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HYPERLOCAL REVENUES IN THE UK AND EUROPE

Mapping the road to
sustainability and
resilience

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DESTINATION LOCAL

Destination Local is Nesta's programme of work supporting hyperlocal media, as part of our wider digital arts and media remit. The aim of the programme is to understand the potential for and stimulate a diverse and sustainable UK base of hyperlocal media services that create public value. Between 2012 and 2016 we have been supporting this nascent sector through a mix of traditional grant-funding to a number of innovative hyperlocal media projects and services, with much needed primary research into key aspects of the sector, and steering policy debate with policymakers and the wider media industry.

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and resilience

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FOREWORD

During the past few years, Nesta and other strategic organisations have published research and delivered a range of resources to directly support hyperlocal media publishers to innovate their service. While there are a growing number of examples of innovative and dynamic practice, and an increasing relevance of hyperlocal media due to the shrinking footprint of traditional local print and broadcast media, our research highlights key challenges concerning sustainability (financial as well as human resource), growth and ‘findability’.¹

As the sector continues to grow and becomes more diverse - in regards to the types of businesses and services that are producing content, the type of content being produced, the means through which content is being distributed and the ways in which local audiences are accessing and engaging with content - a more robust examination of how publishers are monetising their services is necessary. Therefore, this study undertakes an analysis of current and emerging revenue streams and the digital technologies facilitating these - the findings of which will help publishers implement positive changes to their own service.

This research is aimed at online-first (but not necessarily online-exclusive) hyperlocal practitioners in the UK and in Europe, for them to use the findings and guidance to improve their ability to provide news and information to their local communities for the long term. It also provides evidence and recommendations to wider industry and policymakers in Europe in order for them to better support hyperlocal media, in regards to aspects such as the Digital Single Market, tax regulation especially in regards to organisational structure, and regulation of other areas of the digital and media sectors.

SUMMARY

- This research explores the revenue models of 35 hyperlocal publishers from Europe.
- It includes services from the UK, the Netherlands, France, Belgium and Sweden as these are territories with a similar hyperlocal media landscape in regards to growth, challenges and innovation.
- The report takes as a starting point that hyperlocal media services are often on different trajectories and explores the sector as a messy ecosystem made up of imbalanced interdependencies.
- In particular, the report's focus is on the revenue streams being used by hyperlocal media services and explores the pockets of success.
- We present services that are viable (services are fulfilling a demand or perceived need for content) sustainable (able to sustain a flow of content to meet that need over time, and likely to draw some 'money' as a wage) and resilient (can sustain a flow of content and make profit, or grow/scale).
- The report sets out an overview of the business structures being used by the 35 services.
- Income of hyperlocal media services has been categorised into four bands for analysis: Those earning less than £25,000; £25-100,000; £100-250,000 and those earning more than £250,000.
- Viable, sustainable and resilient hyperlocal publishers are diversifying their revenues and do not rely on one revenue source, resulting in substantial income differences.
- The 35 services leverage very close relationships with advertisers and other businesses and play a particular role in the sharing economy.
- Display advertising is the most dominant form of advertising with graphic design done in-house.
- There is little use of Google AdSense due to insignificant revenues or clashes with editorial content.
- Native advertising or sponsored content is sparking increased interest and some lucrative revenues.
- There are opportunities for hyperlocal media services to leverage values from classified and directory listings.
- Developing mobile advertising is in its infancy, yet mobile is an important way to reach audiences.
- There is resurgence in the interest of print as it plays an important role in discoverability and sustainability of hyperlocal media services.
- Crowdfunding is a valuable revenue for specific projects and campaigns.
- Several services are seeing membership and donations as beneficial acts of support.
- There is a high use and reliance on volunteers and they can be used creatively and to great effect as a resource, which contributes to revenue models as it results in low costs for content production.
- The report highlights innovations and best practice to encourage experimentation among practitioners.

SECTION 1

INTRODUCTION

To date, Europe hasn't benefitted from a comprehensive investigation on the current and emerging revenue streams available to hyperlocal publishers, especially with the continued convergence of content and digital technology. This study examines a broad range of hyperlocal services and pure players from across Europe, to inform hyperlocal publishers about the different methods and strategies available to them, so they can develop a more sustainable and resilient service. It responds directly to recommendations that call for business models to be 'further analysed so that lessons learned from these case studies can inspire, and inform entrepreneurs and other publishers'.² It includes:

- An overview of the hyperlocal ecosystem, including a country-by-country analysis.
- An overview of the different legal business structures available to hyperlocal media services, including the potential advantages and limitations of these.
- An analysis of current and emerging revenue streams being used by hyperlocal publishers, with a focus on 35 case studies from Europe.
- An assessment of which of these are most feasible, reliable or lucrative.
- An examination of changes to the wider advertising and online transaction industry.
- Emerging trends and innovations in revenue creation and capture in and beyond Europe.
- Recommendations for policymakers, industry and hyperlocal publishers in relation to gaps, opportunities and areas of growth.

HYPERLOCAL DEFINITION

Nesta defines hyperlocal media as 'online news or content services pertaining to a town, village, single postcode or other small, geographically defined community'.³

As the sector evolves there is recognition that so too must the terminology to describe it. Media services are increasingly diverse and include varying geographical reach, publication type, purpose and content. There is really no such thing as a typical hyperlocal media service and it is constantly evolving. So often it is defined by the voice, audience and the purpose of the community being served, making it difficult to talk about hyperlocal media as a single homogeneous sector. Hyperlocal content can be found across all kinds of platforms, and caters for a wide range of different audiences, but common characteristics can still be identified. Revenue streams have been a driver in this: findings here suggest independent community publishers have turned as much from online to print products for revenues as they have data or curated content.

THE APPROACH

We selected 35 case studies that met the definition of hyperlocal in some way. We included services from the UK (13), the Netherlands (12), France (6), Belgium (2) and Sweden (2) as these are territories with a similar hyperlocal media landscape in regards to growth, challenges and innovation. With Europe's shift towards a more cohesive Digital Single Market, this provides greater value to the wider European hyperlocal media sector by surfacing good practice from close by.

From our own expertise and previous research we selected a diverse range of hyperlocal media services: smaller and larger operations, services in villages and cities, chains and one-person operations, established and new operations. As such this is not a representative sample. This approach has also been used in similar international journalism business model studies.

The data gathering took place in autumn 2015. A content analysis of every case study was carried out. We established whether the service was online only, active in print or broadcast media as well, what their social media (Twitter, Facebook, Instagram, YouTube) footprint was, how many times new content was published, and the type of content published. The amount of advertising on each website was also examined.

Semi-structured interviews with every case study were also carried out. These consisted of four different parts:

1. Company structure (launch date, main objective, content strategy, sources of content, business structure, staffing, costs, revenues, technical website information).
2. Audience (engagement, analytics, website traffic).
3. Revenue streams (types of revenues, advertising, sales, partnerships, donations, events, marketing).
4. Final considerations (recommendation, knowledge gaps, challenges, opportunities).

The report takes as a starting point that hyperlocal media services are often on different trajectories. Therefore, in order to pass on the most value to other publishers, we present services that are:

- **Viable:** These services are fulfilling a demand or perceived need for content.
- **Sustainable:** These services are able to sustain a flow of content to meet that need over time, and likely to draw some 'money' as a wage, cover expenses of contributors, and/or cover costs of equipment, web hosting printing etc.
- **Resilient:** These services can sustain a flow of content and make profit, or grow/scale.

We have explored a range of forces and factors – both external and internal - affecting hyperlocal business models. Rather than reinventing the wheel, a 'toolkit approach'⁴ has allowed us to compile successful strategies, thus highlighting best practices and demonstrating a way forward. However, given the variance of research into this sector in each country, there are instances of limited knowledge evidenced here, in particular relating to revenues streams.

Drawing on what we understood from the cross-continental analysis, the hyperlocal matrix (see Table 1) sets out the wider forces at play that could affect the business model of a hyperlocal media service from the outside. We then undertook a detailed examination of business practice and revenue streams being used by hyperlocal media services and assessed their potential impact on economic resilience. Finally, areas of development in revenue models have been presented for hyperlocal publishers to assess the potential of what we know to be emerging trends.

SECTION 2

THE HYPERLOCAL ECOSYSTEM

A messy sector

The independent hyperlocal media sector is a messy ecosystem. Messy in the sense that there is little homogeneity in the production process, and there is much variance in business strategies and objectives. There is little consistency in terms of goals or exit strategies: some want to diversify their production or adapt their offerings, others want to scale or capture new revenues. This should not come as a surprise given that this type of media serve communities and their needs, which will inevitably differ considerably, particularly when an international comparative approach is taken.

We can say with some confidence, however, that the sector offers many characteristics of an ecosystem: interdependencies between people and partnerships in the local setting that are dynamic and imbalanced. A key concept is that it is a system of cooperation and competition, where players and roles can change over time and the potential of a service to be viable, sustainable or resilient will depend for an important part on its relations within the ecosystem.

“It is messy - local news can be served better than the past but it will be an eclectic range, different from the traditional news ecosystem, and playing off of that.”⁵

“Messy in the sense that different communities will do things differently. There will not be homogeneity. Some communities will have a thriving community of journalists, geeks and bloggers covering local politics, local schools, and weekend fêtes. And they will do it in whatever way makes sense to them and what works for their community. Other communities will have very limited provision. It is these gaps in provision we should be worrying about.”⁶

“Digital-savvy journalism entrepreneurs operating at different scales and levels of intensity and in a variety of genres and formats are now a standard feature on our news media landscape and they make an essential contribution to meeting the critical information needs of our communities.”⁷

The landscape

1. Audiences value and are increasingly interested in news and information relevant to their local area/community, especially due to the take-up of mobile devices.⁸
2. A diversity of partnerships is forming between media services - with some hyperlocal publishers forging relationships with one another while others are working with public service broadcasters or legacy publishers to leverage an opportunity.⁹
3. Competitive funding exists to bolster hyperlocal media innovation, such as the 2014 Nesta and Innovate UK (formerly Technology Strategy Board) £2.4 million demonstrator projects initiative, or the French Ministry of Culture and Communication's €1 million call for projects for proximity media. Although the results and impact of these have yet to filter down into day-to-day operations.
4. Analysis has found that national, established and resource-rich media platforms have a stranglehold on search engine results making it hard for independent local publishers to be discovered.¹⁰
5. World Press Trends¹¹ (WPT) reports high Internet penetration in all of the countries included in this study. In the Netherlands, Sweden and the UK around 95 per cent of the population is using the Internet, with 86 per cent in Belgium and 84 per cent in France.
6. Internet advertising is rising, with 47 per cent of the €14.7 billion total UK spend on advertising in 2014 being on Internet advertising, 28 per cent of €9.9 billion in France, and 37 per cent of €3.4 billion in the Netherlands. (No recent data from Belgium or Sweden was provided in the WPT Database.)
7. The average number of hours spent online per day from desktop (and mobile) in Sweden is 4.2 (1.4), the UK 4.1 hours (1.6), France 4.1 hours (1.4) and the Netherlands 3.7 hours (1.4).¹² (No recent data from Belgium was provided in the WPT.)
8. In 2014, UK Internet users spent 1.6 hours per day on social media, in France this was 1.7 hours, in the Netherlands 1.3 hours and Sweden 1.4 hours.¹³ (No recent data from Belgium was provided in the WPT.)

The hyperlocal media system

It is apparent that, while business strategies can be set at the individual service level, responsive of community need and experience, there are wider influences that affect revenue generation and potential sustainability in the national media market place. Table 1 is a matrix that sets out the wider media system that could affect the business model of a hyperlocal media service. The suggestion here is these factors impact on a service's trajectory towards sustainability and resilience.

Building on Hallin and Mancini's¹⁴ theory on media systems, the different markets explored in this study represent three different models.

- The UK is an example of the liberal model, where state intervention and political parallelism are low, and professionalism is well developed.
- The Netherlands belongs to the democratic corporatist group with high state intervention, political parallelism and professionalism in journalism.
- France is an example of the polarised pluralist model with high state intervention and political parallelism, and a low professionalism in journalism.

- Belgium is a case in itself as the French-speaking part belongs to the polarised pluralist model and the Dutch-speaking (Flemish) part is in some part similar to the democratic corporatist group with some elements (state intervention) of the polarised pluralist model.
- Sweden belongs to the democratic corporatist group.

In particular, state intervention and political parallelism could play a role, although it is unclear whether these influences are also visible in new digital media. The ties between political parties and government seem to be particularly strong with incumbent media. As professionalism in journalism is concerned, the UK and the Netherlands appear to offer a better environment for hyperlocal media startups.

Table 1: Hyperlocal ecosystem matrix - A broad typology of wider market influences impacting on hyperlocal media

	UK	Netherlands	France	Belgium	Sweden
Hyperlocal access to statutory notices		x		x	x
Hyperlocal advertising networks		x			
Public service broadcasting	x	x	x	x	x
An independent media or hyperlocal alliance			x		
Hyperlocal franchises	x	x	x		
Charitable grants and investment	x		x	x	
Gaps in regional news provision	x			x	
Access to freely available publishing tools	x	x	x	x	x
Journalism standards and content	x	x	x	x	x
Engaged communities free to access media	x	x	x	x	x

THE STORY SO FAR

The business model

1. Even for traditional news and media organisations, finding a sustainable business model is an increasing challenge as ‘the business model that supported news in the 20th century no longer sustains it in the 21st’. And evidence suggests that the ‘hardest to fund has been local news reporting. This is not peculiar to the UK but symptomatic of many western democracies’.¹⁵
2. Advertising is a common income for hyperlocal publishers in the UK. However, it is an unpredictable funding stream - particularly online - and poses several challenges: major advertisers are not likely to use hyperlocal advertising, and many advertisers who serve a small geographic catchment area, such as local businesses, remain uncertain about the value of online audiences and of the return on investment.¹⁶ Furthermore, many hyperlocal publishers do not have the capacity or skills to market and promote their own service or sell advertising.¹⁷
3. Across Europe, and even the United States, there is no single one-size-fits-all solution to the business model of news but rather a reliance on a combination of revenue sources in order to match opportunities with fragmented media markets, social and mobile media and the internationalisation of news production.¹⁸ Interviews with a range of hyperlocal media services in the United States has found that, while this type of media had a better chance for survival than previous experiments in civically-oriented, participatory journalism, it found itself lacking a single recipe for financial success.¹⁹
4. For journalistic startups in Italy, Germany and France, despite ‘inspiring in their journalistic idealism and impressive in their technical inventiveness, most struggle to make ends meet financially’,²⁰ with two challenges emerging. First, the dominance of legacy media on online news and second, the market for online advertising generously being supplied and dominated by a few very large players.
5. When taken from the perspective of journalism startups, business models largely fall into two main categories: those that are storytelling-orientated and those that are service-orientated. Storytelling models rely mostly on finding and producing new and original content for audiences, whereas service-based models may be platforms that curate content, sell technology, data or training.²¹
6. New Jersey’s Geraldine R. Dodge Foundation’s Journalism and Sustainability project has mapped 52 business ideas to support local journalism²² with examples. These include: advertising, events, newsletters, merchandise, membership, services, side businesses, print and digital initiatives, paywalls, ebooks and philanthropy. The project also features a matrix of three interdependencies for starting a hyperlocal news service: desirable (do people want it) viable (can it make money) feasible (can you build it).²³
7. Evidence also suggests quality journalism can be a self-supporting proposition in this new ecosystem, and even a quite profitable one, if gaps in infrastructure, innovation capacity and entrepreneurialism can be addressed to add value.²⁴ Expected revenue potential and implementation complexity for each method are mapped in this report.
8. In the creative industries more generally, the ‘portfolio model’ (i.e. diversifying revenue streams) is made feasible by digital technologies where each new revenue stream is often financially modest but the combined revenues from different income streams can generate profits.²⁵

The hyperlocal practitioner

9. Hyperlocal publishers come from a range of professional backgrounds, therefore their skills and experience vary greatly. The hyperlocal media entrepreneur is said to be a 'fictive' ideal as people working in the sector rarely come into it with entrepreneurial motives. Rather, they draw on civic discourse.²⁶
10. Many hyperlocal media services are run by single or small teams of individuals, and time constraints, lack of volunteers or contributors, lack of legal knowledge and ad sales knowledge are barriers to them sustaining and expanding their service.²⁷
11. While publishers might not enter the sector out of economic motivations, and there is a strong reliance on volunteers, there is a growing cohort of entrepreneurs 'increasingly flexing an entrepreneurial spirit' who would like their hyperlocal media service to provide a livelihood with more appropriate remuneration.²⁸
12. From interviews with 69 journalism startups from the United States, Europe and Japan, sustainability requires 'a new emphasis on business skills to complement those already honed through journalism. Journalists are looking to reinvent their careers'.²⁹

Hyperlocal mapping

13. Extensive mapping of the US local media and community sector by Michele's List offers a timely comparison with the evidence presented in this study. A survey of more than 90 'born on the web' local news websites shows most are growing revenue, but they remain quite small both in revenue and reach, and remain highly dependent on local display advertising. It finds that, while age does not guarantee revenues, young sites report significantly less revenue than older sites.³⁰
14. Research to date through the UK Hyperlocal Community News project carried out a survey of 183 UK community news practitioners and a large content analysis of UK hyperlocal content. They found that while costs are notably low, many practitioners pay all the costs themselves and several earn less than £100 in an average month.³¹
15. In the UK, hyperlocal media services most commonly cover community activities, local services, and civic and networking information, but are also upholding democratic accountability with local campaigns and many are engaged in investigative reporting.
16. Exploring 417 municipalities in the Netherlands and 199 local news websites, research found that launching a news website was not a challenge but making it sustainable was. Particularly, overcoming the underperformance of advertising sales, social media, user-generated content and revenues.³²
17. The Carnegie UK Trust has published a case study report of five innovative hyperlocal media services in the UK to add to the evidence base about the types of activities that publishers are undertaking and the impact they deliver for citizens.³³

Variant privileges: VAT

18. It is apparent that the benefits afforded to independently produced online media vary considerably from one country to another. Reuters Institute has recently published a collaborative research project exploring the impact of national charity and tax laws and regulation on efforts to establish and operate not-for-profit news organisations. It focuses on the UK, US, Canada, Australia and Ireland, all developed countries with Anglo-based legal systems.³⁴

19. Many EU member states have preferential VAT rates for printed press. This becomes complicated when a publisher sells a bundled print-digital subscription. The situation has been complicated further as European VAT rules from January 2015 mean that companies that sell digital products to individuals must charge the VAT rate of the country where the buyer is based. This is regardless of companies or individuals who don't meet the VAT threshold or are not VAT-registered in their own country.³⁵ This comes despite moves by the European Commission to create a connected Digital Single Market; 'a big obstacle that has to be addressed'.³⁶
20. All countries in our research have reduced VAT rates for printed news, and in Belgium and France online outlets of traditional printed media enjoy the same reduced rates. Otherwise the 'standard' rate is applied to online news. Reduced VAT rates on other printed publications including magazines and leaflets are also provided in some territories, including the UK.

	UK	Netherlands	France	Belgium	Sweden
Standard	20%	21%	20%	21%	25%
Print news	0%	6%	5.5/2.1%	0%	6%

21. In the UK no subsidies are in place for digital outputs.³⁷ But startup hyperlocal media services may be able to benefit from the opportunity for reduced business rates. This small business relief is available to services that use only one premises and the rateable value of that premises is less than £12,000. If the rateable value of these premises is less than £6,000 then the hyperlocal media service will be entitled to 100 per cent relief until 31 March 2017. For properties with a rateable value of £6,001 - £12,000 the rate of relief will be pro rata from 50 per cent to 0 per cent relief. For further information on current business rate relief see www.gov.uk/apply-for-business-rate-relief/small-business-rate-relief
- In addition, with the 2016 budget announcement there has been a two-year £1,500 per office, per newspaper title business rate discount coming into effect as of 1 April 2017 with a view to reinvigorating the local news sector.³⁸
22. In France, most indirect subsidies are granted to daily newspapers holding IPG status (general political information): several groups of newspaper employees are exempt from paying professional tax, partial release from tax on their invested profits, reduced rates of VAT, such as 5.5 per cent on printing and a VAT rate of 2.1 per cent on single copy and subscription sales revenues. The 2.1 per cent discount was extended to online IGP in 2014. There are targeted direct subsidies for newspapers with a low advertising base, for modernisation of plant of production, and for investments in new technologies.³⁹ In 2013, the European Commission took legal action against France for its reduced 5.5 per cent VAT rate on e-books.
23. In Belgium, publishers of printed newspapers also pay 0 per cent on their digital copies. The European Union declared this illegal but the Belgian tax office promised to allow the 0 per cent regardless. Online-only media don't benefit from this exemption.

Scope for public notices as income

24. In the UK, statutory public notices for local government and the National Health Service have to be in printed form in traditional regional newspapers so as to cover borough-wide physical communities. Lucrative traffic authorities are currently required to advertise notification of changes to routes in the local papers but this is under review.⁴⁰ Access to even a small percentage of the £45-50 million a year spent on statutory notices could have a demonstrable impact on revenues for hyperlocal media services, according to Steven Barnett, professor of communications at the University of Westminster, amongst others.⁴¹
25. In the Netherlands, authorities can publish statutory notices anywhere, even including a traditional noticeboard.
26. In France, local online-only publishers are not able to publish legal statutory notices and the government decides who can be publishers of local advertising.
27. In Belgium there are no government obligations to publish statutory notices in particular media.
28. In Sweden also there are no obligations. The 'normal' situation for local authorities is that they advertise information in some local media, ranging from service information to political plans. The local authorities have expanded their public relations and information sector heavily in the last five to ten years.

SUMMARY

Despite peculiarities, the narrative from hyperlocal media publishers in the European countries featured suggests a similar story:

- In all the countries the hyperlocal media landscape is dominated by high levels of entry and exit.
- Different media systems are emerging at different paces within the hyperlocal landscape, including advertising and franchise networks.
- Subsidies or discounts for hyperlocal media services could be more fairly distributed, or more innovation or one-off intervention grants and opportunities could be made available.
- As local governments and municipalities improve their communication directly to their citizens this further squeezes out opportunities for hyperlocal publishers.
- While cooperation with legacy media is hardly found in the Netherlands, partnerships are increasingly being carved out in the UK ecosystem.
- While the French local media landscape is in an exploratory phase, with limited success, there is a buoyant and well documented hyperlocal media scene in the UK.
- There is a desire for hyperlocal publishers to be recognised more fully for the role they play in local journalism, particularly by local governments and administrations.
- There is a lack of management/business, technology and entrepreneurial skills because services are often created by journalists or motivated civically, at least at the start.

SECTION 3

COUNTRY BY COUNTRY

In this section we provide a snapshot of the hyperlocal media ecosystem country by country. We give an overview of the role that hyperlocal media plays: mapping of the sector in regards to number of services, where and how they operate; how hyperlocal media services may fill a traditional news gap; opportunities for making money; the value of the hyperlocal advertising market; and the relationship between hyperlocal media and mainstream media. As noted in Section 1, given the variance of research into this sector in each country, there are instances of limited knowledge evidenced here.

The UK

A vibrant and well-documented sector relying heavily on volunteers but punctuated with innovative cases of membership models and data services.

- Hyperlocal publishers are driven by a belief that they are filling a gap in news provision, often with a desire to fulfil a civic or community news role.
- The sector has attracted much attention to date with more than 40 studies and several mapping activities. The most comprehensive is the Localweblist.net by Talk About Local and Carnegie UK Trust.
- There are approximately 670 hyperlocal media services across the UK.⁴² However, it is likely that many other services exist, with estimates of up to 2,500 active sites, but measuring the sector – both the provision and the audience – is not formally recognised or undertaken in the same way as traditional media is.
- Competitive funding does exist and in 2014 Nesta and Innovate UK (formerly the Technology Strategy Board) gave a total of £2.4 million to four initiatives to exploit hyperlocal media innovation, particularly the convergence of content and digital technology.
- The total size of the UK hyperlocal advertising market is estimated at £2.6 billion a year.
- Services often have small total revenues according to the UK Hyperlocal Community News project.
- Regional advertising networks have operated but failed to survive, and there is a lack of advertising infrastructure.
- There is a heavy reliance on volunteers but an entrepreneurial spirit and desire to make a resilient business is increasingly evident.
- A rich interdependency of partnerships is emerging, including non-financial mechanisms from public service broadcaster the BBC, but online hyperlocal publishers don't have access to the same support regimes as other community-based media, including the community radio fund and subsidies for local digital television programme services (L-DTPS).⁴³

Mapping the sector

An estimate of the total number of hyperlocal media services in the UK depends on the criteria for inclusion. Mapping project LocalWeblist.net, developed out of the Openly Local database, uses a volunteer submission process combined with an active discovery process uncovering sites through extensive online and social search. Drilling down into sites described as active, mapped sites include those publishing across websites, blogs, discussion forums, Facebook pages and Twitter feeds. They most commonly cover community activities, local services, civic and networking information but are also upholding democratic accountability with 72 per cent having supported a local campaign and many are engaged in investigative reporting.⁴⁴ This corresponds with moves by the UK government to open up council meetings to bloggers and citizen journalists⁴⁵ and within a wider drive led by the independent Open Data Institute to publish and explain data.

Filling the gap

Hyperlocal publishing in the UK is often framed within the perspective of independent media delivered by individuals or small teams afforded by freely available digital production tools.⁴⁶ It is heralded as a community-based alternative to technologically determined legacy media⁴⁷ suffering cutbacks: net reduction in 177 titles in a decade and falling newspaper readership.⁴⁸ The sector has attracted interest from UK communications regulator Ofcom in considering its value and capacity to play a civic role and as a potential response to declining local press.⁴⁹ At national government level, to date a focus has been on developing local digital television services rather than online-first services.⁵⁰ With mixed success of these television services, however, there are growing opportunities for hyperlocal publishers to reimagine local video and audio content.

The hyperlocal business and making money

Research to date of 183 UK community news practitioners and a large content analysis of UK hyperlocal content found that while costs are notably low (78 per cent of 164 respondents said their site cost less than £100 to run) 63 per cent of 171 respondents said they paid all the costs themselves rather than generating revenues. Advertising was the most common funding source along with some use of sponsored features, donations and grants. Thirty-seven per cent of those who said they actively raised funds (n=62) said they generated less than £100 in an average month.⁵¹ For the smallest sites, sustainability is often linked to lack of time, staff turnover, changes in personal circumstances, a lack of volunteer progression and technological challenges.⁵²

The extent to which hyperlocal media is an emergent area for the digital economy remains in question. Traditional media, leveraging business development and technical resources, have commercially failed with local media experiments. The Guardian's city-based Guardian Local experiment closed in 2011 failing to make it 'commercially viable'.⁵³ The follow-on nOice project, shifted from being a locally-specific noticeboard that 're-thinks local news for the social-local-mobile world' to an open API user-generated publishing platform.⁵⁴ Regional publisher Northcliffe Media ran one of the largest franchise experiments Local People, a network of paid community publishers curating content and stories across small towns, but it too failed to adjust business models to a sufficiently local area and closed in 2013.

Value of the hyperlocal advertising market

The changing use of smartphones, tablets and social media is driving a new advertising ecosystem. In 2012, research on ad markets put the total size of the UK advertising market at £21.4 billion, and the total size of the UK hyperlocal advertising market at £2.6 billion. Within these estimates, there was limited sector-specific data, although opportunities for hyperlocal media services were indicated: 'Small consumer facing businesses are currently spending £731 million on online advertising each year, potentially rising to over £1.1 billion per year. Of this total expenditure, around £23 million is spent by these businesses on advertising on hyperlocal websites, which might rise to £32 million over time'.⁵⁵

The average level of advertising expenditure across local businesses was £1,631 a year, with a fifth of them advertising through hyperlocal media services (both online platforms and offline, such as printed newspapers and freesheets) and a quarter of them using self-service platforms such as Google's local advertising products. The research suggests hyperlocal publishers will face challenges in significantly growing their advertising revenues unless they are able to appeal to a broader range of advertisers, or team up with location-based platform owners. There is continued concern that gatekeepers, such as Google and Facebook, increasingly control content discoverability and monetisation. As Nesta notes, the biggest risk is 'that advertising revenues which flow to them are leaving the UK's content economy reducing the sums available for investing in hyperlocal news and other socially valuable services'.⁵⁶

Relationship with mainstream

One recurrent tension in the UK hyperlocal media scene is the relationship with mainstream media. Hyperlocal media consultant Will Perrin says, 'What we don't see, and this is always a puzzle to me, is why local newspapers don't just reach out and embrace with a warm big hug the people who are creating content on the ground'.⁵⁷ Good working relationships with legacy media are emerging, however, such as the Birmingham Mail's Communities initiative, and an informal arrangement between Hedon Blog and the Hull Daily Mail. And The Lincolnite, for example, has championed a good working relationship with various local news outlets across various news projects, including live coverage.⁵⁸ Interestingly, a number of these partnerships – such as the relationship between Archant and Everything Epping Forest, or that between The City Talking and the Yorkshire Evening Post, involve the distribution of a print product and shared advertising revenue.

However, the dominance of public service broadcaster the BBC is a source of continued tension. Despite a commitment to make regional video and audio available for use on online services of local and regional news organisations, and a commitment to linking out from BBC Online through its Local Live pages, it is unclear whether moves to facilitate a network of 100 local reporters 'pander to traditional regional press' rather than benefit and help surface independently produced and locally relevant news and information.⁵⁹

The Netherlands

Hyperlocal media services are operating in more than half of the municipalities in the Netherlands, and although there is some 'mortality', the number of operations seems to grow every year.

- There are more hyperlocal media services in areas that are covered by many other media, resulting in areas with a high media density and low density. Hyperlocal media services do not specifically emerge in areas where other media have a small footprint.
- There is a high diversity in hyperlocal media, in terms of scale, professional organisation, content and business model.
- There are a number of hyperlocal media chains, in which 75 per cent of the services belong to a chain. In some cases two to five sites - usually in the same region - are operated by the same owner, but there are also operations with dozens of sites. The largest chain, Dichtbij, which covers the whole country, however, will close down in a large part of the Netherlands in 2016.
- There are at least two advertising networks that work for hyperlocal media - they offer to sell advertising for 40 per cent of the revenues.
- As the Netherlands has a high number of social media users (i.e. Facebook), hyperlocal publishers depend very much on social media to engage users.
- There is a rather high level of entry and exit in the Dutch hyperlocal media landscape.
- Hyperlocal media services rely for an important part on volunteers for content production.
- There are already some online hyperlocal media services that have been around for 20 years. The ones that are in business for more than five years tend to develop a sound business model and operate according to professional journalistic standards.

Mapping the sector

Almost every Dutch municipality is covered by a hyperlocal news website. The majority, however, consist of aggregation sites that scrape news from other news sites, either by search technology or by using the RSS-feed from those sites. The usual practice in the Netherlands is that no more than 50 words are taken from the original source and that there is some attribution. A part of these services mainly use social media (Twitter) to distribute news. A number of these sites operate nationwide.

Around half of the 380+ municipalities have a local news website that provides the municipality with original news. In most cases this is general news, including politics and current affairs. Also specialisation on crime and accidents, events and 'what to do' or sports can be found.

Dichtbij - meaning 'near to you' - was launched nationwide in 2012 by the Telegraaf Media Group (TMG), publisher of the largest daily in the Netherlands De Telegraaf and of several regional dailies and chains of free weeklies. Dichtbij consisted of more than 80 different websites, covering all Dutch municipalities. Within these municipalities it claimed to provide news for all 2,500 Dutch cities and villages. After two years, more than half of these websites had an editorial team writing and gathering content. It also used citizen journalists that submitted stories and pictures and used aggregated content. For the websites without an editorial team, Dichtbij relied on aggregation. At that time it had 140 people working for the site. It had already started to work with free weeklies in some areas while others were rebranded as Dichtbij print publications. The closer cooperation with free weeklies did not result in a profitable operation and in November 2015 TMG announced that Dichtbij would close down operations in the areas where TMG also published regional newspapers. Only in the area around The Hague and Dordrecht and in the province of Brabant will the brand be continued.

Filling the gap

In interviews for this publication and also for earlier research, all of the Dutch case studies claimed they were 'filling a news gap'. They are generally disappointed with the performance of incumbent print media and local and regional broadcasters. In smaller communities the general feeling is that the village is hardly covered at all. Looking closer at the areas where hyperlocal media services are present, it is also clear that they are unevenly distributed. Areas with a relatively high number of traditional media services tend to also have more hyperlocal media services than areas with a low number of traditional media.

The hyperlocal business and making money

The majority of the case studies claim that they at least provide a service that is wanted by audiences and the majority also claim to be sustainable and resilient. As this is a subjective claim by a non-representative sample, these results should be treated with caution. Even the respondent from Dichtbij - before the closure plans - claimed to be in the moneymaking 'resilient' group. But because there are chains forming, and because a number of services have been operating for more than a dozen years (one in our sample already 20 years) there is an indication of the sector becoming more mature.

Online advertising is still the main source of income for most hyperlocal media services and is growing every year. As there is still a high competition between hyperlocal media services (and other online platforms) offering online advertising opportunities, rates are still low compared with print advertising. Diversification of revenue sources - native advertising, branded content, subsidies, memberships, donations, print, sales - is therefore popular as well.

Many hyperlocal media services already operate print publications - monthly or less frequent - or are thinking about launching such publications in the future. The main reason is that print media is still valued by advertisers and, therefore, has higher advertising rates.

Value of the hyperlocal advertising market

There is currently no data on the value of the market in the Netherlands.

Relationship with mainstream

Most hyperlocal media services operate independently. They often identify themselves as offering an alternative to mainstream media that, in their eyes, are providing insufficient news for the local community. Relations mostly vary from hostility to indifference and cooperation is hardly found.

France

Hyperlocal media services are largely squeezed out of the media marketplace due to government subsidy for legacy media. Civic engagement is nonetheless high.

- There are few spaces for new entrants in the hyperlocal media market.
- Heavy government subsidies have a large influence over local media provision.
- Regional publishers have attempted hyperlocal websites but can not make it pay.
- Large advertising agencies exist but not at the hyperlocal or regional level.
- An extensive pool of digital talent feeds a vibrant media technology sector.
- Data journalism service networks are emerging.
- Rue89, which belongs to the Nouvel Observateur group, is an independent pure player with city level editions. Local editions are initiated by local journalists and created in partnership with Rue89.
- Local media is often characterised by legacy media men moving into the sector.
- Civic engagement is nonetheless high via local radio, television and local government portals.

Mapping the sector

Much like in the UK and US, the French online news sector is characterised by varied actors: aggregators, free real-time news websites like 20minutes.fr and traditional news titles such as lefigaro.fr, or lemonde.fr, but also startups and agencies working on information production, and independent online sites offering alternative perspectives on current affairs. Less established than in Germany, the regional daily press represents about 60 titles in France. As elsewhere in Europe, it's a weakened sector due to the profusion and concentration of free content, especially offered on the web. The press faces erosion of its readership (decline of subscriptions and sales cover price) and, since 2010, there is a decline of advertising revenues and additional revenues notably classified advertisements. According to news website Liberation, state aid has cushioned the shock: €282 million of direct and indirect aids alongside tax benefits, such as a reduced rate of VAT.⁶⁰

Similarly for terrestrial channels, according to the Higher Audiovisual Council (CSA), many television channels are supported by local authorities and are facing economic difficulties. Inconsistent advertising revenues and fluctuating aid from local authorities affect local TV. In January 2013, 48 services of local television were broadcasting but, just two years later, ten had closed. Local radio is more buoyant with a support fund of €29 million.⁶¹ According to SNLR (Syndicat National des Radios Libres) there are 650 non-commercial radio stations and 150 local or regional commercial radio stations. In a very different field, Alexandre Malsch funded Melty Network in 2009, a group of producers dedicated to young readers between the ages of 12 and 30, with 30 million visits per month and a business model based on native advertising.⁶² The term pure player to describe online-only news sites (both local and national) emerged in France at the same time as the launch of Rue89 and Médiapart (two new services launched by journalists of big national media such as Libération and Le Monde).

Filling the gap

Democratisation of video production tools and data visualisations offers rich opportunities for alternative information: the regional daily press rarely cover all these elements and certain journalistic fields are not exploited. Hyperlocal media services have the opportunity “*to support the press revival*” according to Joël Aubert, manager of *Aqui.fr*. Media professionals with some management experience typically lead the successes (often benefitting from compulsory severance pay), with a focus on partnership development or offering some other services such as training, events or content production. They are often motivated by offering quality journalism as a way to break down the monopoly of the regional daily press. Despite new opportunities afforded by digital technology, the local information landscape has remained dominated by the regional daily press sector. The treatment of local information rarely takes on new forms and the choice of news patches is largely determined by traditional geographic and administrative units: most focus on big towns, metropolis or regions such as *Aqui.fr* covering the Aquitaine region.

The hyperlocal business and making money

The term hyperlocal is used little in France: rather it is regional press or local level media. A database of hyperlocal media services does not exist but around 40 local actors, of which 35 are non-specialised, are gathered within the union of independent online news media SPIIL, created in 2009. The SPIIL is a common professional space to exchange about practices, structures and organisations or business models. Few generate the regular revenues necessary to pay full-time employees, however. The most common business models are based either on advertising or on subscriptions, rarely viable without the additional of local subsidies. Some local pure players have been launched under the direction of former legacy journalists or regional daily freelance journalists. However many have closed down, such as *Dijonscope*, *Nantes Actu*, *Le Phare Ouest*, *Carré d’info* and *Grand-Rouen* despite varied business models. Seeking to boost the sector in 2015, the Ministry of Culture and Communication launched a €1 million call for projects for proximity media to engage young and marginalised communities. They received more than 460 applications and 114 were selected.⁶³ One such project is *Angers Mags’ Report Cité*, with its first initiative *Quartier Libre* inspiring citizen reporters.⁶⁴

Value of market

There is currently no data on the value of the market in France.

Relationship with mainstream

The French local media landscape is in an exploratory phase, with limited success. Pure players bring a journalistic diversity to the news landscape via local investigative journalism (such as with *Marsactu*), those covering cities and local franchise talking about culture or civil society (such as *Rue89 Lyon*, *Rue89 Strasbourg*, *Rue89 Bordeaux*), and those covering the current affairs of a given territory, by producing information adapted to the local breaking news (like *Aqui.fr*). The startup scene is characterised on a civic role with a rallying call: *Causeur.fr* inspires people ‘especially if you don’t agree’ to the ‘alternative news’ of *Les Nouvelles News* and the civically engaged *Basta!* magazine.

However, the French media system has an underlying antagonistic sense of ‘them and us’ between old and new media fuelled in part by central leadership. As in the UK, hyperlocal media in France does not enjoy equal footing when it comes to accessing potential income. The sizeable contracts for statutory announcements, which concern all events of company life (constitution, compulsory liquidation etc.), are strictly reserved to paid printing press

titles and have remained so since 1955. The regional press also take a disproportionate amount of local authority announcements. In 2014 pure players were given fiscal equality with printed press and the same VAT rate of 2.10 per cent. They also struggle within the online advertising market with many small businesses wary of buying web ad spaces due to lack of understanding. Those working in the sector often lack commercial, administration and audience measurement skills, owing to their editorial rather than entrepreneurial roots.

Similarly much of the direct government aids are reserved to the printed media and to 'IPG' (political and general information). The indirect aids are also discriminating: 36 per cent of them are reserved to printed titles (postal and judicial and legal announcements). Where public aid is available it is predominantly one-off investment rather than running costs. The SPEL (the aid fund for the development of online press services) recognised by the CPPAP (Joint Commission for Publications and Press Agencies) was set up to help the sector's modernisation by assigning a subsidy to press editors for technological innovation projects. In 2013, the French digital news innovation fund (FINP) was backed by Google to stimulate journalism innovation in France, following a dispute over the reuse of news content by search engines. The beneficiaries of the fund have largely been IPG status media. Google has since set up a broader Europe-wide Digital News Initiative with three pillars, including a €150million Innovation Fund.. Dependency on public aids however, is a double-edged sword as one-off funding rarely leads to sustainable business models. Pure players often feel discriminated against as they are too time strapped to complete funding applications.

Belgium

In Belgium, the landscape has been punctuated with hyperlocal media closures during the last few years, for instance the first Flemish city-blog Gentblogt, and De Gazet van Turnhout (relaunched as community platform De Koep). One of the reasons is that there is much competition from dedicated pages on municipalities by newspaper sites such as Het Laatste Nieuws, Het Nieuwsblad, de Gazet van Antwerpen en Het Belang van Limburg. This last title for instance launched 'Het Belang van uw Gemeente' covering 48 municipalities in 2011 in their area. Volunteers (news-hunters) could send in news items, which again could be used in the printed paper. Also regional free weeklies and info-magazines from municipalities contain lots of information, as do the websites of these municipalities. As organisations increasingly use Facebook to communicate with their members, they do not need hyperlocal sites that much any more.⁶⁵

Sweden

A survey by Södertörn University has been carried out within 290 local Swedish municipalities. First results indicate that stand-alone sites are quite rare in Sweden. All local authorities operate sites with official information and local politics, and the country still has a broad coverage of local newspapers with news sites. This makes it rather difficult for independent online news sites to become sustainable. There are, however, some examples of hyperlocal media emerging in areas where newspapers have retreated or no longer cover the local community. Recent research shows that newspapers closed more than one-third of local offices in the last ten years.

There are certain areas in Sweden where the local media coverage is much less than average. Suburbs around large cities are hardly covered by metropolitan newspapers and rely mainly on free-sheets. Also less populated areas in the countryside, for example in northern parts of Sweden, lack local media coverage. In the most remote community in Sweden, the distance between citizens and a journalist is 240km.

There are no systems for state support to local journalism except subsidies to the second-largest newspaper (although there are hardly any left). So there are no state subsidies for new online local media. The whole system of subsidies is under review by a state committee.⁶⁶

SECTION 4

REVENUE RAISING

In this section we provide an analysis of the content produced by the case studies, the interplay between the production and consumption of content, and the different business legal structures (and the advantages and limitations of these) available to hyperlocal media services.

Overview

The majority of the services in our research make less than £25,000. Eight service owners we interviewed make more than £100,000 a year.

Table 2: Total income for the last financial year

	UK	Netherlands	France	Belgium	Sweden	Total
Less than £25,000	10	6	1		1	18
£25-100k		4	3	1		8
£100-250k	2	1	2	1		6
More than £250,000	1				1	2
No answer		1				1
Total	13	12	6	2	2	35

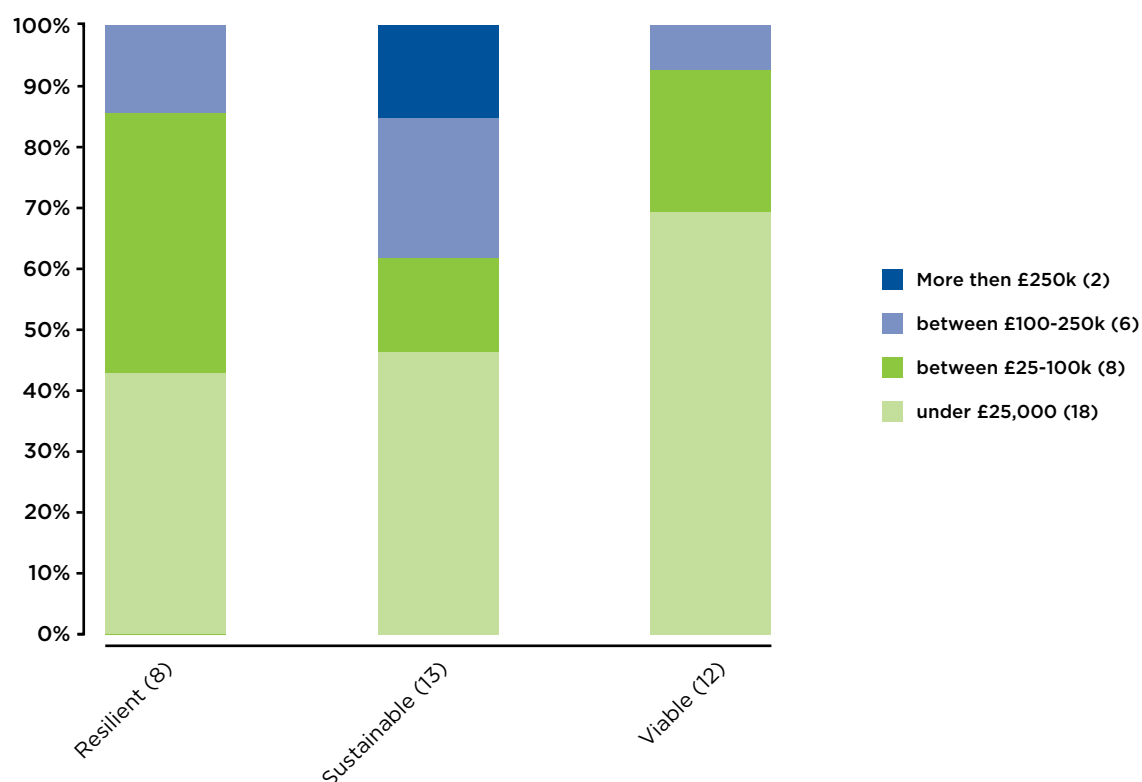
Well over half the services claim they are sustainable (13) or viable (12). However, many services struggled to describe themselves with these terms and the categorisation was highly subjective. Some felt they had sustainable content but irregular revenues.

Table 3: Viable, sustainable or resilient

	UK	Netherlands	France	Belgium	Sweden	Total
Viable	5	3	3		1	12
Sustainable	6	3	2	1	1	13
Resilient	2	6				8
No answer			1	1		2
Total	13	12	6	2	2	35

As Figure 1 shows below, there is a broad relation between the reporting income and their self-evaluation of viable, sustainable or resilient. For example, even with rather low income a service can still be sustainable or resilient.⁶⁷ However, there are proportionally more sites with higher revenues describing themselves as sustainable or resilient.

Figure 1: Self-evaluation of being a resilient, sustainable or viable business



As was expected, freely available publishing tools are used. Wordpress is the most popular content management system (CMS) that the services use, with Joomla and 'home-built' CMS being used by five and six operations respectively.

Table 4: Website hosting

	UK	Netherlands	France	Belgium	Sweden	Total
Wordpress	9	7	3	1	1	21
Joomla	2	2	1			5
In-house	2	2	2			6
Expression Engine		1		1		2
Drupal					1	1
Total	13	12	6	2	2	35

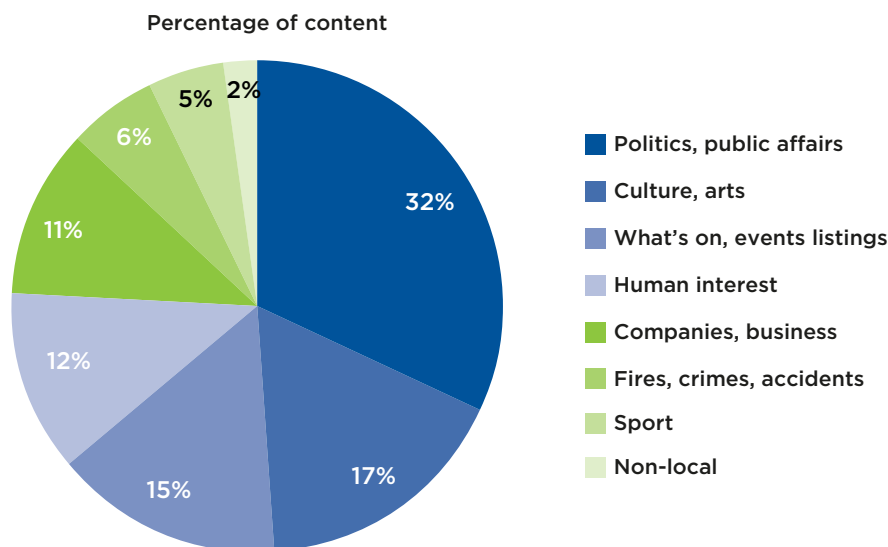
Content production

A full list of the 35 hyperlocal media services included in the study is available as Appendix 2. Of the 34 services where revenues are known, eight have more adverts on the front page than news items. Twenty-four sites have advertising, ranging from one to 47 adverts. Nine sites have between three and six adverts on the front page.

Of the 35 services, 23 describe themselves as online-only operations, seven as print and online, and the remaining five as 'multi-channel'. This last category also have print outlets but operate radio, public LED-screens and/or online TV as well.

Most services - 25 out of 35 - publish content on a daily basis. The number of articles a day can vary, with some services indicating they have published 'every hour'. Looking specifically at what sort of news and information is featured, politics and public affairs (32 per cent) dominate, followed by culture and arts (17 per cent) event listings (15 per cent) and human interest (12 per cent). Non-local news (2 per cent), sport (5 per cent) and crime and accidents (6 per cent) are the smallest categories.

Figure 2: Analysis of the content produced by the hyperlocal services



All services are heavy users of social media. All but one use Facebook and the same number have a Twitter account. Six operations have more than 10,000 fans on Facebook (six others have less than a 1,000), eight services have more than 10,000 followers on Twitter (only one has less than a 1,000). Half of the services (16) have a YouTube account, with the number of subscribers ranging from zero to 273. Other social media platforms are less popular: Google+ (eight sites), LinkedIn (six), Pinterest (four), Instagram (three), Flickr and Vimeo (two) and Storify and Vine (one). The number of followers or subscribers is usually low, although The City Talking has 2,913 followers on Instagram, and The Lincolnite has 899 LinkedIn connections.

The UK

Content production by the UK case studies fell into three main categories:

Local news, politics, crime and events

The emphasis here is on content about the town centre, the regeneration of the city or events, as well as providing timely and relevant information that helps people get on with their day-to-day life. Traffic, roadworks, council/local authority news, crime and court, town planning and development and human-interest stories were all cited. These stories were mainly produced using text, images and some video.

Local businesses

Four services highlighted the importance of local business news to their content. This included stories around new businesses opening, local businesses and sport. Focussing on the creative industry, on young people and how they do business in the city, was said to attract large audiences.

Investigations

Investigative work and holding authority to account was a priority for four services. Giving the community a voice that it didn't previously have and holding local authority to account was a concern. Many of these stories were based on freedom of information requests or through their social media pages.

Bitternepark.info runs audio reports that focus on local issues, politics and features. The service has also live-streamed three 'radio' programmes showcasing performances from local musicians and poets, with founder Guy Phillips saying: *"Audio reports are a rather innovative way of producing content."*

"Commercial content is the most measurable in the sense of generating money."

Visit Horsham

"We have launched investigations into various sectors (e.g. catering) and have been successful at uncovering what is not covered by other media. We incorporate infographics, illustrations and design elements to connect with the audience in more tangible ways, democratising access to information."

The Bristol Cable

The Netherlands

Politics

In the Netherlands, content production is quite diverse. Politics is covered by all of the case studies, with some of them focussing mainly on this topic. Politics means not only news but also discussion and opinions, and therefore is popular with audiences.

“ Politics. The sharpest opinions are written about politics. They receive a lot responses.”

Arnhem Direct

Crime

More than half of the services cover crime and accidents on a regular basis, with some focusing significantly on this kind of content as it ‘results in lots of clicks’ according to one of the respondents. Crime news is relatively easy to get because the police and the fire brigade use social media such as Twitter to alert others of incidents.

“ 911 (emergency services) news is pretty important because it’s nearby for people. That is the core and the most successful one. I guess half of our news is 911.”

Dichtbij

Culture, event and ‘what’s on’

Cultural, sports events, listings, and ‘what’s on’ sections are popular – and as with crime news – relatively easy to gather as organisations, clubs, theatres and cinemas send invitations and announcements around to all media in their area. Cultural information also includes news about the history or cultural identity of a specific area.

“ News about Frisian language is successful.”

It Nijs

Business news

News about companies and businesses is the focus of several services. This also includes news about new companies and new stores opening in local areas.

France

Politics and current affairs

In France, services that are given the status of IPG (General and Political Information) have to focus more on politics and current affairs (topics such as election campaigns, political parties' life and public funds). Aqui.fr runs non-specialised press based around seven sections: politics, economy, farming, environment, society, culture and general interest. The most successful sections are political, economy and farming with an emphasis on local life, out and about meeting people and events.

Positive news and slow journalism

Terri(s)toires has found soft subjects work well (such as top most beautiful beaches in the region). The most popular content concerns original reports about society, the economy or new technologies. They focus on positive information and slow journalism.

Society

Rue89 Strasbourg focuses on investigations, articles about urban projects and local politics but also about practical topics (consumption, daily life) and culture (movies and concerts etc). It sees itself playing a role in the local democratic life. Rue89 Lyon runs a non-specialised publication, especially focused on societal and social issues. The national pure player Rue89 authorises the use of the brand but there is no editorial or economic link.

“ The most important thing is to treat the information differently to differentiate from the daily press.”

Angers Mag

Belgium

One of the services in Belgium mainly focuses on covering the local government, specifically by reporting on the monthly sessions of the municipality. The other is targeted at the Flemish-speaking population and devoting much effort on culture, identity and language: 'A broad offer, news for the Dutch-language community.'

Sweden

Both case studies from Sweden are 'general' news sites, meaning they cover culture, politics, crime and businesses. Breaking news 'like a fire or a flood', however, results in high website traffic.

“ We also cover local sports in Kumla on a regular basis. We also have a good calendar of local events.”

Sydnärkenytt

AUDIENCE ANALYSIS

UK

Older demographics are known to be more interested in political content and heritage. Older audiences also respond better to emails. While the services focus mainly on local audiences (which account for up to 70 per cent) there are a lot of people who have left the area, i.e. to study and work in the UK and overseas, who are interested in the hyperlocal websites.

Facebook audiences are younger, averaging at around 20-30 years old. Publishers have found that their Facebook audience tends to be more colloquial, as opposed to their print publication where their audience tends to fall into a higher AB demographic category.⁶⁸ Art sections have also made print publications more attractive to younger people and families. Facebook pages, on the whole, make it easy for services to gauge what their audiences are interested in, and The Bristol Cable is one service that has paid to promote posts to appear more frequently on Facebook newsfeeds. All the services use Facebook Insights and Twitter analytics to varying degrees. Social analytics via Piwik and Buzzsumo are also used as well as Wordpress plugins.

- **Deeside.com:** The predominant audience age group is 25-38. Sixty-six per cent of traffic to the website is via mobile devices. While Facebook can be a key driver of website traffic – up to 74 per cent – they also have around 4,680 followers on Twitter, which has been a slower burner locally.
- **Visit Horsham:** On Facebook their audience is 67 per cent women, and while there is a full range of age groups on Facebook, the 25-44 age group is the biggest. Out of 22,000 website visitors from the UK more than 10,000 live in Horsham, with the rest located from London south to Brighton.
- **The Lincolnite:** The average gender split on web and social media is 55 per cent female, 45 per cent male. Age demographics on the website are recorded as 16.24 per cent aged 18-24, 21.09 per cent aged 25-34, 20.7 per cent aged 35-44, 21.5 per cent aged 45-54, 12 per cent aged 55-64, 8 per cent aged 65+.
- **Bitternepark.com's** readers survey revealed respondents are mostly aged 30-50, with a slightly higher ratio of females to males.
- For **A Little Bit of Stone**, a couple of years ago 60-70 per cent of visitors went to their desktop and now more than that percentage is going to their mobile site.
- For **Shetland News**, 50 per cent of their audience is split between mobile and desktop.

The Netherlands

Only one of the case studies does not use Google Analytics, and don't use any sort of analytics at all. One of the services also uses Annual Worth Analysis. For social media analysis, all services use native analytics tools such as Facebook Insights and the native analytics for Twitter and TweetDeck. One service has developed its own analytics platform.

Several services indicate that they reach 'highly educated people, interested in culture and politics', a 'highly educated' or 'middle/higher educated' audience. Also mentioned are 'deciders, entrepreneurs or councilmen' and 'high-tech-based' people 'working in the creative sector'. On the other hand, it was mentioned 'we see people from every part of society. In age, gender and interest.'

Age groups reached seem to differ, ranging from 'predominantly young' (25-45, 25-50, 25-65, 30+) to 'a slight overrepresentation of 30+', 'average age like 40', 'average age: 35-55' and 'we are under-represented among young people'.

Some services indicated an equal distribution of men and women, others an overrepresentation of women with 40 per cent men and 60 per cent women or even 'mostly women'.

Alphens tracks visits to the website permanently on a big screen with statistics that are updated every minute of the day.

France

All of the French case studies use Google Analytics as their web analytics tool. Some accompany this with Facebook and Twitter tools. There is little consistency in the role of analytics: one publishers said they were 'quite sensitive to the number of views on videos' while another said they 'don't take into account other metrics'. When the reading rate of articles is low, one said they try to understand what works and what does not in terms of editorial approaches, not always topics.

As in the UK, engagement is about more than simply the numbers. Comments on articles, conversations on Facebook, retweets on Twitter and feedback from bespoke surveys are important. Rue89 Lyon focuses on what is shared on Facebook, which is often differentiated from hard news.

In regards to demographics, audiences are dominated by upper middle class and 30-50-year-olds: Aquif.fr (upper middle class, aged between 30 and 50 years), Marsactu (upper middle class, aged between 35 and 50 years), Angers Mag (upper middle class, between 35 and 60 years old), Terri(s)toires (mostly women, aged between 35 and 55 years, working in the social/tertiary sectors or in local authorities/research, Rue89 Lyon (aged between 30 and 40 years, mostly urban and located in the city and beyond). Rue89 Strasbourg has a young and urban audience aged between 25 and 44 years with 30 per cent being high-level/senior executives. Only one French website, Angers Mag, is also publishing a print publication.

Belgium and Sweden

The Swedish services use Google Analytics and native Wordpress analytics tools. They are mainly interested in the number of visitors and they say they reach 'local people'. The Belgian services also use Google Analytics to measure the number of visitors to their websites.

Business structure

In Appendix 1a: Business structures, we have outlined the range of business structures utilised by the hyperlocal media services that are part of this research - and that are most relevant to others. This also sets out the advantages and limitations of these structures. To note, the advantages and limitations indicated are taken from a UK perspective (as we commissioned a UK specialist legal team) and the content in the table as a whole has been written for informative purposes and not as definitive advice or guidance.

In Appendix 1b: Charitable business structure, we have included specific information about charities (again, taken from a UK perspective) as this is quite a far-reaching area of law. The aim of which is to supplement the information within Appendix 1a on charitable legal structures, while remaining simple, understandable and give straightforward considerations as to how to gain charitable status.

Six themes/characteristics to success

The six themes below have been given prominence, as these are all emphasised by the case studies as playing a significant role in helping them to be more robust - no matter which country the services come from.

1. Volunteers

Hyperlocal media services are small, in particular, compared with traditional media organisations. There are one-man and one-women operations, partnerships and many services with people working part-time. All but six of the 35 case studies use volunteers in some way, from supporting the day-to-day business functions to producing content. People volunteer their time and skills to support hyperlocal media for a range of reasons, including using it as a professional development and education opportunity, receiving free publicity for their own services in return (which is also highlighted in the next section Sharing Economy) and seeing it as a form of active citizenship. For example, in two cases accountants donated time for free as they felt doing so was a public good. However, as highlighted in a hyperlocal community news survey in 2014,⁶⁹ a 'lack of volunteers' and the time-consuming nature of maintaining a network of volunteers can also be a constraint, especially in relation to a service expanding or improving.

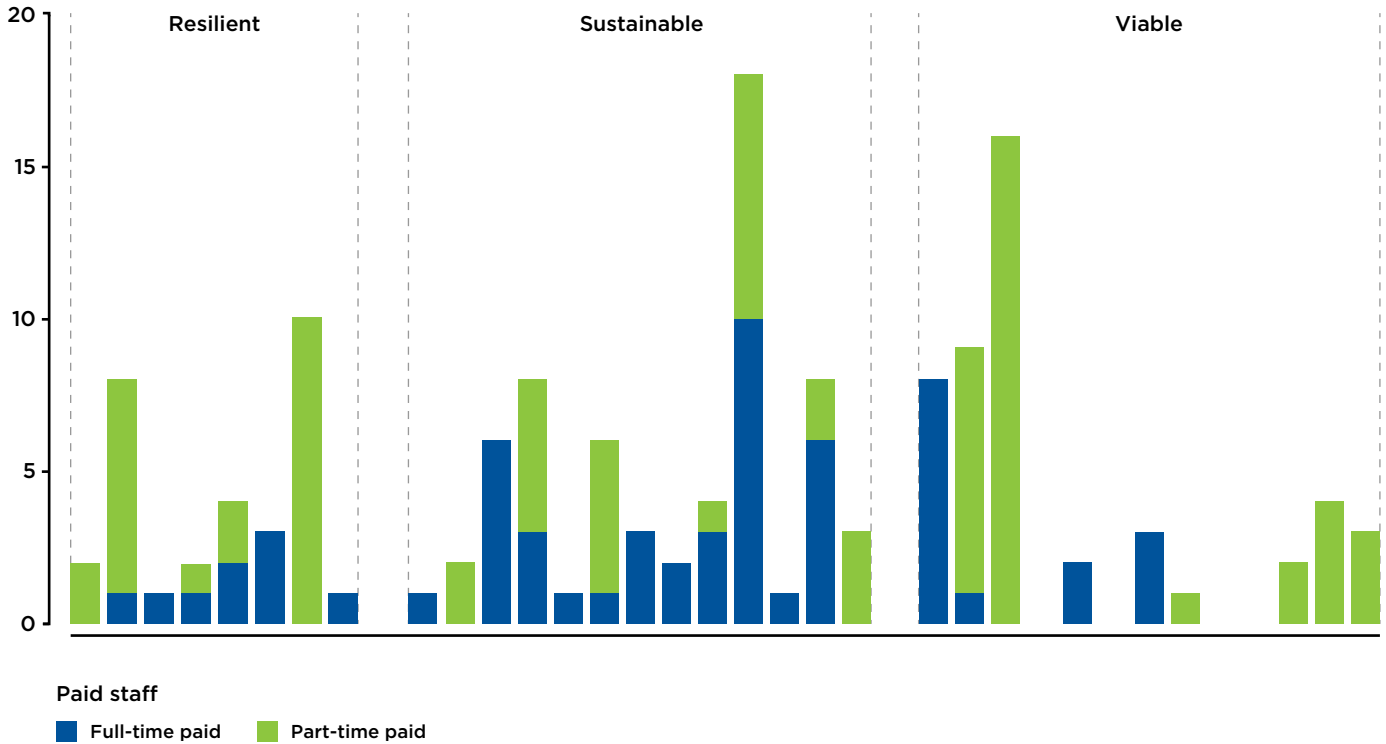


- **OnTheWight** has had about 1,400 contributors – highly variable on how much time they give, with some regular and some only producing only one piece of content.
- **The Bristol Cable** distributes print editions by bicycle couriers and by members of the team to key drop-off locations, door-to-door and handed out to people in the street. Free advertisements are offered for those who help with distribution.
- **Blog Preston** has two or three contributors who produce free content on specialist subjects, and four or five freelance photographers who work for free to have their work linked and social media presences promoted.
- **The Ambler** has had an average of six to seven volunteers during the past 15 years, who work for free on editorial content and assist on other aspects of the service. Since 2001, through funding grants, a group of young people meet once a week in their office space to work on the centre pages of the print editions. The size of this group can range from three up to 12.
- **VIEWdigital** in Ireland has a good relationship with educational bodies and offer non-paid placements. Different guest editors from the community are also invited for themed issues.
- In the Netherlands, free content is produced by bloggers and volunteers, such as at DUIC (De Utrechtse Internet Courant) Ditiswijk and Den Haag Direct.
- At Swedish service Sydnärkenytt, 60 people contribute, but only five of them are paid.
- **De Koep** in Belgium has two part-time staff and ten volunteers.

The Bristol Cable members are enfranchised in the democratic process via monthly meetings. The core team would like to pay contributors in the future as a matter of fairness, but are concentrating on creating a stable business model first.

Figure 3 below shows that sustainable and resilient services are more likely to employ full-time paid staff.

Figure 3: Correlation between paid staff and service sustainability and resilience



2. Sharing Economy

The sharing economy, also known as the collaborative economy, isn't a common concept to many people. But it, and the online platforms that facilitate it, are building momentum rapidly and are being used for all sorts of day-to-day activities. From the likes of international successes such as Airbnb and Uber, to more local initiatives such as People Per Hour and Hassle, across the case studies there is evidence of the close relationship between advertisers, local businesses and hyperlocal content producers open to sharing skills and resources. For example, publishers team up with web developers or photographers to help out in exchange for some publicity or discounts on services.

- **Blog Preston** has its website hosted by local web developers 3ManFactory who benefit from free rein to experiment with formats, in exchange for publicity that they can use in their own pitches: 'There are a lot of good people in Preston who are often willing to offer their help for any services that they need.'
- **OnTheWight** has trialed code from developers at Visit Horsham, which also shares data with an 'offshoot' service in [Southwater](#). The data structures are the same across each of the services and each service has its own data reflecting the businesses in their local area. But the system is structured in a way that searches can be conducted across all areas (defined by the system), strengthening the local aspect of it. For example, for a search for a cobbler in Horsham, the system surfaces results for an adjoining area (e.g. Southwold) if there isn't one in Horsham.

- The founder of [Bitternepark.info](#) also runs [Portswood.info](#), in an adjacent Southampton ward. He manages the sales and curates content for both sites, and both have the same advertising rate card. He also works on sales only for nearby [Eastleighnews.co.uk](#) (run by somebody else) which has different ad specifications and rates. The three platforms have been able to develop a modest sales network between them. Sometimes the Southampton sites have also shared content from [Eastleighnews.co.uk](#).

3. Partnerships

A key characteristic of the hyperlocal business model is the ecosystem of partnerships that are formed. In some cases these are formal agreements to share content, services or work on projects that are mutually beneficial, and in others, they are represented by informal arrangements. The partnerships seen across the 35 case studies include those between hyperlocal media services, between hyperlocal media services and traditional press such as regional newspaper groups and the BBC, and between hyperlocal media services and local public services.

- In Shetland there are three news-reporting outlets: the local BBC radio station, the weekly Shetland Times newspaper (owned by an independent publishing company) and Shetland News. Shetland News has a good working relationship with the BBC, which extends to being paid for copy for reporting custody appearances and paid for either half-day or full-day shifts for reporting criminal cases from Lerwick Sheriff Court. This arrangement has been in place for several years and is a 'very generous non-exclusive deal with the BBC meaning we can also sell court copy on to other UK mainland-based newspapers and use the copy on our own website'.
- Leeds-based [The City Talking](#) has partnered with regional publisher Johnston Press. The City Talking is distributed inside the Yorkshire Evening Post once a month on a Friday. The advertising inventory is sold by Johnston Press, with advertising revenue paid back to The City Talking. The arrangement is mutually beneficial, combining reach, content and resources.
- [Deeside.com](#) has a collaboration with [Wrexham.com](#) and another service in Cheshire in the UK, which the founder says sharing of resources and being able to collaborate 'takes the pressure off'.
- [Rue89 Lyon](#) has an editorial partnership with free weekly cultural magazine Le Petit Bulletin. The partnership doesn't result in additional revenue but in exchange for Rue89 Lyon's web expertise, Le Petit Bulletin lets it publish one or two articles a week of the magazine on their website.
- [Den Haag Direct](#) in the Netherlands had a deal in the past with regional broadcaster Omroep West but this has since ceased.
- Together with its co-company SERA (software developers, data-specialists, website-building, marketing) [Alphens](#) is involved in many initiatives in the city. For example, the team built the website for the Archeon historical theme park,⁷⁰ they launched a local currency, the ALPHA (receiving the Innovation Prize of the city) and initiated the project Biogas Zwammerdam that could provide a small village with sustainable energy. They won a prize of €750 for that idea.

Shetland News is quite progressive in building partnerships that are beneficial both to the service and the audience it serves. The service carries advertising from Shetland Islands Council in a portal on the right hand side of the front page – which means it receives a share of the council’s considerable advertising budget - and has also developed a dedicated transport notification portal on the left hand side that is paid for by Shetland Transport Partnership government body ZetTrans. The service’s managing partner Hans J Marter says:

“It has taken a few years of gentle pressure to convince the local authority to switch some of their very extensive newspaper advertising from the long-established weekly newspaper to us, the online based news service. In doing so Shetland Islands Council responded to the significant changes in the media landscape and in readers’ behaviour. I believe Shetland Islands Council has been the first Scottish local authority to work with an online publication to promote its services. They did so because we challenged them.”

“The transport notifications on the left hand site of the Shetland News website is a self-loading portal which is linked to Shetland Islands Council’s various transport alerts pages and texting services. So whenever there is a disruption in one of the council-run services (inter-island ferries, inter-island planes, local bus services as well as road conditions in general) it is shown instantly on our notification system.”

4. Sales and marketing staff

There is a range of organisational structures for dealing with advertising sales. Some services have an advertising sales person on their own time gaining 50 per cent commission. Others have paid sales staff within the team, partner with a regional publisher, subcontract to independent commercial agents, or pool resources to appoint a joint sales and marketing person with other hyperlocal services. In the UK, direct sales come from a mixture of cold calls, inbound enquiries and editorial leads (e.g. returning to a company that has recently been featured or asking new businesses featured in stories to consider advertising).

- **Blog Preston:** *“There are five to ten inbound advertising enquiries to follow up per month. Some bigger advertisers will take a couple of months to sell and require face-to-face meetings. The length of time the advertisement is featured for can be tailored to the needs of the business, ensuring advertisers are happy with what they are getting”.*
- **OnTheWhite** has some contributors who work to recruit businesses to advertise and take commission (which varies from person-to-person).
- **VIEWdigital** offers a profit share on revenue generated from advertising and sales. They have been working on a new structure, transitioning from it being one person’s job to everyone working on it when they can.
- **Aqui.fr** hopes to find somebody to take care of this daily, to nurture one-to-one relationships with advertisers. Some publishers indicate a need to overcome resistance of small businesses moving from print advertising to digital.
- **Angers Mag** says, *“It’s quite complicated because advertisers are familiar with the paper but they are afraid of the web because they have the impression of a lack of control on this media.”*

- According to **Rue89 Lyon** it *“is a work of teaching about the web because people are still unaware of how the advertising works on the web. The main need is about explanation and then, visibility.”*
- **Den Haag Direct** does not have dedicated staff but says *“we’re doing sales/marketing all the time.”*
- The owner of **Prinsenbeeknieuws** does all of the sales and marketing herself, which she says takes *“10 per cent of the time that I’ll be working on the website.”*
- **Alphens** is an exception out of the ‘stand-alone’ Dutch services and says, *“One of the employees is full-time working on sales and marketing.”*
- **As Dichtbij** covered areas across the Netherlands, it had four people working on marketing and 20 sales people.
- Swedish **Sydnärkenytt** has two people working part-time on sales: *“One is retired and has this as an extra income, the other one is a Jack-of-all-trades and does this and a lot of other things. But they sell (advertising) for about 2,2 MSEK (€220,000) a year.”*
- **Brusselnieuws** has one person working on sales and marketing.

5. Advertiser loyalty

Loyalty in some ways is a key part of advertising revenue for all of the case studies, as a way of seeking out some stability within the ecosystem. It also highlights a close relationship between advertisers and content producers. In the Netherlands, half of the hyperlocal media services specially offer incentives for long-term contracts. In France too a lot of emphasis is placed on long-term direct advertising contract selling for more than six months to boost repeat business. The main advertisers are local authorities, public institutions, large retailers, cultural organisations, real estate, chamber of commerce and banks.

- Six out of 13 of the UK services offer discounts for repeat or long-term advertising contracts.
- **The Ambler**, which has a bimonthly print product reaching 3,200 residents, said: *“The team hate having to contact anyone for advertising. Thankfully most approach us.”* There are a range of longstanding advertisers who have been with the service for several years.
- **Shetland News** says some advertisers have been with them for the past 12 years, and they try to get advertisers to commit to a yearly rate.
- **A Little Bit of Stone** says: *“Businesses have been glad to be a part of something that is good for the community.”*
- **Bitternepark.info** says: *“It is not as difficult as some people think to sell advertising, it’s just finding the time to get more involved.”*
- Several respondents in the Netherlands (**Ditwijk**, **Den Haag Direct**, **dongen.nieuws**, **Prinsebeeknieuws**) mentioned ‘loyal and faithful’ advertisers.
- In France, **Angers Mag** sets prices based on one-, two-, six- or 12-month contracts but prefer one-shot contracts.
- **Aqui.fr** offers incentives for six- or 12-month contracts (for example, commit for six months and only pay for five, or 12 months and pay for ten). This boosts loyalty and works quite well with public organisations such as county or regional councils.

6. Newsletters

Despite new technologies and social media platforms launching regularly, which provide hyperlocal publishers with real-time, interactive ways to connect with audiences, email newsletters seem to be having a resurgence and remain a powerful tool in engaging audiences and driving traffic to websites. In Nesta's recent Action Research in Audience Analytics project, newsletters were 'seen by several organisations as a valuable opportunity to build a direct relationship with readers – and therefore a more loyal user base' and 'can help with advertising sales – overcoming the challenge provided by Ad Blockers and off-site consumption on social media'.⁷¹ Hyperlocal publishers have a number of free and paid-for tools available to send emails to bulk audiences, including MailChimp and Mad Mimi, and to prompt audiences to sign up to their newsletters. SumoMe WordPress plugin and Twitter's 'lead generation cards' are two examples that hyperlocal publishers have indicated success with.

- **Blog Preston** has had success with email newsletters, which have an advertising slot incorporated that, for example, has been taken by the Guild Hall - a large historical town venue. They use automated email service Mail Chimp, which is a paid-for service after the first 2,000 subscribers. The Guild Hall has paid for this as a sponsorship (plus a little extra) therefore, Blog Preston can lift the cap on the number of people they reach, sending the email newsletter to up to 5,000 subscribers (at £32.75 per month). The deal took three to four months to sign.
- For **Terri(s)toires**, the third main advertising space is on the newsletter, which is sent every two weeks to more than 2,000 people.
- In the Netherlands, **Dichtbij**, **e52**, **DUIC**, **It Nijs**, **Vers Beton**, **dongen.nieuws**, **Ditiswijk** all use email newsletters as part of their service.
- Belgian **De Koep** has 2,000 subscribers to its newsletter. As Turnhout has a population of 42,000, 2,000 subscribers is quite a successful number during a time when the service was particularly active.
- **Brusselnieuws** readers have a choice to sign up to daily and weekly newsletters.

Diversified revenue streams in focus

Below is the diverse range of revenue streams that the case study services currently use, or have experimented with previously. For each stream we give an overview, specific examples outlining different services' approaches and, where possible, the outcomes (i.e. advantages or challenges):

- Display advertising
- Native advertising, advertorial and sponsored content
- Pay-per-click advertising
- Directory or classified listings
- Mobile advertising
- Advertising networks
- Print products and subscriptions
- Syndicated content
- Paying for online content
- Membership and donations
- Grants and investments
- Crowdfunding
- Data and licensing
- Events
- Affiliate marketing

Display advertising

Display advertising plays a crucial role in the online marketing mix for both branding and direct response campaigns – and is the main revenue source for hyperlocal media services. Display adverts are typically sold by shape, such as leaderboard or banners, for online, and page or half-page for print. They require graphics as well as text. Performance can be measured in several ways such as against page impressions or click-through rates. For the Dutch services, all but two (It Nijs and e52) offer advertising. Of the remaining nine services, seven are offering a rate card or media kit online. All of the French case studies use a standard media pack with published advertising rate cards. This ties with recommendations from interviews with digital-only news providers in the US.⁷²

Site	Dimensions and rates	Notes
The Lincolnite, UK	Three display advertising slots available: masthead £500-700 per month, sidebar £400-£600 per month and bottom of page £350 per month. There is a limit of 10 advertising slots in each (total of 30).	The Lincolnite designs all advertisements in house (artwork created by their in-house designer) or directly by their clients to fit their specifications of their website.
Blog Preston, UK	£50 per month for a standard MPU (a 300x250 ad unit with the dimensions of 300 pixels wide by 250 pixels tall).	Prices vary depending on what the business want, for how long and if there are any other factors involved, such as a discount due to the exchange of another service.
The Ambler	In the print editions their prices range from a full-page colour advertisement for £300 the smallest (half a credit card sized) slot for £20. Online they have a rolling slot for local businesses. This usually features 4-5 advertisements and costs £6 per month.	Some of these businesses also feature in the print edition, but not all.
A Little Bit of Stone	Advertising slots range from £30 per month from a small advertisement on desktop (which does not feature on mobile or tablet formats) to £100 for the most prominent display advertising slots which appear on all devices.	Social media promotion can be included as part of advertising deals.

Aqui.fr	Offers advertising packages with standard formats: a heading mega banner at the top and an ad insert (300x250) on the right column.	As with Blog Preston, Google AdSense is used to fill unsold inventory.
Terri(s)toires	They use three advertising spaces: two on the website (a mega banner at the top of the page) and a square ad insert integrated at the top of the right column. There are also free advertising spaces inside the website (internal pages) on the right column (free ads dedicated to partners).	A third space on the website is currently deactivated because they didn't sell it. They find advertisers to be very timid about web advertising. They find it hard to compete with regional media who dominate the local advertising market with internal advertising networks, a big sales force, and a big network.
OnTheWhite	MPUs generating 20,000 views sell at £199 for a standard size format.	
Shetland News	Display advertising prices in the form of Ribbon (1248 x 80 pixels), Leaderboard (744 x 120 pixels), Banners (240 x 120 pixels, right hand side), Banners (240 x [120-480] pixels, left hand side of front page). These range from £69.50 - £125 per week.	
Rue89 Strasbourg	They offer some banners (mega banner, ad inserts 300x250, mega banner and footer expands).	
Rue89 Lyon	Have banners: a mega banner, classical ad inserts (squares), buttons and site takeovers in the colours of a brand. The biggest are the most expensive as they perform better.	They do sometimes offer some more intrusive advertising formats such as expanded banners or footers, pop-ups, interstitials etc., when advertisers want a good click rate.
Alphens	Alphens uses/sells many different formats, ranging from the complete top-of-the-website to small banners.	These banners can also be tied to specific news items, such as a security company's ad underneath an article about a burglary. The service also sells advertorials on a large LED 'city screen' that it operates at a shopping mall, with a yearly revenue of €15,000.
DUIC	Top banner (468x60) Rectangle (300x250) Newsletter top banner (468x60) Newsletter rectangle (300x250).	Publisher does sales and the communication agency does the graphics.
Ditiswijk	Display sizes: 180x180 and 180x300.	They sell advertising themselves and do graphics as well. Classified (jobs) €49,95 (£29,66). The website has advertorials, banners, and offers a listing for jobs. The service also sells advertising on their 'company-motorscooter'.
Den Haag Direct	More than 65 sizes and possibilities for ads.	
dongen.nieuws	300x250, 300x180, 300x125, 620x100, 120x180	
Prinsenbeeknieuws	180x180 and 380x100	Graphics are produced in-house
Bitternepark.info	Three different sizes for display advertising; £75 per month for ear piece which rotates with two other ads, full banner is £55 and rotates with up to five other ads, Medium slot 120x240 pixels is £35 per month.	

Brusselnieuws	The most used format on the site is the top-banner.	
Sydnärkenytt	Top banner (leaderboard), and smaller side-banners. Dozens of smaller 'classified' banners at the bottom of site.	Advertisers make their own ads or they can be made by freelancers working for the website. Online sold together with print.
321an	Top (banner) 90 SEK/day (€9.70) or 2400 SEK (€258) /month. Least expensive banner 25 SEK (2,7 euro)/day and 700 SEK (€75)/month Print ads from 3000 SEK (€323) to 800 SEK (€86).	Advertisers make their own graphics, or can pay extra and have it done by the media.

Native advertising, advertorial and sponsored content

Advertisers are increasingly seeking new ways to promote messages in user-friendly ways. Native advertising, advertorial and sponsored content are forms of communication where paid-for messages are produced in line with editorial formats, making a more seamless advertising experience for the user. Of the countries in this study, native advertising was most popular in the Netherlands (six out of 11 services) and the UK (six out of 13) using native advertising or sponsored takeovers. In one example, the customer is charged extra for putting their article on Facebook. In France, however, this type of advertising has received a cooler reception.

- **Bitternepark.info** charges £90 for a month where the client supplies written content and roughly five images.
- Where possible, **A Little Bit of Stone** sells the upper tier of their inventory as a dual package to include a display advert with a sponsored article, but this activity is said to be time consuming.
- **OnTheWight** runs sponsored articles at £295, an event feature for £49, and homepage takeovers⁷³ at £395 per day.
- **VIEWdigital** is 'trying to monetise on partnerships now rather than advertising, mostly through the themed magazines' for example writing a piece on food poverty in Northern Ireland sponsored by the Food Standards Agency.
- **Shetland News** use advertorials (to showcase on the web) and charge around £500. They also have an opportunity for advertising through video clips.

The City Talking's parent company Hebe Works has developed a new online redesign to accommodate takeovers, which has been very successful. The amount varies depending on the package. For Hebe Works, revenues also come from creating native content, which brands pay for, to tell a story about them. This differs from a branding package in the sense that the company pays for the content but surrender all editorial control. Hebe Works is given full control of the entire process and its end result in print and online formats. For example, with brand Toms they were given a budget of £5,000 (rates do vary) to create a marketing activation around the brand, with which Hebe Works created a multi-platform story. They independently created a four-page spread, each page featuring commissioned visual artists and a film showcasing the shoes. This package not only showcased a product but also featured interesting people who live and work in the city.

- **Marsactu** offers sponsoring options of talk shows: a weekly talk show about a specific theme (culture, health, science etc.) where the advertiser can append their logo in return for payment. They produced about 50 talks a year.
- **Angers Mag** is considering sponsored sections (for example a section dedicated to ecology, sponsored by a specialised company) recognisable from the page colours of the brand.
- **Den Haag Direct** offers a subscription for sponsored content. Subscribers can post sponsored content on the website whenever they want for €195 a month. If the company wants Den Haag Direct to write the sponsored content the fee is €450 a month.
- **Alphens, Ditiswijk, DUIC and dongen.** nieuws charge between €50 and €200 for a sponsored article.
- In Sweden, **321an** has sponsored podcasts for local enterprises consisting of an interview done undertaken by one of its journalists. The cost per podcast is 2,500 SEK, about €250. Audiences are informed that they are listening to paid content.

In November 2015 UK regional publisher Johnston Press announced the roll out of native advertising service Voice Local. It brings together 'a bespoke new team of dedicated commercial editors and product managers'. The aim is to deliver branded content that moves beyond classified or display advertising, by the inclusion of branded content that sits naturally within editorial content, and is unaffected by browser-based ad blockers. According to Johnston Press, this content has already delivered high levels of engagement, in some cases offering eight times the click rate of traditional advertising, ranging from national supermarket discussion cooking tips for salmon, to a local vet helping the local audience keep their animals safe on bonfire night. While the service is currently not available to hyperlocal publishers to utilise, it demonstrates attempts by regional titles to innovate and cash-in on native advertising.

Pay-per-click advertising

Despite being the dominant platform for self-service advertising across the Internet, there is very little use of Google AdSense evidenced in the 35 case studies. By and large this is due to publishers being concerned about clashes with their content. For VIEWdigital they 'do not want Google Ads as it will be too random'. Deeside.com said they 'have been approached by businesses but they were not right for the site'. It was also seen as generating too little return on investment. In France, Google Ads was used occasionally by one service and trialled by two publishers but also withdrawn as it was either ineffective in generating revenues or not in keeping with editorial content. As Rick Waghorn, CEO of Addiply advertising solution, says: *"It's the ultimate emperor's got no clothes."* In the Netherlands, in Belgium and Sweden pay-per-click is not used by any of the websites in our research.

- Two of the case studies in the UK have used Google Ads to fill advertising space that was not sold directly, generally bringing in an income of £100-£200 per month.
- **Aqui.fr** are experimenting with another form of mobile advertising sales TheMoneytizer (a native monetisation solution that allows bespoke ad placements) which seems to have a higher rate of return than AdSense.

- **Angers Mag** use advertising and marketing technology exchange Criteo to fill any unsold advertising space: it creates a little flow but in terms of revenues it's very weak.
- Two other French services use Google Double Click for Publishers, software developed by Google to manage and optimise an advertising campaign on the Internet. Google Double Click for Publishers allows publishers to manage directly-sold and network-based online ads in addition to Google AdSense. For **Rue89 Lyon** this platform guarantees a minimum number of impressions. **Rue89 Strasbourg** also uses the platform with its own banners.

Directory or classified listings

Large online listings and auction marketplaces such as Preloved, eBay, Craigslist, Le Bon Coin and more, dominate much of the classified listings market. Regional publishers have been hit hard over the last decade by dramatic falls in classified advertising revenues. Yet there are opportunities for hyperlocal publishers to leverage values in highly targeted classifieds.

- **Blog Preston** and **A Little Bit of Stone** offer free 'what's on' and directory listings in order to generate contacts.
- **The Lincolnite** lists jobs and properties via a plug-in and charge between £80-£200 for a jobs listings (for 14-30 days), with properties listed on a monthly subscription. They work with three agents currently (and are looking to expand) and they get to choose how many properties/pages are required. They also have paid options for event advertising, but do list events for free too.
- **Visit Horsham** has a directory model, which is teamed up with social media to be of benefit and interest to the community, providing a 'one-stop shop' on what businesses have to offer. The fee to businesses to appear on the Visit Horsham website is £10 per month, which is paid by direct debit and a setup fee of £50. People in other organisations can earn a commission from lead generation (to appear on the directory), such as another local newspaper, a local company, a photographer or someone who runs a local networking group. Visit Horsham also run an effective 'offers' section, such as Horsham Karate Club free taster sessions, discounts on first appointments to Osteopathy services or discounts on shopping.
- French **Angers Mag** tried classified advertising but found it too difficult to compete against market leaders.
- Dutch service **Ditisiwijk** has a classified advertising directory for self-employed workers who want to advertise, at €49.95 a year. The profile is in a 'listing' that rotates on the website.

Mobile advertising

Mobile advertising can be approached two ways: developing a responsive or mobile-friendly website, or creating a bespoke application, or 'app'. Mobile advertising offers a raft of potential for new advertising experiences such as in-app purchases, geolocated advertising and rich media adverts. However, developing advertising on mobile is in its infancy for hyperlocal publishers, with many not having a specific mobile application, or reporting low returns on activity. Concerns include not wanting to ruin user experiences, advertising intrusion or technical issues controlling how the adverts are served on mobile. For example, Blog Preston has a mobile app with an average of 5,500 users per month, which currently has advertising switched off as they focus on building a user base. Websites without responsive designs, such as Shetland News, are less successful generating income specifically from mobile. Most case study services are developing responsive or mobile-friendly websites to serve advertisements in mobile-specific formats and sizes, which can help raise the economic value of advertising inventory.

- **A Little Bit of Stone** is working to 'be cleverer' about where they place advertising on the mobile site, instead of pinning all the advertisements to the bottom of the pages. An ad placement higher up the page on a mobile-friendly site avoids the user having to scroll excessively to reach the bottom of the page.
- **Visit Horsham** uses a responsive mobile design powered by Dest-API, a cross-platform html5 application. It offers location-aware news, information and offers including a hyperlocal business directory that allows calls to businesses direct from the mobile directory, a location-aware events guide, and local news to integrate with other news providers. Local businesses can update their own content. Local users can redeem vouchers directly through the app, and respond with feedback.⁷⁴
- **Rue89 Strasbourg** uses interstitials on mobile – a cover that is inserted in the normal flow of editorial content structure on a site for the purpose of advertising or promotion. These can be sold as part of a 'habillage de site' (website takeover). The performance depends on the design and call to actions (such as 'click here', 'download this', 'subscribe') and if there is an interstitial, which has a good click rate.

Advertising networks

The ad network landscape is complex and rarely navigated by hyperlocal media services as it is not always clear with whom to work or if local businesses are even represented. Ad networks provide a single point of contact for sales representation for multiple websites by aggregating all the sites' advertising space available to sell – their inventory. The appeal for advertisers is to reach multiple audiences and a way for publishers to sell remnant inventory. Addiply was a local-facing web-based advertising network in the UK that ran on a local news pilot in three cities: the Guardian Local project. Self-serve adverts were sold for £10 per week, with Addiply taking 10 per cent. It was a local advertising network alternative to Google Ads. In the Netherlands, the network Oogopnederland uses photographic content from freelancers to make it easier for them to make money from their work.

- For **The Bristol Cable**, advertising operates within an ethical charter as informed by the membership. They sell adverts directly to local businesses but also use an advertising network, **Ethical Media Sales & Marketing (EMSM)**, at a 70:30 revenue share to sell their inventory across a number of local and national bundles. This means that an advertiser wanting to reach audiences in Bristol as well as another town can do so. Advertisers usually fall into themes related to the editorial content such as ethical and charitable brands.
- In France, agency **366.fr** pools inventory from regional publishers, but not hyperlocal media services.
- In the Netherlands, the network **Tolocal** offers national advertisers a network covering the whole country through local websites with automatic sale of display, video, mobile and native advertising. Tolocal claims 40 per cent of the ad revenue.
- **Oogop** (translated to 'Eye on Netherlands') specially targets photographers and makes it easy for photographers to set up a photoblog and make money from it.⁷⁵ The national organisation provides the CMS (content management system) and sells advertising on the photoblogs, with photographers getting a share. For €327, customers – usually local businesses – get pictures of their business that they can use themselves for websites, advertising or brochures. The customers get a banner on the photoblog for three months and the photos are placed on social media, which helps to promote the customer as well as the work of the photographer. The network grew to more than 60 local photoblogs within three years. As photographers don't pay a fee to the national organisation, it is not exactly a franchise model.

Print products and subscriptions

Having a print product is an important route to brand presence, advertising income and audience reach for several services. Almost half of the UK and Dutch services maintain a print product, as do Angers Mag in France. Publication schedules range from bi-weekly, to monthly, bimonthly, quarterly and annually. Several other services are exploring print publications as part of their mid- to long-term strategy, including A Little Bit of Stone and Den Haag Direct. With several cheaper alternative ways to print, and novel ways of distribution and production, print publication is no longer seen as cost prohibitive.

- **The Ambler** started a print edition in 2000. Every two months the printing costs are a little more than £1,000 and distribution is £200 with a print run of 3,200 copies. Advertising revenues can generate £8,000. Their print copy is designed using InDesign, then sent out-of-house to a local charitable printing business, which employs workers with special needs. Their A4 booklet format is mostly printed in black and white and consists of around 24 pages. The Ambler charges £7.50 subscription for the year, to which 15 people are signed up. This tends to be popular with expats that used to live in the area. 'The ethos is to help regenerate the town and help people feel better about where they live. The idea is also to give volunteers relevant and useful skills to help if they are looking for work. We sometimes get criticised for painting too rosy a picture of the town.' This model seems to best fit the community's voices and demands. The print editions are mostly read by the over 30s while online engagement tends to be people in their 40s, and an Artograffi section has made the print copies more attractive to younger people and families.
- Leeds title **The City Talking** has advertising in full, half and quarter-page formats outsourced to Johnston Press who manage most of the advertising sales and relationships, and sends the artwork to parent company Hebe Works to create the layout. The collaboration allows the Yorkshire Evening Post to reach a 'slightly younger and a slightly hipper audience'⁷⁶ and The City Talking to expand its distribution and reach.
- **The Bristol Cable** prints a quarterly newspaper bundling investigative, civic and ethical content to counter the local and city media. 20,000 free copies are distributed from more than 600 points across Bristol. The print publication offers high-end infographics and visual content with a strong public-service mission. About 15 volunteers run the day-to-day operation of the service and they plan to train dedicated members to be correspondents in the city's main neighbourhoods.
- **VIEWdigital** earns £600 for a full-page print advert, with five pages of advertising per edition ideally. The print copy is also available in PDF online and they are trying to make editions more interactive with QR codes and web links. The magazine is free and distributed to libraries, where they are kept as reference copies.
- In France, **Angers Mag** has a sales subscription for people who live outside the city (€35 a year) to cover shipping costs.
- **Alphens** produces a yearly profitable glossy near Christmas time.
- **Liwwadders** has a free monthly magazine with a circulation of 10,000 distributed in a 100 different public places.



- **DUIC** in Utrecht launched a printed edition in December 2015 that was supposed to be distributed bi-weekly, door-to-door with a circulation of 145,000. The real circulation, however, is said to be much lower as distribution proved to be difficult. DUIC wants to prove that is possible to 'offer quality news in a printed freesheet.'
- With **Dichtbij** being a national network of hyperlocal media services, it enjoys exposure through the local free weekly print publication produced by parent company Telegraaf Media Groep, i.e. through exchanging content or in a special Dichtbij page. In some areas the free weekly was rebranded as Dichtbij.
- **e52** in Eindhoven produces a monthly newspaper for their 150 subscribers. The paper is also distributed by the local tourism board for free, which provides a better distribution and is, therefore, more appealing to advertisers.
- For Swedish **Sydnärkenytt** the print edition is the most important source of income: *"We discovered that local businesses were sceptical towards online advertising, with the free print product it was much easier to sell ads. I think it has been easier to sell online as well when the print product made us more established."*
- **321an** has a bi-monthly subscription magazine, with a local price of 300 SEK (€30) per year, and a price of 400 SEK (€40) per year in other areas. Digital subscription (PDF) is 150 SEK (€15) per year.
- **Brusselnieuws** publishes a weekly news magazine and a monthly cultural magazine. Both are free home delivered in Brussels.

Interest is increasingly turning to slow journalism. This refers to products that may take longer to produce but are high value: not only high-end graphics and design, but covering investigations, context and analysis that is not possible in the speed and always-on environments of social media. Print is one way to achieve slow journalism. One example not included in the case studies is [Delayed Gratification](#).

Syndicated content

There are opportunities, albeit sporadic, for hyperlocal media services to syndicate their content. Syndication allows publishers to make content already published on their own site, or that they have captured with a camera or smartphone, available to one or more other parties via permissions. Syndication can be a complete copy, part of content, packages, or be a feed of content supplied digitally.

- **Marsactu** in France has been contacted several times by documentary production companies in relation to their videos: they sold three or four contracts of this sort in 2014/2015 with the editors citing it as 'interesting because it's a kind of bonus.'
- **Angers Mag** has syndicated occasionally, for example, on an event that created a lot of buzz on their website. The national press and some TV channels wanted to use their photos and videos.
- **Ditiswijk** in the Netherlands sells videos or photos to companies, at €10 per photo but this doesn't happen very often. It also occasionally sells videos to other news organisations, but have no set price.

Paying for online content

Online subscriptions offer publishers the opportunity to ask readers to pay for content. Paying for content online is often associated with paywalls – yet it comes in many forms. There are lots of ways to set pricing plans such as number of articles, time spent, access to additional content or services. None of the UK, Dutch, Belgian or Swedish case studies have introduced paid subscriptions for their online edition or app. In the Netherlands, the Frisian service WâldNet (not included in this research) experimented with metered paid content some years ago but ditched the model because it became too complicated to maintain and resulted in little revenue.

- The French pure player Marsactu was set up in 2010 to cover the city of Marseille. Pierre Boucaud, who directed a local TV company previously, created it to take advantage of low entry costs and the opportunity to develop in a flexible model. They experimented with an annual subscription of €500 for Marséco, launched in 2014, a paid weekly online newsletter for economic decision-makers. Marsactu relaunched in the final quarter of 2015 with a business model based on online subscriptions. Three packages are available from: €6.99 (monthly), €17.99 (three-monthly), €59.99 (annual). Subscribers benefit from all the content in real time, with no limits. They can join 'L'Agora', a space dedicated to paid members where they can comment, write or share. They also have ways to steer and support the independence of the organisation - for example, subscribers can create a blog to initiate debates and share updates. On the website, free content is mainly from external contributors while a high proportion of premium content is reserved for subscribers. The professional offer (for institutions mainly) also works well. The subscription model is considered an option for Marsactu for a number of reasons, including the size of the geographic coverage of Marseille, the editorial focus – being independent from local authorities and very committed to the interaction with citizens, i.e. via L'Agora, and being in line with Mediapart, the French success story in terms of independent, investigative press.
- In November 2015 Aqvi.fr, in addition to their free online version, launched a new paid edition focused on the metropolis. It offers an enhanced version, available by paid subscription only. The website Aqvi.fr (regional coverage) stays free but a new paid edition (just for covering Bordeaux, the city) is paid for. It costs €5 euros by month or €50 euros by year. It's a test of the subscription model at the city level. Now they have two websites: Aqvi.fr and Aqvi-Bordeaux-Métropole.fr.

Membership and donations

Membership models offer publishers the opportunity to reflect a desire to have the community vested in their operations – and for readers to pledge support. There are various ways of rewarding support, including members gaining special event access or privileges. Contributions often help cover operating costs and there are differing levels of support ranging from ad hoc donations, general memberships to corporate sponsorships. Third-party sites such as PayPal, Flattr and J'aime L'info also allow for readers to give donations but these generate very little revenue. Given the close relationships between hyperlocal publishers and their audiences, several services evidence membership in some form.



The Bristol Cable

- **The Bristol Cable** in the UK runs as a membership model. Membership is £1 per month minimum, but members tend to pay an average of £3 per month. With more than 400 members, they generate a consistent £900 a month from this. Membership is founded on a principle that people get something back for their money 'to create commonly owned public-interest journalism, produced by a wide range of people'. It is unique as these members make up its cooperative, who jointly make big decisions. The team hope to increase to 2,500 members within 18 months.
- **Bitternepark.info** appeals for a monthly subscription of £1 per month, with options up to £25. Founder Guy Phillips, is aiming to encourage subscription donations closer to £5 and is looking at offering some benefits to tie in with this. One-off donations are also accepted via PayPal, bank transfer and standing order.
- **e52** in the Netherlands has 150 members that pay €52 a year. They received the monthly printed publication delivered for free, get invitations for special events and occasional gifts.
- In France, the association 'Les Amis d'Aqui' (Aqui's friends) welcomes supporters for a €25 or €50 annual donation. Its goal is to create links between **Aqui.fr** and its readers. These members are invited to an annual seminar about new trends in communication, such as open data.
- **Angers Mag** has a business club with two kinds of participation routes: membership and donations. Memberships only generate marginal revenues. Donations are more interesting and are exempt from tax for organisations with IPG (general political information) status.
- Since the beginning of 2016, **Marsactu** gives subscribers the opportunity to invest funds as part of the united news organisation status 'entreprise solidaire de presse', a new French status that is formed specifically for the financial backing of news enterprises. This innovative social enterprise framework provides tax incentives for those wishing to become a shareholder of a new newspaper. Controversial Paris-based magazine, Charlie Hebdo, was the first to adopt this status.⁷⁷
- **Terri(s)toires** membership is considered a 'subscription of support' and gives the reader certain privileges such as the possibility to comment on articles without preliminary moderation and to have photography considered for the website.
- **Rue89 Lyon** has a readers' club. By joining it, members can participate in organised debates and meet the media staff to give opinions about the site. The service asks for €5 a month to support the media's independence but revenue from this is anecdotal.

In December 2015 Dutch national journalism platform De Correspondent reached a milestone of 40,000 paying members and sparked a new wave of interest in membership models. The site was launched in 2013 after €1.3 million was raised through crowdfunding and donations in support of a mission to produce in-depth journalism using an ad-free platform that actively engages readers. They have monetised reporting with and for readers.

Grants and investments

Grants and investments are most commonly accessible to hyperlocal media services for social innovation and digital innovation initiatives. Funding and one-off awards can be sought for specific projects, development goals, pilots or research. They are often competitive processes and organisations are required to demonstrate eligibility against criteria, for example as outlined in Google's [Digital News Initiative](#), Power to Change's [Community Business Fund](#) and UnLtd's [awards programme for social entrepreneurs](#). Organisations also need to invest significant time and resources to apply, and for reporting purposes. Partnering with other organisations and harnessing the combined efforts of different players in a local area, or community of practice, could help to secure funding for a venture that benefits the whole community.

- **The Ambler** received £5,000 from the Sir James Knott Trust and £1,000 from Northumberland County Council's Community Chest to update IT and software. They have also been awarded £900 for their youth Artograffi project allowing young people to work with professional journalists on their storytelling online, but in a safe way. They say grants have become harder to find as many do not like to repeatedly re-invest in the same project.
- **Hebe Works** received a Nesta proof-of-concept funding grant in 2012 to create a mobile experience that people would pay for. On the back of demonstrating innovation within their service, they subsequently received funding through Nesta and Innovate UK's Destination Local Demonstrator funding.⁷⁸ On project successful completion (estimated May 2016) they will have received a total of £299,450 from Innovate UK.⁷⁹
- **The Lincolnite** received £1,000 from an innovation fund at Lincoln University over six months to work on the project.
- **Bitternepark.info** and **OnTheWight** were both awarded Nesta grants of £6,500 for participating in the Action Research in Audience Analytics project. The project is supporting ten UK hyperlocal media services to use online audience analytics tools more effectively.⁸⁰
- **The Bristol Cable** has been awarded funding for the Action Research in Audience Analytics project, and has also been awarded £1,500 from the UK federation of cooperatives, Coops UK, in 2013, £1,500 by Lush cosmetics in 2014 and £5,000 from the Moondance Foundation in 2015.
- In 2008, **Blog Preston** was involved in a multidisciplinary research project Bespoke, investigating how digital technologies can increase social inclusion and improve lives. Moving beyond social cohesion projects aimed at giving communities a voice, Bespoke connected communities with tangible benefits in the form of real-world outcomes with genuine impacts.⁸¹
- **Marsactu** and **Rue89 Lyon** have received grants from the French digital news innovation fund (FINP) backed by Google.⁸² Marsactu used funds to help it with new editions or products, such as Marséco. Rue89 Lyon used funds in 2014 to help in its data journalism activity, which is both editorial and commercial. 'Rue89 commercialise services like data journalism i.e. analysis, infographics, data visualisations and web apps'.⁸³ In 2015, [Aqui.fr](#) also received money for Aqui-Bordeaux-Métropole.⁸⁴
- Dutch service **Dichtbij** received almost €356,000 in 2010 as startup money from Journalism Innovation Fund (Stimuleringsfonds voor de Pers).
- Swedish service **Sydnärkenytt** has previously received some funds from the Swedish Employment Agency (Arbetsförmedlingen) and in 2012, they received €2,000 via the EU LEADER programme.⁸⁵
- The website **Gazet van Turnhout** (previous version of De Koep) received €15,000 from the King Boudewijn Fund and a donation from the municipality.

Crowdfunding

As a way to generate income around a specific project, online crowdfunding has received much attention in journalism. Several bespoke crowdfunding sites have also sprung up around journalism projects and commissions. Research suggests a striking upward trend in the number of people contributing financially to journalism projects.⁸⁶ High-profile successes have made it apparent that, as a way to engage public support and financial backing from a wide community base, crowdfunding can work. Hyperlocal media services are no exception and have experienced notable successes.

- **The Bristol Cable** raised £3,344 in a 28-day crowdfunding campaign in April 2014. It created significant buzz across the city and they got 79 backers, gaining momentum as a platform. They may use another crowdfunding campaign to generate revenue for themed editions, research or specific investigations
- **The Ambler** tried crowdfunding for a community event but found it difficult. They achieved their target of raising £1,000, which was match-funded by another organisation. It was for their annual Puffin Festival.
- **A Little Bit of Stone** used crowdfunding to create a new mobile-friendly website and allowed editor Jamie Summerfield to dedicate more time to the platform. The target of £15,000 was exceeded by £380, with a total of 145 backers in 42 days through crowdfunder.co.uk. Donations ranged from £5 - £75 from community supporters, from which they received 103 pledges on their website. Pledges of higher amounts included tickets to the launch party (£50+) or a 30-minute flight over Stone in a two-seater helicopter (£75+). Forty-six business supporters donated amounts from £100 - £1,500 in exchange for their company logo being shown on the [supporters' page, advertising slots, social media promotions and editorial coverage](#).
- **Rue89 Strasbourg** launched a crowdfunding campaign and collected more than €36,000. The funds were for the new site's design, to develop responsive design, to buy a video camera, and to develop more sections. They also created Strasbourg Connect a project to integrate social functions into the website. 'The idea was to create a local social network driven by current affairs.'⁸⁷
- **Marsactu** received more than €25,000 through crowdfunding to relaunch the service (after a compulsory liquidation in 2014). Before the liquidation, its newsletter targeted at economic decision-makers, Marséco, had approximately 100 subscribers. Now, Marsactu has approximately 1,200 subscribers of which more than half are backers from its crowdfunding campaign.

In July 2015 Positive News became the first crowdfunded global media cooperative, with 1,526 owners from across 33 countries. It was also the first community shares project launched by crowdfunding platform Crowdfunder in partnership with the Community Shares Company. Community shares are growing in popularity especially as they have a longer-term appeal, but there are key differences compared with other types of crowdfunding (i.e. donation based and reward based). For example, they can only be issued by co-operative societies, community benefit societies and charitable community benefit societies, and when an organisation issues community shares, each person who buys shares gets a vote in how the enterprise is run.⁸⁸

- **Aqui.fr** led a crowdfunding campaign to collect €90,000. They achieved less than half this despite a widespread social and communication push. The initiative was launched in order to pass a difficult stage in the site's development and, although they did not receive the target, the significant impact on reach and engagement helped the brand.
- Crowdfunding and donations are not that popular for Dutch local media. In the Netherlands, there is one important crowdfunding platform targeted at journalistic products, [Journalism](#). However, it is for investigative projects and Dutch hyperlocal media services have hardly used it. There is also the Journalism Innovation Fund ([Stimuleringsfonds voor de Pers](#)) but projects have to be innovative and it seems to be hard for existing hyperlocal media services to come up with innovative projects.⁸⁹

Data and licensing

The business of data journalism is in its infancy, especially across hyperlocal media. Data journalists can help to collate, synthesise and present diverse and often difficult threads of information to enlighten audiences and give real insights into complex issues. In this way, original journalism has value. Beyond that, data – and processing data – can also be seen as a service from which economic rewards can be generated, inclusive of open data – made publically and freely available, by public services, local and national government, and big data – large data sets often ‘mined’ and monetised by corporate organisations.

- **The City Talking's** parent company, Hebe Works, has developed Leeds Data Mill in partnership with Leeds City Council. It forms a hub for a vibrant open data culture in the city. One project that connects to the Leeds Data Mill is the city data dashboard powered by Solomon software. Developed using an open source model, Solomon allows users to easily visualise data and help people make sense of it. Users can create data ‘stories’ built from council data e.g. bin days or statutory notices. The user can flip over parts of the dashboard to see the source of the data and these can be gathered together as custom displays allowing the user to focus on data around a particular theme. The system also has simple tools for users to build their own ‘stories’ from open data. The team are looking at licence revenue models, where large service organisations such as the National Health Service or Yorkshire Water run locked-down versions in-house, or as a data streaming service. There would be an annual service fee for a hosted version of the dashboard and a tiered pricing plan for additional stories.
- In the Netherlands, **Alphens** sells data. It works together with websites that also work with or contain content from Alphens. Examples are the Alphen Business Centre and the local tourist office. Their knowledge of data comes from their involvement with software-company SERA.
- In France, **Six Neuf Data** is a data agency created in 2015 by Six Neuf Media (the parent editing society of Rue89 Lyon).⁹⁰ It is an experiment with both editorial (data journalism) and commercial because they propose services to clients such as web apps, infographics and data visualisations. Rue89 Lyon has created web applications such as interactive street views.

Events

While time consuming and complex, organising events can be a way to generate revenues either from ticket sales, sponsorship, spin-out services or by reaching new audiences. For hyperlocal publishers, the main win is community- and brand-building, with many publishers focussing more on the social aspects of getting people together. Event organising tools such as [Meetup.com](https://www.meetup.com) and [Eventbrite](https://www.eventbrite.com) have simplified the hosting process.

- **The Lincolnite** organises digital awards events for the digital creative sector in the county. To date there has been no revenue generated from this.
- **VIEWdigital** has been involved in events including training for community groups (video for the web, infographics etc.). There is often no revenue generated from these but promotion and further community engagement are seen as positive outcomes.
- **Visit Horsham**, **The Bristol Cable** and **Charlton Champion** organise casual meetups to discuss local issues, but there are no revenues generated from these.
- **Rue89 Lyon** has organised a natural wines and 'Meat me' food festival, which brought in a 'little bit of money' but mostly gave the service physical visibility.
- In the Netherlands, **Den Haag Direct** runs events for companies (approximately four a year) with the average cost to the company for one workshop being €10,000. They also organise smaller popup workshops for €150.
- **Alphens** sells tickets for third party events such as Culinary Alphen, Summer at the Lake, Lakeside (dance event), a boxing gala and Restaurant Week. Revenues are approximately €15,000 per year as they get a share of the revenues.
- **e52** organises a monthly 'light breakfast' and discussion. These are early morning sessions around specific themes with guests from business, politics, science and the cultural sector. Twice a year they organise a startup event. Companies sponsor events while people attending also pay an entry fee. The earnings are around €1,500 per event.

Affiliate marketing

Affiliate marketing is best recognised through services where publishers can host a 'shop window' to another marketplace on their website and earn commission from a merchant or retailer based on the value of the lead or subsequent purchase. Amazon Associates and CJ Affiliate are two examples.

- **Visit Horsham** use Affiliate Window,⁹¹ which in 2015 between the New Year and early autumn had generated £3,273 worth of business, and £134 in revenue for them. Visit Horsham act as a front-end to high-street retailers, and the service can be promoted alongside affiliate advertising to further boost performance. They also promote local postal 'click and collect' services through the affiliates. It is easy for small and independent businesses to join and even the local council has asked the service to feature deals and sales as a way of bringing people to the town.
- French **Rue89 Lyon** uses Ligatus. Ligatus Native Solutions are integrated into Europe's largest premium websites and offer 27 billion ad impressions per month, and focus on local reach. They can serve sponsored links at the end of the webpages.

Table 5: Revenue model map - This matrix represents the revenue streams being used by case study services in the groupings of viable, sustainable and resilient according to subjective responses

Described themselves as	Revenue category: In what range was your total revenue (income) for the last financial year	Partnerships	Display advertising	Native advertising, advertorial and sponsored content	Pay-per-click advertising	Directory or classified listings		Mobile advertising	Advertising network	Print products and subscriptions	Syndicated content	Paying for online content	Membership and donations	Grants and investments	Crowdfunding	Data and licensing	Events	Affiliate marketing		
RESILIENT																				
	under £25,000/ 35k euros	x	x	x	x									x						5
	between £25k-£100k/ 35-142k euros		x	x						x										3
	under £25,000/ 35k euros	x	x			x		x										x		5
	between £25k-£100k/ 35-142k euros	x	x	x																3
	between £100-250k/142-355k euros	x	x	x						x						x	x			6
	unknown		x							x				x						3
	under £25,000/ 35k euros									x			x				x			3
	between £25k-£100k/ 35-142k euros		x	x						x										3
SUSTAINABLE																				
	between £25k-£100k/ 35-142k euros		x		x								x	x		x	x	x		7
	more than £250k	x	x	x						x				x		x				6
	under £25,000/ 35k euros	x	x							x				x	x					5
	under £25,000/ 35k euros		x	x				x							x					4
	between £100-250k/142-355k euros		x		x	x				x	x		x	x						7
	under £25,000/ 35k euros	x	x	x						x							x			5
	between £100-250k/142-355k euros	x	x	x																4
	under £25,000/ 35k euros		x	x		x					x									4
	under £25,000/ 35k euros		x	x													x			3
	between £100-250k/142-355k euros	x	x			x								x			x			5
	under £25,000/ 35k euros		x																	1
	more than £250k/355k euros	x	x							x							x			4
	between £25k-£100k/ 35-142k euros		x	x						x										3
VIABLE																				
	between £100-250k/142-355k euros		x	x							x	x	x	x	x					7
	between £25k-£100k/ 35-142k euros		x		x							x	x	x	x					6
	under £25,000/ 35k euros		x										x							2
	under £25,000/ 35k euros	x	x	x																3
	under £25,000/ 35k euros	x	x	x										x						4
	under £25,000/ 35k euros																			
	under £25,000/ 35k euros		x		x															2
	under £25,000/ 35k euros												x							1
	under £25,000/ 35k euros	x	x	x	x								x	x						6
	under £25,000/ 35k euros	x							x	x			x	x	x					6
	between £25k-£100k/ 35-142k euros	x	x											x	x		x			5
Unknown category/ unclassified																				
	between £100-250k/142-355k euros		x							x				x						3
	between £25k-£100k/ 35-142k euros		x		x			x							x					4
		15	30	16	7	4		3	1	13	3	2	9	14	7	3	8	2		

SUMMARY

- Display advertising is the most dominant revenue stream, with banners being offered in different sizes, and graphic design on advertising done by the services themselves.
- There is very little use of Google AdSense evidenced in the cases studies due to insignificant revenues or clashes with editorial content.
- Native advertising or sponsored content is sparking increased interest and lucrative revenues.
- There is a mixed picture in national markets around advertising networks serving regional and local publishers.
- Print is playing an important role in discoverability and sustainability of hyperlocal media services.
- Crowdfunding is a valuable revenue for specific projects.
- Several services are seeing membership and donations as acts of support.
- A diverse range of services and events are being developed by the case studies but few are effectively monetising these activities.
- Partnerships are an important part of the revenue 'mesh.'
- The sharing economy and non-monetary exchange of services also plays a large part in the hyperlocal media ecosystem.

SECTION 5

INNOVATION AND EMERGING MODELS

As hyperlocal content producers are often consumed with the day-to-day pressures of their workflow, this section draws on areas of innovation in revenue creation from around the world. It highlights ways publishers of hyperlocal news and information could experiment. With many web-based platforms and rapid technological changes being developed, the aim is to guide publishers.

#1 Model: Hyperlocal alliance

Potential: In the US, the alliance for local independent online publishers, Lion Publishing,⁹² shares best practise, leverages discounts, offers advice and training, and offers support on technology development. This includes work on developing databases of advertising networks and legal support - who is doing what - and matchmaking with hyperlocal publishers. **How to get started?** Look to a well-placed union, cooperative, charity or independent centre to steer an alliance. An alliance could potentially pave the way for applications of strategic funds. In the UK, the Community Radio Fund offers small scale funding to community radio stations for strategic roles or projects.⁹³ And in 2015, the trade body for the sharing economy in the UK, SEUK,⁹⁴ was established to support the sector and set standards of good practice.

#2 Model: Writer membership network

Potential: Contributoria, a freelance journalism marketplace (which closed in 2015) ran a three-tiered membership model (free, £3.99 a month and £5.99). Across a three-month cycle members pitched stories and voted on them via a virtual points system, peer reviewed and co-edited them, then the stories were published on the website, e-reader and in print. Content was also syndicated. The highest 'patron' level was rewarded with both printed and e-reader editions and more spending power within the community. **How to get started?** The technology driving the platform is available as a white label purchase. Other platforms such as [Publish.org](#) and Spain's [Eldiario.es](#) are also being developed. The model requires strong in-text editing tools and content quality drivers between the members.

#3 Model: Journalism crowdfunding and commissioning networks

Potential: There are many networks: [Yournalism](#), [Beacon](#), [WePress](#), [PayDesk](#), [Storyhunter](#), [Stringr](#). They allow producers in different disciplines to access unique assignments from the world's top publishers, fund individual projects or sell content on. **How to get started?** Signing up to the network is straightforward. Pay attention to the revenue share that is being offered, as these will vary. There are also opportunities to be part of a larger journalism team.

#4 Model: Selling or repurposing your archive

Potential? At its most embellished, a news archive such as [Google's Global Database of Society](#) highlights the value in an archive. Hyperlocal media services can maximise opportunities to contextualise stories, by teaming up with national archive and data services to unlock value. Sales opportunities also exist around photo archives both digitally and as prints. **How to get started?** Consider what themes exist in your archive and to whom they may be of value. According to the founders of Kentishtowner, exploiting the 'long tail' – or the extended popularity curve – of previously published posts can provide thousands of extra hits per month. Highlighting historic content via a quick social media post, or even revising and refreshing an old feature, is a valuable technique for a resource-strapped hyperlocal publisher.⁹⁵

#5 Model: Selling data

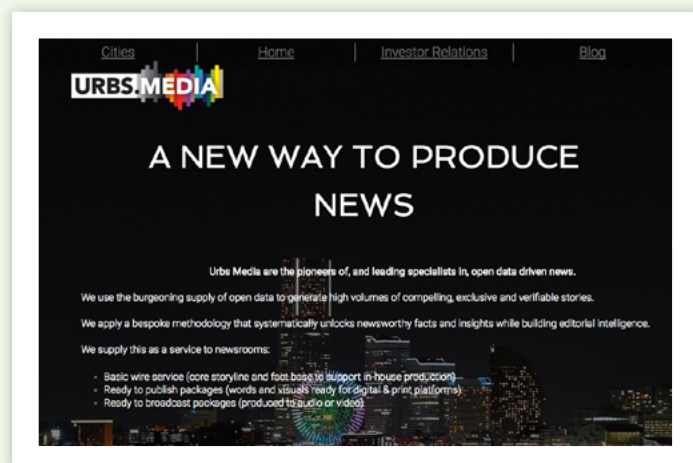
Potential: [Urbs Media](#), [The Texas Tribune](#), [Scraperwiki](#) and [Tweetminster](#) are emerging business models around data journalism: translating data into stories, connecting data into narratives, or processing data. **How to get started?** Look to access and exploit data sets for stories and create content around them. Kansas City Business Journal sells listings of curated data on the largest local businesses in various categories. Baltimore Business Journal publishes information from public records sources, such as real estate transactions, new corporations and partnerships, bankruptcies and charge weekly subscriptions or one-off download fees. Also, carefully audit what data you are gathering and if you could easily gather more. For example, ask for mobile phone numbers at the point of newsletter subscription. Do you have data relating to your audience in relation to peak times or places? Can you offer a loyal and large audience relating to a football match on a certain day and time?

Paris-based agency [Wedodata](#) offers a range of data journalism services, from data processing, news games and analytics to training and events. They pride themselves on combining beautiful and varied output formats (web apps, gifs, motion design, magazines) with journalism and data scientist know-how.

[Journalism++](#) 'makes your data speak' is an agency for data-driven storytelling. It is a network of independent for-profit companies operating in six different cities joined together in a franchise of data-driven storytellers.

At the local level, [10h11](#) is a specialist company in data visualisation and infographics at Bordeaux, Paris, Lyon and Quebec. It specialises in telling local stories and company narratives through data: from collection, analysis and narrative to visualisation and dissemination.

“ We wanted to see if we could change the process of journalism and news operations. Could we base a newsroom just on data instead of going out to talk to people? Could we replace conventional sources? Can we make a scalable city media model? Can we have a cheaper way of doing that? We generate text-based stories based on data topics that



generate highly shareable stories such as renting in London and pensions. City open data seems largely untapped as a resource – and generates interesting and useful news content. The data was easier to handle than we expected. We tried to be as objective as possible and not to pick up the phone and chase a comment. It feels more purist to be as objective as possible.

There are a number of different verticals for the business model. We could potentially have an international Urbs operation providing city sites around the world – using advertising in a direct to consumer model. We are also working out whether Urbs can work in a news service model. We would provide stories derived from open data that could be published as they are, or used as a lead for a more conventional piece of newsgathering, including comments and case studies. The nature of Urbs content means that it can provide bedrock resource of facts to offer context for a wide range of stories that would build up over time. This, I believe, would be a valuable resource for a news provider to be able to tap into.”

Gary Rogers, Editor in Chief, Urbs Media, speaking at the Hyperlocal Data Journalism Conference, 2015

#6 Model: Social media consultancy

Potential: Hyperlocal publishers are master connectors, and frequently leverage communities and engagement tools. These skills can be sold as a service to local businesses. **How to get started?** Get paid to make Facebook posts on a particular subject or to manage social media accounts. Use simple editing tools such as Animoto to compile Facebook photos and videos for popular local events, such as final year school dance or the village fete, and sell pre-roll sponsorship.

#7 Model: Syndicate and brokering services

Syndicate and brokering services **Potential:** [PARS](#), [Newzulu](#) and [Citizenside](#) syndicate and broker stories to other digital publishers to run on their sites. This can be challenging, however, as larger publishers are increasingly interested in commissioning their own piece than buying pre-existing content. **How to get started?** Set up accounts but check the revenue share.

#8 Model: Book, magazine and zine production and merchandise sales

Potential: You can either sell unusual books for non-Amazon publishers, as Slate did with this [Ursula LeGuin book](#), write your own, or write or edit one as a paid service on behalf of a local service, group or the wider community. PDF downloads and zines (self-published fanzines or magazines) can also do well. **How to get started?** Lulu and Blurb are just two self-publishing tools available. For more advanced steps into ecommerce, you can use existing online shop services (easier set-up and a robust framework but it means traffic leaving your website) or build your own (for example, the [WooCommerce](#) platform, the [GoCardless](#) direct debit payment gateway, and [Intuit Pay](#) (a card reader service that also facilitates online debit and credit card payments for remote or card-not-present (CNP) transactions).⁹⁶ You can also contact independent bookshops and photography or art galleries to enquire about selling printed books, magazines and zines.

#9 Model: Franchise

Potential: About My Area in the UK launched in 2005 and has a national network of 2,000 community websites of what's on, events, directories, news and surveys. It offers a franchise to those wanting to make money. [Near You Now](#) is a real-time web service enabling media organisations to show local articles and information personalised by location. The London24 service, run by regional publisher Archant, uses the service and consequently was awarded highly commended by judges in the 2015 News Awards for Digital Innovation of the Year.⁹⁷ [Neighbour Net](#) started in 2000 and claims to be the largest network of local community websites in Europe, with nine sites covering London run by locally based editors. Neighbour Net provides proprietary software, a domain name and hosting and franchisees don't pay anything to Neighbour Net until they start making an operating income. **How to get started?** To join a franchise, contact the publisher/network provider directly. Running a franchise itself is trickier: UK regional publisher Northcliffe Media ran one of the largest franchise experiments Local People, a network of paid community publishers curating content and stories across small towns, but it too failed to adjust business models to a sufficiently local area and closed in 2013.

#10 Model: Pooling sites for an advertising partnership

Pooling sites for an advertising partnership **Potential:** A group of hyperlocal media publishers from the UK city of Leeds have harnessed informal links to develop the idea of combining reach, to scale and offer advertising that could be sold across the platforms as a package. They have found a potential ad sales person from within the network. *"The principle is sound and solid"*, says John Baron of West Leeds Despatch. **How to get started?** The first step is to see if there is a market for the ads, then to work out how to divide the revenues, develop consistent ad templates, and assess the need for an umbrella business or decision-making body. How to preserve independence while consolidating revenue potential is key. See www.yourlocallinkmediagroup.co.uk as an example.

#11 Model: YouTube video revenue share

YouTube video revenue share **Potential:** Earnings are generated based on a share of advertising revenue when people view your video – so more views may lead to more revenue. Revenues are from ads served via the AdSense auction or sold on a reservation basis via Google's DoubleClick service. YouTube does change the terms of partner deals however. **How to get started?** In your account settings, go to the monetisation tab, and once approved YouTube will place ads inside or near your videos.⁹⁸

The [Community Channel](#), which is run by the Media Trust in the UK, is a not-for-profit free-to-air television, online and on-demand channel 'dedicated to highlighting issues from both local and international communities as well as the voluntary and charitable sectors'. Filmmakers have the opportunity to have their films shown on the channel, and although they aren't paid or able to take a cut from the advertising revenue, they do get the 'opportunity for UK-wide television broadcast, which would be impossible to negotiate with a mainstream broadcaster'.⁹⁹ Filmmakers get on-screen credit and recognition for their work, and with the channel available to 13 million homes and 36 million people, and watched by a record ten million viewers in 2014, there could be a lot of potential for hyperlocal publishers who work with video to expand their reach.

#12 Model: Clickfunding

Potential: [Bassita](#) is a clickfunding service created in Egypt. It offers a way to monetise a social media campaign via clicks by connecting social media performance targets with sponsors. Currently it operates as a business-to-business service, with plans to expand to business-to-consumer, where anyone could set their own target and connect with their own sponsors. **How to get started?** Explore the Bassita website and think of campaigns with social or civic impact that could be of interest to a sponsor.

#13 Model: Cryptocurrencies, distributed ledger technologies and the blockchain

Potential: While Bitcoin has yet to go mainstream, its potential - and the wider impact of the protocol on which it is based - could be a source of revenue capture for local media. Activists in Ukraine used QR codes printed on demonstration placards to receive bitcoin donations. **How to get started?** Join research events with the RCUK-funded [New Economic Models for the Digital Economy](#), or follow Director of Digital Currency at the MIT Media Lab Brian Forde, or Nesta's work in this space including the [D-CENT](#) project, which has developed the Freecoin.¹⁰⁰

#14 Model: The shared paywall and freemium

Potential: After merging with Tinypass in 2015, [Piano](#) became the largest provider of metered paywalls worldwide with more than 1,200 news and media providers globally using their platforms. In the Piano National model participating publishers are compensated via a revenue share based on two items: a commission is paid to the site where the user purchased their subscription and then a volume component paid to publishers based on the time spent reading content. **How to get started?** Bundling is key so teaming up with other regional and local media, or media with strong thematic crossover, would be key. Piano Solo also offers independent media paywall options.

#15 Model: Donation platforms or microdonations

Potential: [Blendle](#) put all newspapers and magazines in the Netherlands behind one pay-per-article paywall. It has 250,000 users, many of whom are under the age of 35, and has added licences for The New York Times, The Wall Street Journal and The Washington Post. Other microdonation tools that can be added to websites, such as Flattr, have had less success for news publishers mainly because the amounts are so small: even a €10 budget divided between 25 flattrs (in other words, 'likes') would equal only 40 Euro cents each. **How to get started?** You can sign up to Flattr as a creator.

#16 Model: The sharing economy

Potential: While the emergence of platforms such as peer-to-peer room rental service Airbnb, volunteer service [Good for Nothing](#) and taxi service Uber have confirmed the new status quo of the sharing economy, there is much untapped potential at local level. In the UK, local trading project [Barter](#) in Lancaster and local currency [Brixton Pound](#) demonstrate the hunger for local economic transactions, while the French hyper-localised dating app Happn has leveraged local dating. **How to get started?** Consider the services that are most needed in your community and where a sharing economy could emerge. Websites [www.compareandshare.com](#) and <http://ouishare.net/en> are useful knowledge-sharing resources and to find out about products and services in the market.

#17 Model: Podcasts

Potential: With daily online magazine [Slate's](#) six million monthly podcast downloads in 2015 and a growing set of live events, podcasts are emerging as a compelling opportunity for publishers. Direct response adverts and midroll units, 30 to 60 seconds long, can be sold. The Chicago Podcast Cooperative produces 30 shows from a shared studio resource and sells advertising across its collection of shows, bringing together local podcasts and local businesses. **How to get started?** [audioBoom](#) and [SoundCloud](#) offer simple mobile-to-web audio recording. Create compelling podcasts, or a podcast 'festival' (see Doncaster Folk Festival 2015, UK, as an example) for local businesses or events, in exchange for a fee or sponsorship. Applying Slate's Panoply model, hyperlocal publishers can work with partners to create custom podcasts, or native podcasts, delivering helpful or entertaining information to listeners.

#18 Model: Proximity broadcasting infrastructure

Potential: Whether it is through McDonalds's free WiFi and wireless charging infrastructure¹⁰¹ or shifts in technology for city communications, such as Transport for London's 2015 £1 billion tender contract for 'new advertising technology'¹⁰² and New York's portal for 'neighbourhood specific information',¹⁰³ investment in WiFi and iBeacon technology could allow hyperlocal publishers to be found more easily. **How to get started?** Keep an eye on funding calls and seek out collaborations with infrastructure and technology companies. [Innovate UK](#), [IC tomorrow](#), [Wayra](#), [BT Infinity Lab](#) and [Nominet Trust](#) are a few funding bodies to follow. Also follow projects such as www.castproject.org and <http://locast.mit.edu/>

Local-facing UK-based advertising network Addiply is developing advertising messaging services within apps, where adverts can be contextualised twice: once by geolocation and again by position within the app experience. For local advertising sales, there is the potential to offer adverts across sites running Addiply in a specific area, running messages based on real time and place. Addiply is also looking at tie-ups with Internet Service Providers to deliver ads to entry portals for public WiFi hotspots, an area where CEO Rick Waghorn says local media could provide content and advertising notifications.

#19 Model: Discounts

Potential: Brick City Bucks is a small local news site that covers events and businesses in Newark, New Jersey.¹⁰⁴ Site users receive a free membership card that entitles them to specials and discounts offered by site advertisers. **How to get started?** Consider setting up a loyalty scheme as an add-on for advertising deals or between local shops or producers. In the future, The Bristol Cable hopes to leverage membership to get discounts on local services for its members. Increasingly, BIDs (Business Improvement Districts) are being set up across the UK, publishing their own content and providing local discount cards. Do some research as to what is already available in your local area, or try to forge a working relationship with your BID (although some hyperlocal publishers have had resistance, as highlighted by the editors of [Kentishowner](#)).¹⁰⁵

In 2012 the founders of Kentishtowner ran their biggest [reader awards](#) to celebrate the area's independent businesses, which were 'a hit with local businesses on the high street' as they drove footfall. It was also a highly beneficial to the Kentishtowner brand as it was 'out in the physical environment' before the launch of the first print edition, which subsequently drove 'deeper engagement with readers, and further a sense of ownership'. Furthermore, the awards were sponsored by a national brand and mobile minicab service Kabbee from whom Kentishtowner secured a four-figure deal.¹⁰⁶

#20 Model: Monetise crowd-sourced photography

Potential: Periodicals are very of the moment. *Street Dreams Magazine* has monetised a compelling Instagram account with an associated print supplement. It started as three young friends who loved street photography and turned it into a calling for their peers, as well as an expanding publishing and social media brand. La Cronaca Italiana in Italy experimented with hosting an Instagram takeover with local communities, which 'gathered ten times its number of initial followers on Instagram' and increased audience participation.¹⁰⁷ Social media takeovers can also help to expand content reach, and market a new product, service or event.¹⁰⁸ **How to get started?** Build a loyal following on Instagram by connecting with hashtags and people, host Instagram takeovers, and feature photographs from key Instagram users. Use Instagram for business for useful tips, and Gramfeed and Iconosquare for additional metrics.

#21 Model: Ad server slots

Potential: Pubfood.js lets publishers decide which of their ad server slots are available for bidding and which partners may bid for them. Then there is a live auction to allow slots to be filled. **How to get started?** <http://pubfood.org/quick-start>

#22 Model: Social news curation

Potential: Making sense of social media can have value for many organisations and companies. It can also be the source of original stories when curated well. **How to get started?** Look to [Rappler](#) in the Philippines as an example. Rappler combines structured and unstructured data into narratives and makes revenues from insights from social media conversations, and offers native solutions to brands combining infographics, videos, real ground events, on with online mentions, live tweets and blogs.

SECTION 6

In the first table below we outline our main conclusions. These are based on: hyperlocal media services, characteristics of success, overview of revenue streams, the least viable revenue streams, the most viable revenue streams, services based on being viable, sustainable, and resilient and services based on country.

And in the following table we outline recommendations, which are for attention of/focused on: hyperlocal media services, the hyperlocal media sector (i.e. strategic organisations supporting the sector) the wider media sector, training, legislation and policy, and research. We anticipate that these recommendations will be useful in encouraging positive change and ongoing support of hyperlocal media, not only in the five countries covered in this research but across Europe and beyond.

CONCLUSIONS

Hyperlocal media services

1. They are increasingly diverse and include varying geographical reach, publication type and purpose.
2. There is little consistency in terms of goals or exit strategies: some want to diversify or have more impact, others want to grow and scale. There is no such thing as an 'average' hyperlocal publisher or service.
3. They offer several traits of an ecosystem as there are many interdependencies, between people and organisations, which are imbalanced and dynamic.
4. A diverse range of partnerships exist between service to service, service to legacy publishers, and beyond the media industry.
5. Hyperlocal publishers come from a range of backgrounds, therefore, their skills and experience varies greatly.
6. There is a desire across all services to be recognised more fully for the role they play in local journalism.

Characteristics of success

7. There is a high use and reliance on volunteers but they can be used creatively and to great effect as a resource, which contributes to the revenue model as it results in low costs for content production.
8. Hyperlocal publishers can leverage a close relationship with advertisers, and with other publishers so as to strengthen relationships with advertisers.
9. Hyperlocal media services are particularly adaptive when it comes to advertising sales provision, using and developing advertising sales staff in a variety of ways.
10. Loyalty plays a large part in the advertising sales cycle and this can be used to generate income.
11. Regarding numbers of professional staff, the case study services are modest in size. Even the largest ones have no more than a dozen staff members, including those consisting of family teams, one-person operations or small groups of like-minded citizens.

Hyperlocal revenues - overview

12. Finding robust revenue streams is not easy yet there are pockets of success.
13. There is a lack of consistency and detailed knowledge about advertising and revenues.
 - 13.1 There is a mixed picture in national markets around advertising networks serving regional and local publishers.
 - 13.2 There is some consistency in advertising sizes across the case studies but much variance in the rate cards.
14. The privileges and benefits afforded to independently produced media vary greatly across Europe.
15. While there is scope for income from statutory notices there is much variance in policies in the countries covered in this research.
16. As local government and municipalities improve their own communication directly to citizens, this further squeezes opportunities for hyperlocal media services.
17. Hyperlocal services across Europe operate under a wide range of business structures all affording different advantages and restrictions.
18. The sharing economy and non-monetary exchange of services plays a large part in the hyperlocal media ecosystem.

Least viable revenue streams

19. There is very little use of Google AdSense evidenced in the cases studies due to insignificant revenues or clashes with editorial content.
20. Development of effective mobile advertising is in its infancy, therefore, hyperlocal publishers currently have limited or varying successes with it.
21. There is limited use of affiliate marketing.
22. While several hyperlocal media services have benefitted from grants or investment, this requires significant effort, funding is usually one-off, and eligibility criteria can be a barrier.
23. A diverse range of services and events are being developed by services but few are effectively monetising these activities.
24. Although two services (both in France) have seen some success with charging to access online content, this is not considered a popular revenue option by most publishers.

Most viable revenue streams

25. Hyperlocal publishers are diversifying their revenues and do not rely on one revenue source. Although, this results in substantial differences in revenue models.
26. Display advertising is the most dominant form of advertising with graphic design effectively being done in-house.
27. Native advertising or sponsored content is sparking increased interest and lucrative revenues.
28. Hyperlocal media services are finding ways to monetise and promote messages on behalf of advertisers.
29. There are opportunities for hyperlocal media services to leverage high values from classified and directory listings.
30. There is resurgence in the interest of print publications, as it plays an important role in discoverability and sustainability of hyperlocal media services.

31. Crowdfunding is a valuable revenue for specific projects or campaigns.
32. There are opportunities, albeit sporadic, to syndicate content.
33. Several services are seeing membership and donations as beneficial acts of support.
34. Partnerships are an important part of the revenue 'mesh'. The small size of hyperlocal media services could be a permanent obstacle in moving towards maturity. Chain-forming, expanding operations or partnerships could help to solve this problem.
35. Some services are pioneering ways to monetise data and there are growing opportunities for hyperlocal media services to tap into data and data journalism.

Viable services

36. Of the 12 services describing themselves as viable, nine earn less than £25,000 a year, suggesting a strong correlation between low revenue and viability.
37. Low revenue may play a large part in a service being limited to fulfilling a demand or perceived need for content.

Sustainable services

38. The 13 services describing themselves as sustainable had mixed revenues ranging from under £25,000 to more than £250,000 suggesting income is not the only factor in sustainability.
39. The term sustainable was highly subjective and interpreted differently across the case studies.
40. Sustainable and resilient services are more likely to employ dedicated sales and marketing staff.

Resilient services

41. Seven services describing themselves as resilient had mixed revenues ranging from under £25,000 to between £100,000-£250,000.
42. Three of the services had revenues of less than £25,000, suggesting high revenues are not the only factor in perceived resilience.

Country-by-country

43. The UK has a vibrant and well-documented hyperlocal media sector that relies heavily on volunteers but is punctuated with innovative cases of membership models and data services.
44. The UK services focus on content production of local news, politics, events, local businesses and investigations.
45. Older demographics in the UK are known to be more interested in politics but art sections have made print products popular to younger audiences.
46. In the Netherlands, services are operating in many municipalities and the number of operations seems to be growing.
47. Politics, crime, cultural events, 'what's on' guides, and business news are popular topics covered by Dutch services.
48. There is a wide cross-section of demographics targeted in the Netherlands, including highly educated and affluent audiences.

49. In France, hyperlocal media services are referred to as ‘pure players’ and largely squeezed out due to government subsidy of legacy media and strong municipal portals. Civic engagement is high all the same.
50. Politics, current affairs and slow journalism are a focus for French services.
51. There is little consistency in the use of analytics, i.e. website and social media analytics, by the French services.
52. In Belgium, the landscape has been punctuated with hyperlocal media closures and there is much competition from traditional/established news publishers covering municipalities.
53. A focus on local government, cultural identity and language are consistent across Belgian services.
54. In Sweden, stand-alone services are rare. The country still has a broad range of local newspapers making it difficult to sustain other independent online news services.
55. ‘General news’ seems to be the focus of content production across Swedish services.

RECOMMENDATIONS

Hyperlocal media services

1. Explore the value chain of activities (and the conclusions and recommendations) in this research report to further identify revenue diversification opportunities.
2. Play a greater role when it comes to elections, big news events and campaigns. I.e. running surveys, covering council meetings and local campaigns, as well as finding ways to leverage the reach of legacy publishers for mutual advantage, will help to raise your service’s profile.
3. Responsive, mobile-friendly websites are recommended, whereas native mobile or tablet apps can be costly and resource-intensive and not any more effective.
4. Explore opportunities for journalism students from universities or from other services, for example [VOMO TV](#), to assist with or contribute to content production.

Hyperlocal media sector

5. Initiate wider efforts to promote hyperlocal media services and content, to stimulate demand and the market. This should include help with marketing and promotion within communities.
6. Coordinate action to create an independent publisher’s alliance to promote national cross-sector representation. Such an alliance would help with bulk-buying advertising or sector-level initiatives.
7. Create a recruitment database of advertising sales and marketing staff working in the local and national sectors with corresponding job opportunities. This could be done through the sharing economy, via websites such as People Per Hour.
8. Develop a database of relevant regional and hyperlocal advertising networks to map gaps, and opportunities for development.
9. Encourage and support technological and resource investment in hyperlocal advertising platforms.
10. Build on activities to date to develop business opportunities around data journalism. I.e.:

10.1 This could include developing customer data management systems to process data captured by hyperlocal media services, or produce wider guidance on how to make revenues from data.

10.2 Creation of an independent local data standard by allowing data sharing between local services, which would be economically beneficial.

11. Coordinate collaboration on initiatives to put forward for news innovation, digital innovation and social innovation challenges, funding and prizes.

12. Explore scalable models for small independent publishers to leverage larger distributed content deals.

Training

13. Support moves to multimedia content production such as podcasts and video, and the transition to mobile-friendly sites, with training on corresponding monetisation opportunities.

14. Produce further guidance on emerging and alternative revenue models.

15. Facilitate partnering and mentoring between hyperlocal media services internationally, including peer learning, business support, and identification of skills and services that could be monetised, which will lead to potential resource sharing and expand knowledge around revenue creation.

16. Address knowledge gaps regarding grant and funding applications, i.e. by providing guidance to hyperlocal publishers as to how to write effective applications.

17. Provide guidance to hyperlocal publishers on how to team up with (or help them to broker relationships with) location-based platforms for effective geo-tagging of content, and other technology services that are innovating online revenue creation.

Wider media industry

18. Technology and internet search giants, such as Google and Facebook, should support the hyperlocal media sector by helping make hyperlocal content more discoverable through modifications to their content discovery algorithms.

19. Public service broadcasters and legacy media can more actively link to the sector and purchase material under concrete agreements such as syndications.

20. More nuanced guidelines and rules on how the flow, attribution and commissioning of content from hyperlocal media services to public service or legacy media is necessary. This will ensure hyperlocal publishers are appropriately credited for their content and recognised for their contribution to the wider media landscape.

Legislation and policy

21. A re-evaluation of subsidies to legacy publishers should take place, as not only do these benefits not apply to hyperlocal publishers, they can be a barrier to their growth.

22. There should be Europe-wide coordination of the economic benefits of indirect subsidies.

23. Local governments are urged to support hyperlocal media services and recognise their value proposition. This includes supporting media plurality rather than dominating activity with local information portals.

24. The hyperlocal media sector requires funds to address cash flow. As such, banks and other financial services should facilitate more flexible loans and business accounts that are conducive to small, emerging creative businesses.

25. Investment providers (i.e. through impact investment), grant and philanthropic providers (including the Big Lottery Fund who traditionally doesn't fund journalistic projects

or organisations) should support the hyperlocal media sector in recognition of its contribution to community cohesion, local democratic processes and local economies, and civic engagement and as a form of active citizenship.

26. Pay-per-click giants such as Google are urged to share data on local and hyperlocal advertising for a better understanding of return on investment.
27. Creation of a new Europe-wide business structure to represent socially responsible media organisations that promote citizen values, with consistent privileges such as tax breaks in accordance with the Digital Single Market should be initiated.

Research

28. Effective methods for measuring the impact, and determining the success, of hyperlocal content production and distribution should be investigated.
29. More nuanced understanding of partnership and collaboration opportunities i.e. between service to service, service to legacy media, and between hyperlocal media services and cross-sector organisations should be carried out.
30. Mapping activity (such as Localweblist.net in the UK) and action research initiatives should be expanded to other European countries in order to cross-pollinate innovation activities and accelerate good practice.
31. Undertake a longitudinal study of international hyperlocal media services that are deemed sustainable or resilient to chart activities and identify best practice.
32. Carry out further work to define relevant terminology around hyperlocal media:
 - To take into account the diverse content production that exists across platforms with variant purposes (and other aspects that go beyond simply a geographic location)
 - Including what is meant by 'success'.

APPENDICES

APPENDIX 1A: BUSINESS STRUCTURES TABLE

Business structure	Hyperlocal examples	Potential advantages	Potential limitations and reporting requirements
Partnership	Liwadders (Netherlands)	<p>Highly flexible and can come into existence without any formal agreement or registration, simply 'when two or more persons carry on a business with a view to making a profit'.</p> <p>Partnerships are run on the basis of a contract between the partners which can be created orally again showing the limited formalities.</p> <p>The partners have the support of joint decision making.</p> <p>All profits belong to the partners.</p> <p>In the absence of any existing partnership agreement they are governed by the extensive Partnership Act 1890 which provides provisions for the running of a partnership in default of any existing agreement.</p> <p>Partners share the ownership of any partnership assets as opposed to the partnership owning the assets in its own right.</p> <p>No need to file accounts/ partnership information other than the details of the partners with HMRC.</p> <p>A duty is imposed upon the partners by the Partnership Act to act with the utmost fairness and in good faith with one and other applying to all partnerships.</p>	<ul style="list-style-type: none"> Partners are personally liable for income tax as self-employed individuals on any drawings or salary and capital gains tax on any disposal of partnership assets. Partners have unlimited liability for the debts of the partnership and in default of any other agreement the partners are jointly and severally liable – meaning one partner can potentially be pursued for the entirety of a debt owed by the partnership. Creditors can pursue not only the assets used by the partnership but also the personal assets of the partners. Partnership comes to an end if a partner retires or dies and no other partner buys that partner out. Caution as to any employee or other holding themself out to be a partner of the firm. If any contracting party or creditor were to rely on this 'holding out' the person that the third party relied on can be liable. The firm and therefore partners can be liable for any action that was carried out on behalf of the firm without authority, if it appears to an outsider to be an authorised act (such as dealings of the type or kind that the partnership normally engages in). <p>Reporting requirements</p> <ul style="list-style-type: none"> It is the responsibility of each partner to register with HMRC for tax purposes. HMRC must be notified of the identity of partners. Depending on the chosen name of the partnership, the controls on the name of partnerships set out in the Companies Act may apply. If the Act applies then certain words and expressions forming part of the business name will require the written approval of the Secretary of State for Business, Innovation and Skills. On the retirement of any partner it is necessary to notify all creditors and place a notice in the London Gazette so that the outgoing partner cannot be pursued for any subsequent debts or liabilities of the partnership. It is important to be aware that the liability of an outgoing partner does not automatically come to an end on retirement.

Business structure	Hyperlocal examples	Potential advantages	Potential limitations and reporting requirements
Limited Liability Partnership (LLP)	Shetland News (UK)	<p>Hybrid business structure that combines a partnership with a company limited by shares.</p> <p>The LLP has its own corporate legal identity and therefore the liability of partners is fully limited as opposed to a general partnership.</p> <p>Created and regulated by the Limited Liability Partnerships Act 2000 and these regulations govern the hybrid business structure.</p> <p>All profits are owned by the partners. Again the partners share the support of each other in the decision making process.</p>	<p>Limitations</p> <ul style="list-style-type: none"> • Requirement to file accounts at Companies House which will then make these public documents. • The transfer of a personal interest in the LLP is more complex than for example a transfer of shares. • LLPs cannot change business structure to become a limited company. • Company Directors Disqualification Act 1986 applies to the members of an LLP so members can be disqualified. • Members liable for debts of the LLP up to the level of capital that they have contributed to the partnership in the absence of any other agreement. <p>Reporting requirements</p> <ul style="list-style-type: none"> • The LLP must have at least two 'designated members' who are responsible for making all Companies House filings on behalf of the LLP. • Duty of members to produce financial accounts for reporting that give a true and fair view of the LLP. • The place of business of the LLP must have the name of the partnership outside. • All stationery and publications of the LLP must mention the name, place of business, its place of registration, the registration number of the LLP and the registered office for service of documents. • LLPs must send an annual return to Companies House stating the registered office, the names and addresses of the members of the LLP; the designated members of the LLP in the case that all members are not designated and the address where the register of debenture holders is kept if this is not the registered office. • Any changes to the LLP must be notified to the Registrar of Companies as they occur.
Company Limited by Shares	Hebe Works (UK) OnTheWight (UK) DUIC (De Utrechtse Internet Courant) (Netherlands) Visit Horsham (UK) Ditisiwijk (Netherlands) Den Haag Direct (Netherlands) The Lincolnite (UK) of Stonebrow Media limited	<p>The liability of members (shareholders) Limitations in a company of this type is limited by its constitution – the level of a liability is limited to the amount the shareholder has agreed to pay for the shares they own.</p> <p>Along with the above, the company has its own legal identity so can take ownership of assets and enter contracts in its own right, two major advantages of this business structure.</p> <p>There is a clear distinction between the company's rights and obligations as a 'legal person' and those rights and obligations of the 'natural persons' who run the business (the directors).</p> <p>The company can enter into contracts and offer security over its own assets, limiting the exposure to risk for the shareholders and protecting their personal assets.</p>	<ul style="list-style-type: none"> • The company can only raise money from the restricted owner/investors; it is prohibited from raising money from members of the public by issuing securities as shares. • If any of the nominal value of shares held by a shareholder remains unpaid, the Insolvency Act 1986 allows creditors to claim these amounts outstanding to settle the debt. • A company can be sued and have legal proceedings brought against it in its own name. This can again however protect those owning and running the business. • The company as a separate legal person is not always exclusively responsible and liable for its actions – for example in the case of an insolvent liquidation, should the directors have ought to know, or in fact already knew there was no reasonable prospect of avoiding insolvent liquidation, they may be ordered to contribute money toward the company's assets. • There are quite extensive reporting requirements that involve making a great deal of information available to inspection by the public.

Business structure	Hyperlocal examples	Potential advantages	Potential limitations and reporting requirements
<p>Company Limited by Shares (continued)</p>	<p>Alphens (Netherlands) Dichtbij (Netherlands) e52 (Netherlands)</p>	<p>The shareholders risk exposure is limited to the value of the aggregate nominal value of their shareholding (in the absence of any personal guarantees).</p> <p>In most cases, when a shareholder acquires shares in the capital of the company they will pay for these up front, and therefore their liability is already settled – even before any debts become due.</p> <p>A company can sue and commence legal proceedings in its own name.</p>	<ul style="list-style-type: none"> • Regulated by the extensive Companies Act 2006 which along with the articles of association of the company govern how the company will operate. • The company can be fined or in the most serious case face criminal sanctions for not meeting the extensive reporting requirements pursuant to the Companies Act 2006. All information filed must be by the specific deadlines and accurate as at that date. • Directors have both statutory and fiduciary duties toward the company that are extensive. • Courts have the discretionary power to disqualify directors under the Company Directors Disqualification Act 1986 under a number of grounds including if the director is convicted of an indictable offence, for persistent breaches of companies legislation, fraud in winding up, on summary conviction for filing or notice default, being an unfit director of insolvent companies, disqualification after investigation, fraudulent or wrongful trading and breach of competition law. <p>Reporting requirements</p> <ul style="list-style-type: none"> • An annual return must be filed each year with the Registrar of Companies. This will include the identity of the shareholders of the company, the number and type of shares that they own, the identity and certain personal information about the directors and the identity of the company secretary (if there is one). • Annual financial accounts must be filed at Companies House. • The company's constitution must be available for inspection on Companies House (ie. the Articles and Memorandum of Association). • Any decisions taken by shareholders in the form of shareholder resolutions must be filed with Companies House. • Any charges, securities, mortgages and debentures over the assets of the company must also be registered with Companies House. • The company must have a registered office (registered with Companies House) for service of notices, documents and communications. • The company must have an annual accounting reference date; this date is usually the anniversary of the last day in the month in which the company was first incorporated. This can be changed however, most often to coincide with the end of the tax year. • All business letters, order forms and websites must state the company's country of registration, its registered number and the address of the registered office. • The company must maintain a register members that documents the owners of the shares in the company. Only when a person's name is entered into the register of members does that person become a shareholder. This register must be expeditiously updated as to any changes and any company and any officers of a company failing to do so may be criminally liable, punishable by fine. • The company must keep a register of directors that includes the director's name, address for service of documents, country of usual residence, nationality, business occupation and date of birth.

Business structure	Hyperlocal examples	Potential advantages	Potential limitations and reporting requirements
SARL (Société à responsabilité limitée)	Angers Mag (France) Terri(s)toires (France) of Rue Prémion agency Rue89 Strasbourg (France) of MediaLab	<p>Broadly speaking a French equivalent of a UK company limited by shares. Easy to incorporate and precisely regulated by the French Commercial Code (FCC).</p> <p>If a share transfer is to a partner, spouse, ascendant or descendant the transfer does not need approval.</p> <p>Generally suitable to small businesses that will not exceed the thresholds put in place by the FCC eg. Maximum 100 members.</p> <p>Minimum capital of €1 making a SARL easier to incorporate than previously.</p> <p>If all members are individual and are family members it is possible to opt for income tax as opposed to corporation tax.</p> <p>Shareholders liability is limited to the amount of the share capital in the company that they own – similarly to a UK company limited by shares.</p>	<p>Limitations</p> <ul style="list-style-type: none"> • Heavily regulated allowing little room for flexibility in the running of the company. • SARLs can limit the potential for growth of a company as they can only have a maximum of 100 shareholders. • In addition, any transfer of shares must be approved by a majority representing at least 50 per cent of the shares in the company. • A SARL must have a ‘natural person’ as its manager. • Tendency for banks and lenders to adjudge the health of a SARL using the state of the capital alongside the balance sheet and profit loss impacting upon SARLs with a low capital. • Subject to corporation tax similarly to UK Company limited by shares. <p>Reporting requirements</p> <ul style="list-style-type: none"> • The SARL must be registered with the Trade Registry and as such is subject to strict tax and accountancy reporting requirements. • A SARL must appoint a statutory auditor when two of the three following conditions are satisfied. <ul style="list-style-type: none"> • The SARL has 50 employees. • The total sheet balance of the SARL exceeds €1.55m; and/or. • The SARL’s turnover exceeds 3.1m. • Shareholders have information rights so can inspect the register of shareholders and meetings amongst other information at the corporate office of the SARL.
SAS (Société par actions simplifiée)	Marsactu (France)	<p>Shareholders liability is limited to the amount of the share capital in the company that they own – similarly to a UK company limited by shares. There is no minimum capital requirement to incorporate a SAS. Considered in France as the business structure with the greatest flexibility combined with protection for shareholders.</p> <p>High level of flexibility allows the owners and managers to tailor the business to their needs – strong advantage for small businesses looking for dynamism such as startups with great potential.</p> <p>The company’s constitution or ‘bye-laws’ can determine the rights that types of share have including right to vote and right to dividend – allows the creation of different classes of share.</p> <p>Does not have a board of directors, suiting a small company with a single person heading the company. Allows autonomous decision making that cannot be blocked by a lack of board approval.</p>	<p>Limitations</p> <ul style="list-style-type: none"> • Can be potentially more costly to set up as the drafting and creation of company bye-laws may require professional advice and assistance. • No support of joint decision making. • Less protection for minority shareholders as there are no bars to transferring shares such as the requirement for approval from the majority of shareholders in the case of a SARL. • A SAS is not able to raise finance by offering their shares to the public, similarly to a SARL. <p>Reporting requirements</p> <ul style="list-style-type: none"> • The SAS has limited reporting requirements. • The SAS must have annual statements published giving an annual summary of the activities of the business along with a balance sheet. This is published as public information. • The shareholders of the SAS have information rights similar to those of the SARL; however, in addition each shareholder is permitted to make two written enquiries or questions to the chairperson of the SAS in relation to any aspect they think is not in the best interests of the SAS.

Business structure	Hyperlocal examples	Potential advantages	Potential limitations and reporting requirements
SAS (Société par actions simplifiée) (continued)		<p>A SAS will have a chairperson and can also have a general manager who has the same responsibility and authority.</p> <p>Highly suitable to companies that are subsidiaries of holding companies as there are no complex or highly regulated capital or equity requirements.</p> <p>Limited reporting requirements due to the lighter regulation.</p>	
Sole Trader	A Little Bit of Stone (UK) Charlton Champion (UK) dongen.nieuws (Netherlands) Prinsenbeeknieuws (Netherlands) Bitternepark.info (UK)	<p>The owner and trader operates the business as a self-employed person and has the freedom of autonomous decision making.</p> <p>There are no formalities in setting up as a sole trader however the sole trader must register with HMRC for tax purposes – the sole trader will pay income tax as a self-employed person.</p> <p>The most flexible of business structures.</p> <p>There is no distinction between ownership and the interests of management – sole trader owns all of the business assets in their own name.</p> <p>Not heavily regulated by specific pieces of legislation but by a combination of common law and legislation that applies to both businesses and individuals.</p> <p>The business information remains private as there are not public reporting requirements.</p> <p>There is no need for the business to have any constitutional documents created and therefore the sole trader is not constrained by the constitution of the business in any way when decision making.</p>	<p>Limitations</p> <ul style="list-style-type: none"> • The sole trader is personally liable without limitation for the debts of the business. • The business does not have any recognised legal status of its own and therefore the veil of protection afforded to the owners of LLPs and companies limited by share does not extend to a sole trader. • In the worst case scenario a sole trader can be made bankrupt as an individual due to the lack of protection for their personal assets which can have a large impact on access to credit amongst other things. • Raising finance for the business will be based on the credit history of the sole trader and debt financing is the only option as there is no equity to offer. <p>Reporting requirements</p> <ul style="list-style-type: none"> • Sole trader must be registered with HMRC for income tax as a self-employed person. • Sole trader must complete income tax self-assessment and submit to HMRC. • If the business turnover exceeds £82,000 (accurate for tax year commencing 1st April 2015) then the sole trader must be VAT registered. • The business does is not under any requirement to file documents or accounts with Companies House.
Community Interest Company (CIC)	Blog Preston (UK) VIEWdigital (Northern Ireland)	<p>This is a type of limited liability company and therefore the liability of the shareholders is limited to the capital that they have respectively contributed.</p> <p>Use of the business profits and assets are used for the public good and interest and not to create private profits.</p> <p>The CIC regulator has standard constitutional documents that can be used on incorporation that ensure the CIC falls within the regulations.</p> <p>Fairly flexible as other business structures such as companies limited by shares can be converted into a CIC and vice versa.</p>	<p>Limitations</p> <ul style="list-style-type: none"> • There is a reality that most businesses are incorporated to generate private profits for the benefit of the shareholders, whilst setting up a CIC may have the community benefit as its aim at formation, it may be easily strayed away from as the business develops. • CIC's are regulated quite heavily by the Companies (Audit, Investigations and Community Enterprise) Act 2004 and the Community Interest Company Regulations 2005 and the operations of the business must meet the community interest test set out in the legislation at formation and for the duration of its operation. • Dual registration required with the regulator and with Companies House.

Business structure	Hyperlocal examples	Potential advantages	Potential limitations and reporting requirements
Community Interest Company (CIC) (continued)			<p>Reporting requirements</p> <ul style="list-style-type: none"> The CIC must file with Companies house annual accounts for the financial year. A community interest company report must be submitted to Companies House annually which allows ongoing review as to whether the CIC still satisfies the community interest test. The CIC must also file an annual report and make all other filings and notifications required in the case of any changes in the constitution or make up of the CIC.
Charitable Incorporated Organisations (CIO)		<p>Company structure designed to limit the liability of the shareholders along with reducing the reporting and registration burden placed on the company.</p> <p>Separate legal personality and can enter into contracts and own and hold assets in its own right.</p> <p>The liability of shareholders on the winding up of the CIO would be either nothing at all or limited to an agreed amount of the value of the assets of the CIO.</p> <p>Only needs to be registered with the Charities Commission and not with Companies House.</p> <p>None of the reporting requirements contained in the Companies Act apply to CIOs.</p> <p>A UK foundation is a form of CIO whereby the voting members are only charity trustees giving greater power to the trustees in the operations of the CIO.</p>	<p>Limitations</p> <ul style="list-style-type: none"> Limitations o Some decisions of the CIO require consent of the shareholders by special or ordinary resolution. CIO must operate and not amend its constitution in any way that would prevent it from being classed as a charity or operating exclusively with a charitable purpose. <p>Reporting requirements</p> <ul style="list-style-type: none"> These are limited to just reporting to the Charities Commission. The charitable trustees must keep accounts for the CIO that offer explanation to transactions along with providing an accurate reflection of the financial position of the CIO. The trustees must compile and submit an annual report to the Charities Commission in each financial year. In addition, they must submit an annual return to the Charities Commission in a similar form to a CIC. All accounts and annual returns must be kept for 6 years from the date at the end of the financial year that they cover. The CIO must keep a register of charitable trustees, a register of members and register the appointment of any interim managers. Much like a company limited by shares, all decisions and meetings of a board and shareholder decisions must be recorded.
Co-operative Community Benefit Societies	<p>Arnhem Direct (Netherlands)</p> <p>The Bristol Cable (UK)</p>	<p>The society has its own legal identity and therefore can hold property and assets and enter contracts in its own name independent of any trustees or members.</p> <p>The members and trustees of the society are protected from liability as the society takes on the liabilities and therefore the possibility of being sued in its own right.</p> <p>The liability of any members is limited to the amount either already paid for their shareholding (if fully paid) or any amounts remaining unpaid on the shares which they hold.</p>	<p>Limitations</p> <ul style="list-style-type: none"> Profits and assets cannot be distributed to the members, they must be reinvested into the objectives and activities of the society. On the sale of any society assets the proceeds must also be invested back into the activities of the society. On the dissolution of the society the assets must be transferred to another body or entity with similar objectives. Due to the strict regulation the FCA can at any time with two months' notice in writing cancel the registration of the society on certain grounds that would contravene the regulations. The 'asset locking' could potentially inhibit the ability of the society to grow and or convert into a company limited by shares.

Business structure	Hyperlocal examples	Potential advantages	Potential limitations and reporting requirements
Co-operative Community Benefit Societies (continued)		<p>Open to groups of all types as any society carrying on any industry, business or trade whether wholesale or retail can register if, amongst few other criteria, the society is for the benefit of the community or fulfils the criteria of a co-operative society.</p> <p>Focussed on reinvestment of profits into a community for the benefit of the community.</p> <p>Potential for tax exemption if the activities carried out by the society fall under the charitable in law and are accepted as exempt by HMRC.</p> <p>Potential to ‘asset lock’ which ensures that if the CCBS were to ever convert to a company limited by shares (at which point members would have access to the assets of the society) there would be certain assets locked to the society that can only ever be used in the furtherance of the objective of the society.</p>	<p>Reporting requirements</p> <ul style="list-style-type: none"> • Must be registered with the FCA (Financial Conduct Authority). • FCA must be satisfied that the society exists for the benefit of the community. • On registration the applicant must include the extensive information included in the mutual society application form. • The FCA must approve any society name and any change to that name. • Society must keep records detailing any transactions and the reasons or justifications for those transactions (Books of Account). • The society must prepare an annual revenue account and balance sheet and all accounts must be audited. The most recent balance sheet of the society must be displayed prominently at the society’s registered office. • An annual return must be filed with the FCA within 7 months of the end of the financial year including a balance sheet and an auditor’s report. • The FCA must be informed of any changes to the rules, objectives, operations, name and registered office, register of members or charges over the assets of the society. • FCA holds extensive powers of inspection.
<p>SCOP (Société coopérative et participative) For more information visit http://www.les-scop.coop/sites/en/index.html</p>	<p>Rue89 Lyon was formerly a SCOP (France)</p>	<p>This is a working cooperative whereby the SCOP operates under the management and direction of worker-owners.</p> <p>The worker-owners may enable the business to function in line with the aims and objectives of the cooperative as there is no differentiation between management interests and ownership.</p>	<p>Limitations</p> <ul style="list-style-type: none"> • May only really be suitable until the SCOP reaches a certain number of worker-owners. Beyond this point harmonious management decisions may be more difficult to come across. • SCOPs hold AGMs whereby all members are entitled to vote with one vote each, regardless of individual shareholdings. <p>Reporting requirements</p> <ul style="list-style-type: none"> • SCOPs must be registered in France as an SA (société anonyme) or a SARL (see above).
<p>Foundation (Netherlands)</p>		<p>Has limited liability and is a purposely defined structure that has no share capital or shareholders.</p> <p>Foundations are created by notarised deed and they must contain the articles of the foundation (similar to articles of association) that include an appointed board – this appointed board allows a separation of ownership and management interests.</p> <p>Foundations are often found to qualify for tax benefits and exemptions.</p> <p>Possible to disconnect the ownership of assets from the beneficiaries of the asset which is potentially tax advantageous.</p>	<p>Limitations</p> <ul style="list-style-type: none"> • Board members can be found liable for the actions and operations of the foundation • The foundation must exist for a specific purpose. • Foundation can only make payments for charitable purposes so the payment of salaries and benefits to any employees would not be possible.

Business structure	Hyperlocal examples	Potential advantages	Potential limitations and reporting requirements
<p>Non-profit organisation (association sans but lucratif/ vereniging zonder winstoogmerk) (Belgium)</p>	<p>Brusselnieuws (Belgium)</p> <p>De Koep (Belgium)</p>	<p>Own legal personality and can enter agreements, hold assets, open bank accounts etc in its own name.</p> <p>Limits liability of stakeholders in the organisation.</p> <p>Subject to VAT however usually exempted.</p> <p>For more information see: http://business.belgium.be/en/managing_your_business/setting_up_your_business/company_types/non_profit_organisation/</p>	<p>Limitations</p> <ul style="list-style-type: none"> • Cannot be for profit making purposes. • Activities scrutinised heavily to ensure there is no profit being made, if found to be a commercial company the entity will need to pay corporation tax and adhere to recognised accounting rules. • If the organisation enters into agreements or obligations before the legal personality is recognised (in its formation period between establishment and registration with the court), the members are jointly and severally liable for these unless the organisation either ratifies the actions within 6 months of acquiring the legal personality or the legal personality is acquired within two years of the agreement/ obligation/commitment. <p>Reporting requirements</p> <ul style="list-style-type: none"> • Must register with the Crossroads Bank for Enterprises. • Must have articles of association recorded in writing. • Articles and list of members of the board must be sent to be published by the Belgian Official Gazette. • Within a month of publication of the articles a list of members of the board must also be registered with court of first instance.

For Sweden, we have presented the information differently as there were difficulties in accessing accurate information re. business structures. One of the Swedish services (Sydnarkenyt) is a non-profit organisation, and as the editors have indicated: 'We underline that our motives are to involve a lot of citizens and make journalism, not to earn money'. One disadvantage is that all decisions have to be brought to the meetings of the board, and can take some time to discuss.' The other service, 321an, is a co-operative society (ekonomisk förening), which is both a legal company and an association: 'The advantage is the possibility to make VAT deductions.' For more information about businesses in Sweden,

visit <https://sweden.se>

APPENDIX 1B: CHARITABLE BUSINESS STRUCTURE

What is a Charity?

Most simply a charity is defined as an institution that is established exclusively for charitable purposes and is subject to the control of the High Court. This institution can be incorporated or unincorporated so can take a variety of business structures including trusts in addition to those detailed in Appendix 1a. The key element to recognise about a charity is that it is not characterised by its legal form or structure, but by its purpose and status. A charity must have a statement of charitable objects, much like a memorandum and articles of association, this states the rules that govern how the charity will operate. This statement describes the objects of the charity and these objects must fall within the descriptions of charitable purposes stated by the Charities Act 2011 (The Act).

What is a Charitable Purpose?

There are 13 charitable purposes recognised in section 3(1) of the Act. For the purpose of an undertaking to be charitable, it must fall under one of the descriptions of purposes deemed to be charitable by the Act and act for the public benefit. The landscape of charities is extremely far reaching as there are 12 specific purposes along with any other purpose that is beneficial to the community that covers all other charitable purposes currently recognised by law and any other new charitable purposes that are presented to, and recognised by, the Charity Commission.

The 12 specific charitable purposes recognised by the Act are as follows:

- The prevention or relief of poverty.
- The advancement of education.
- The advancement of religion.
- The advancement of health or the saving of lives.
- The advancement of citizenship or community development.
- The advancement of the arts, culture, heritage or science.
- The advancement of amateur sport.
- The advancement of human rights, conflict resolution or reconciliation or the promotion of religious or racial harmony or equality and diversity.
- The advancement of environmental protection or improvement.
- The relief of those in need because of youth, age, ill-health, disability, financial hardship or other disadvantage;
- The advancement of animal welfare; and the promotion of the efficiency of the armed forces of the Crown or of the efficiency of the police, fire and rescue services or ambulance services.

Running a Charity

There are several restrictions and characteristics of charities that dictate the way in which they operate and must operate to retain their charitable status. Charities are run by charity trustees who operate and direct the charity much like the directors of a company and similarly have obligations and duties to the charity. For example they must see that all charitable assets and profits are directed back into and reapplied for the charitable purpose. The charity trustees must ensure that no financial benefit is distributed to them as trustees unless authorised by statute or the governing documents of the charity. This area is highly scrutinised and any unauthorised payments must be paid back into the charity. The charity must remain focused on its charitable purpose and cannot be set up for political purpose, nor deviate towards acting for the benefit of a political purpose unless that purpose furthers the charitable aim – a potential area to be wary of for hyperlocal publishers.

Main legal structures available to Charities

<p>Trusts. A charitable trust will usually be governed by one or more deeds or declarations of trust and/or one or more Charity Commission Schemes. They can also be created by a bequest in a will or can arise by way of legal presumption.</p>	<p>Unincorporated associations. These usually have a written constitution or rules, which are a contract between its members, although it is possible for an unincorporated association to be created without any form of written governing document. The charity trustees will be those individuals appointed in accordance with the rules to carry out the day-to-day management of the association, who may be referred to as the committee, the board of management or similar.</p>	<p>Companies. Most charitable companies are set up as companies limited by guarantee. The constitution of a company limited by guarantee consists of its articles of association and any resolutions and agreements that affect its constitution (section 17, Companies Act 2006). The directors of a charitable company are charity trustees. It is possible, but a rarity in practice for charities to take the structure of a company limited by shares.</p>	<p>Charitable incorporated organisations (CIOs). See Appendix 1a.</p>	<p>Community benefit societies (CBSs). CBSs that are charities are exempt charities and cannot register with the Charity Commission. The most common industry application of CBS's is with housing associations. For further details see the table.</p>	<p>Charitable corporations can be created by one of two methods: Royal Charter or Letters Patent. These are granted by the sovereign on the advice of the Privy Council. Charities incorporated by Royal Charter are governed by the Royal the table. Charter itself and bye-laws. Act of Parliament. Any statute relevant to the charity, which may be altered by a Charity Commission or Parliamentary Scheme, governs the charity.</p>
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Benefits of Charitable Status

There are several benefits to having charitable status, however, it must be acknowledged that these benefits come at the cost of having activities of the charity restricted and monitored as previously mentioned. These benefits include access to grants and funding not otherwise available to commercial enterprises; a mandatory 80 per cent relief granted by local authorities to any premises used primarily for charitable purposes; various tax incentives and reliefs and the communal and potentially financial support of the local community or those affected by the charitable operations. Consideration of these benefits, along with those associated with each legal business structure should help determine the suitable legal business structure for any charitable hyperlocal media service.

APPENDIX 2: LIST AND DESCRIPTIONS OF HYPERLOCAL CASE STUDIES

UK = 13	Website URL	Description
Bitternepark.info	bitternepark.info	Bitternepark.info is a Southampton-based community website, set up ten years ago to report on events and local news that is lacking in other outlets. A predominantly solo-operated site, it has a sales network with two other services and support from a small number of volunteers. Currently the website attracts an average of 10,000 unique users per month.
Visit Horsham	www.visithorsham.co.uk/	Visit Horsham is primarily a local online business directory model. By programmatically combining a variety of sources, it offers multiple, relevant resources in one place, while generating advertising revenue from businesses. Its monthly page views can vary significantly from 30,000, up to 200,000. This is teamed with a Horsham Facebook page, which provides an outlet for community news and local topical discussions.
Charlton Champion	charltonchampion.co.uk/	The Charlton Champion website was created in October 2010 as an addition to its sister site, 853 Blog. Both created out of passion and frustration, they continue to operate solely through the motivations of their founder. No focus on page views or generating income, but a heavy focus on investigative journalism.
Shetland News	www.shetnews.co.uk/	Shetland News (Agency) has developed from a news agency supplying the national media with news from the UK's most northerly community into an online news provider that has forged partnership deals with the local BBC, the local authority and many local advertisers to form a viable business model without compromising independence.
The Bristol Cable	thebristolcable.org/	The Bristol Cable is a uniquely branded hyperlocal website and quarterly printed magazine. Due to a successful crowdfunding campaign and introduction of cooperative membership fees, the founders have enabled revenue generation, a team of volunteers and a high level of community engagement. Enthused about incorporating a tangible print element to their platform, they distribute 10,000 copies quarterly across Bristol.
OnTheWight	onthewight.com/	OnTheWight originated purely as a blog, gaining momentum in recent years as it combines local online news with open data, investigations and innovation. The service is known for achieving transparency and accountability, and making government data accessible through its automated news production platform, Armchair Auditor. Its unique users peak at around 100,000 visits in a month.
VIEWdigital	viewdigital.org/	VIEWdigital is a multi-faceted platform, consisting of print, digital and community engagement and training events. Thematic print editions, each featuring a different guest editor, have filled a gap in the market in the independent social affairs content for the community/voluntary sector in Northern Ireland. The founders are exploring future partnerships to build towards a more sustainable model.
Blog Preston	blogpreston.co.uk/	Blog Preston is a hyperlocal news website and mobile application. Transitioning to a community interest company in December 2013 provided a legal vehicle for proving its existence, allowing the service to be taken seriously as a voice for the city. Non-monetary exchanges with local businesses and services have enabled it to become a resilient platform.
A Little Bit of Stone	alittlebitofstone.com/	A Little Bit of Stone is an online news and community platform for the town of Stone in Staffordshire, which aims to share news and information, connect local people and promote the town. In 2014 a highly-effective crowdfunding campaign gave the service the financial boost it needed to create a new mobile-friendly website. The founder is exploring the potential of other revenue streams.
Deeside.com	www.deeside.com/	Deeside.com originated from a Twitter account and a URL, sharing news about Deeside, North Wales; a location that is no longer directly covered by mainstream media. Through social media a community was built and then a platform. With no intention to commercialise there is currently no business structure in place, but that may soon change.

UK = 13	Website URL	Description
The City Talking/ Hebe Works	www.thecitytalking.com/	The City Talking is a Leeds-based newspaper and online service born out of a Facebook group, which has pioneered a distribution and advertising sales partnership with a legacy regional print title. The City Talking is also expanding to several other UK cities. It sits under the Hebe Works digital brand, now innovating hyperlocal data journalism. On The City Talking Leeds website there is 10,000 unique users and 56,000 page views monthly.
The Ambler	www.theambler.co.uk	The Ambler is a bi-monthly local newspaper, accompanied by a website, servicing the town of Amble in Northumberland. In 2000, the Amble Development Trust began supporting this hyperlocal media service. Despite their lack of trained journalists and ability to write investigative pieces, their content involves the community and fits their brand. They distribute 3,200 print copies per edition, and are looking to increase that figure.
The Lincolnite	thelincolnite.co.uk/	The Lincolnite is an original digital startup that is now dominating the local media scene. Launched as a company in May 2010, the website receives an average of 500,000 visits per month. The service's resilience is built on the addition of a digital business magazine, job/property listings, hosting their own Digital Media Awards and an online shop, which have all been a boost to their revenue.
France = 6	Website URL	Description
Marsactu	marsactu.fr/	Marsactu is a pure player of investigation, report and analysis essentially focused on political affairs in Marseille and its territory. In addition to the website, in 2014 the producing company launched a paid weekly newsletter for economic decision-makers (Marséco). After five years of existence, the service went into compulsory liquidation (March 2015) because the two main sources of revenue - investors and advertisers - defaulted. Five journalists (employees of established media in the past) decided to relaunch the service with a business model based on subscriptions from the final quarter of 2015. They also used a crowdfunding campaign to help with the relaunch https://fr.ulule.com/marsactu/
Rue89 Lyon	www.rue89lyon.fr/	Rue89 Lyon, which covers the city and beyond, publishes about news topics, political and societal issues. It's the first local branch of the news website Rue89, which is one of the first French pure players set up in 2007.
Rue89 Strasbourg	www.rue89strasbourg.com/	Rue89 Strasbourg is a reactive, innovative and participative media dedicated to the inhabitants of Strasbourg. It's one of the local branches of the news website Rue89, which is one of the first French pure players set up in 2007. The service's crowdfunding campaign, set up to help fund a redesign of its website and help ensure long-term sustainability http://fr.ulule.com/rue89-strasbourg/ was successful in June 2015.
Aqui.fr	aqui.fr/	Aqui.fr offers regional coverage in Aquitaine. First in paper version, Aqui.fr is now a pure player. There are seven sections: each one tries to emphasise local life and its successes. https://aqui.mipise.com/fr/url_url-project-215441485
Angers Mag	www.angersmag.info/	Angers Mag is a paper version and an online version. It's an information and news service dedicated to the people of the city of Angers and its surrounding areas.
Terri(s)toires	www.terristoires.info/	Terri(s)toires is a web magazine founded in Nantes in 2010, which was established to enhance citizen initiatives, cultures and ways of life - through storytelling - in the west region of France. At the origin, it's a bi-media (the team hopes to launch a paper version in the future). This media is a project of the agency 'Rue Prémion' created in 1996.
The Netherlands = 12	Website URL	Description
Ditiswijk	www.ditiswijk.nl	Ditiswijk is the hyperlocal media service for the municipality of Wijk bij Duurstede, which has a population of 23,000. It started in 2008 by four citizens and was established with the objective to offer as much community news as possible - particularly cultural community news. The service has a large network of contributors.
dongen.nieuws	dongen.nieuws.nl	dongen.nieuws was launched in 2010 and has a focus on news, businesses, crime and accidents. Only a third of the content is original with the owner and one part-time staff member working on the site.

De Utrechtse Internet Courant (DUIC)	www.duic.nl	DUIC in Utrecht has an online TV station and also makes video for third parties. It started in 2011 and has a professional editorial and sales staff. Holding authority to account is their main objective.
Vers Beton	versbeton.nl	Vers Beton launched in 2011 with the objective to provide in-depth news for Rotterdam. It has a professional staff although only a few people are (partly) paid. It targets an educated, higher social class audience.
Prinsenbeeknieuws	www.prinsenbeeknieuws.nl	Prinsenbeeknieuws is the local site for the village of Prinsenbeek, which has a population of 11,000, and is part of the larger municipality of Breda. It's focus is on culture and human interest. It launched in 2008.
Den Haag Direct	www.denhaagdirect.nl	Den Haag Direct started in The Hague in 2010. The service's content is provided by a large group of volunteer bloggers, and companies and organisations contribute branded content also.
e52	e52.nl/	e52 started in the beginning of 2015 by founder of nationwide hyperlocal media service Dichtbij , Bart Brouwers, and founder of the largest Dutch news site, nu.nl , Merien ten Houten. It targets a highly educated audience with news on business and innovation.
Arnhem Direct	www.arnhem-direct.nl/	Arnhem Direct started in 2005 serving the eastern city of Arnhem, which has a population of 150,000. Four owners work part-time for the service with politics being the main content produced.
Liwwadders	www.liwwadders.nl/	Liwwadders started 20 years ago in the Frysian capital Leeuwarden (population of 95,000). It was launched by Andries Veldman who also owns a media production company and publishes a magazine. Politics is the main area of content produced.
Alphens	www.alphens.nl	Alphens was launched in 2011 in the town of Alphen aan den Rijn (population of 70,000). It is a profitable operation with a magazine, ICT services and online video. Six people work for the service - two full-time, two part-time and two volunteers.
It Nijs	itnijs.nl/	It Nijs ('The News' in the Frysian language) covers the province of Friesland with news and information about the Frysian language and culture since 2009. It is sponsored by the Frysian Cultural Community.
Dichtbij	dichtbij.nl	Dichtbij started in 2011 by de Telegraaf Media Group as an independent hyperlocal media service. There are 140 people working for almost 60 sites (20 of them only contain aggregated content from other sources), with volunteers also supporting the services. In 2016, however, most of the websites will close down.
Belgium = 2	Website URL	Description
Brusselnieuws	www.brusselnieuws.be	Brusselnieuws (rebranded as BRUZZ in April 2016 http://www.bruzz.be/) started in 1993 as a TV station and is now a multichannel operation (print, radio, TV) in the Belgium capital Brussels. The service operates to provide the Dutch speaking community with relevant news and information. It is financed for the major part by the government (Flemish Community).
De Koep	www.dekoep.be	De Koep is a hyperlocal media service for the city of Turnhout, a municipality located in the Flemish province of Antwerp. It's a successor of the Gazet van Turnhout, which closed down when the founder decided to quit. It now mainly concentrates on covering the meetings of city council.
Sweden = 2	Website URL	Description
Sydnärkenytt	Sydnarkenytt.se	Sydnärkenytt started in 2007 and expanded in 2012 to five municipalities in the region Sydnärke. Each municipality has its own homepage and a free print magazine has been published since 2010. There are also two radio stations.
321an	321an.se	321an services the north of Sweden, covering part of the sparsely populated countryside of Åre and Berg (population of 17,500). The service has sub-sections for 19 small villages along road number 321.

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