability in the communities we cover: knowing the source of your information really matters in an age of full of misinformation, disinformation, and populist social media threads.

In 2024, it is no longer enough to view ourselves merely in the role of information transmission. In a networked world, this need is met by many sources in many different ways. We have to meet the other needs of our community, too.

How to tell if we are meeting the needs of our community? There are two signs to look for. Does your local newspaper makes people's everyday lives easier? Is it part of the social fabric of your community?

To do this, we will have to listen – really listen – to what the community is saying, in our comment sections, on new community lending boards, in article analytics... there are thousands of data points providing clues.

Stop thinking of advertising as the thing we write journalism on the back of: in a local setting, local advertising can be as useful to our readers as any reporting we do. Instead, start thinking about how we can help local businesses cross the digital divide and find more customers. Don't be afraid to experiment with new sources of revenue either.

I don't think any single local newspaper is equipped to implement all of these ideas. I am no stranger to the reality that implementing just one idea from this project will require hard decisions about what you are going to stop doing to free up resources.

Wherever possible, the non-journalistic ideas here are for the consideration of senior management teams of the large media groups who own local newspapers. Are you creating websites with enough flexibility for editors to cater to their audiences? Are you providing them with dedicated developers, and access to shared resources like games and user profiles? Is your Sales team ready to help local businesses find new customers online in innovative ways that serve our readers? Is your marketing team willing to engage in the creation of local events?

Local news sites must be so attractive that our community want to go there daily, preferably several times a day. The ambitious goal of every local media should be this: that residents feel the paper really matters and would be difficult to live without it.

If people want and need their local media, it will not only stay alive; it may even flourish again one day.