

# Innovation in Legacy Media Institutions: the Case of the Al Jazeera Media Network

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## **Keywords**

Legacy media, media innovation, dynamic capabilities, Al Jazeera Media Network, Middle East, Global South.

## **Abstract**

This research explores how legacy media institutions can facilitate an environment where innovation is possible. Using media innovation and the dynamic capabilities theoretical framework, the research looks at the specific case of the Al Jazeera media network, a pre-eminent broadcaster in the Middle East. The paper uses the case-study approach combined with personal interviews with media professionals and experts to understand the way innovation unfolds for a legacy media institution. While media transformation and innovation research is predominantly located in the western world, this research provides an empirical perspective from the global south. It finds in resource management and corporate adaptability the mechanisms of innovation adopted by Al Jazeera, and these mechanisms are not specific to the global south.

## Introduction

This study explores how media institutions innovate in and adapt to their complex digital environment to develop and remain sustainable. The study brings in a practical perspective from the global south. It looks at the case of the most prominent news service in the Middle East and North Africa region, Al Jazeera, and the way it has been developing and expanding while simultaneously launching new digital platforms.

With media habits that keep changing, media businesses continue in the quest for value creation and revenue generation. Developing innovative business models that are sustainable and profitable is an ongoing goal for the media industries.

In the academic literature, media innovation is investigated from different perspectives. The technological innovation perspective deals with technical knowledge centered on innovative processes and outcomes that signal change, radical or disruptive, in the ways of producing or consuming media content (Ansari & Krop, 2012; Christensen, 1997; Govindarajan et al., 2011; Kohli & Melville, 2018; Preston et al., 2009). The practice of journalism's perspective deals with issues including innovation in the newsroom and journalism-editing transformations (Mare, 2014; Porcu, 2020), publishing content, and finding business models that enable return on investments (Myllylahti, 2019; O'Brien et al., 2020), as well as issues pertaining to innovation in the organization of the journalistic work (Koivula et al., 2020). Scholars in organizational communication study innovative business models in journalistic work (Koivula et al., 2020), or more

broadly in different media types, including legacy (Kueng, 2017) and non-legacy media institutions (Konow-Lund, 2020). Increasingly, to study innovation, researchers involved in media studies from an organizational communication perspective call for a multidisciplinary approach (Stor-sul & Krumsvik, 2013), which considers the environment or ecosystem capabilities as important as inner-firm capabilities. Known as dynamic capabilities to researchers in the media management field, this approach considers that the companies' resources and value creation change over time and have an impact on the financial performance of organizations (Oliver, 2014). Media management issues pertaining to business models are studied from a management-of-innovation perspective (Malmelin & Virta, 2016), an entrepreneurial perspective (Kiss et al., 2012; Mutterlein & Kunz, 2017), and a marketing-driven perspective (Krumsvik, 2018) - but also from a multidisciplinary perspective, as noted above.

This study adopts a multidisciplinary approach while combining the dynamics-capabilities framework and the organizational-communicational approach, in order to understand the strategies adopted by Al Jazeera to prosper in a media market known for its transformations, and reflect on the applicability of these strategies to other legacy media.

## Literature review

### On media innovation

Researchers have been examining media innovation both conceptually and empiri-

cally with various questions that relate to areas including management of resources and business models (Baumann, 2011; Boczkowski, 2004; Penrose, 1959; Peteraf, 1993; Picard, 2010; Wernerfelt, 1984), content production and distribution (Lin, 2012; Pavlik, 2001), new modes of consuming content (Jenkins, 2006; PricewaterhouseCoopers, 2009; Van-Weezel, 2009), and the introduction of new devices into social life (Rogers, 1986, 1995; Wellman & Berkowitz, 1988, William & Edge, 1996). Salient influences on innovation is another area of study found in the works of Daidj (2018), Kunz et al. (2016), Oliver (2013) and Storsul & Krumsvik (2013). For instance, for Storsul and Krumsvik (2013), factors considered in media innovation include technology, market opportunities and user behavior, the behavior of competitors, regulation, industry norms, company strategy, leadership and vision, organizational structure, capacity and resources, and culture and creativity. Dogruel (2013) points to four features that characterize media innovation: "newness, economic or social exploitation, communicative implications, and a complex social process" (p. 39). Additionally, she calls for a holistic approach to research media innovation as a multi-level process, societal but also inclusive of diverse actors involved in the innovation process and while mindful of the multiple level parameters including policy, regulations, and market segmentation (Dogruel, 2015). Kueng (2017) argues that organizational challenges are the main concern for legacy media aiming for digital transformation. Lehtisaari et al. (2018) argue that innovation saves costs and transforms the ability to make revenues.

According to Spyridou et al. (2013, p.78), "innovation, convergence and dialog-

ical models of journalism come in different shapes and sizes, strongly influenced by local contingencies both internal (practices, rituals, routines) as well as external (regulation, competition, shareholders, public)". Facilitating the right environment for innovation is crucial to promote, adopt, and produce innovation. Research on US and Scandinavian media by Lehtisaari et al. (2018) argues that innovation strategies in media companies are not vulnerable to the geographic or cultural contexts relating to where those companies are based: regardless of where they are based, media organizations are all equally concerned with revenue creation, and seek independence from the grip of social media companies.

### **Dynamic media capabilities theory**

Credited by originating the term *dynamic capabilities*, Teece et al. (1997) argue that firms that prove their dynamic capabilities by identifying, grasping, and organizing efficiently around new opportunities have a competitive advantage when facing change. Monitoring environmental transformations and responding to change by undertaking new alliances and acquisitions are the main functions of dynamic capability for Kranenburg and Ziggers (2012) who define the term as,

the company's ability to purposefully create, extend, or modify its resource base. A dynamic capability is a deeply embedded set of skills and knowledge exercised through a process enabling a company to stay synchronized with market changes and to stay ahead of competitors. (Kranenburg and Ziggers, 2012)

Dynamic capability is then the aptness for adapting to new environments, markets, and powers. Oliver (2016) argues that media firms attempt to cope with market changes by developing experimental strategies involving different business models and inner-organizational transformations. From a dynamic capability perspective, to face market changes firms need to renew their resources, and to take steps and initiatives to identify their capabilities and competencies in order to navigate transformations (Oliver, 2018). Organizational flexibility toward change becomes a requisite to face the industry's digital disruption. Having the ability to transform into flexible networked organizations supports media organizations' sustainability and competitive advantage (Kranenburg and Ziggers, 2012). Jantunen et al. (2012, p.142) argue that capability translates into effectiveness: "[T]he concept of capabilities refers to the firm's structures, processes and knowledge that are needed in carrying out productive operations effectively." Reeves and Deimler (2011) note that sustainable competitive advantage can come from the ability to read and act upon signals, the ability to experiment, the ability to manage complex multi-company systems, and the ability to mobilize. It is also argued that adaptability improves the performance of the organizations (Reeves and Deimler, 2011).

Drawing on the institutionalization of the communication management approach, Grandien and Johansson (2012) cite three factors affecting institutional change: functional, political, and social. Functional pressures could be tied to changes in the broader environment, and market changes such as those driven by

digital adoption. Political pressures relate to the legitimacy of power distribution; while social resources are contained in the diversity of the groups forming the institution, holding beliefs and expectations different from one another. Grandien and Johansson (2012) call for further explorations, including the role of leadership and the temporality of the structural change, while Oliver (2018) calls for "intellectual bridging", which combines conceptual frameworks from dynamic capability, corporate strategy, and firm performance to understand the transformations of media firms using a holistic approach.

Scholars interested in the dynamic capabilities approach, including Oliver and Dogruel cited above, call for further research using integrated and multi-disciplinary approaches to understand the ongoing transformations occurring in media institutions. The legacy media institutions in particular in the MENA region are little studied, although they have been affected by the same global disruptive industry transformations and suffer similar functional and market changes (customers' media habits, social habits, competition with novel media formats, etc.) than the rest of the world.

## **Methodological approach**

This study adopts a qualitative empirical approach using a single instrumental case study in which "the researcher focuses on an issue or concern, and then selects one bounded case to illustrate this issue." (Creswell, 2007, p.74) This study uses multiple sources of evidence (Punch,

2014), including secondary resources such as industry reports and documents about the case at hand, but also primary resources---more specifically, semi-structured interviews with experts in the media and digital-media industry. The interviews serve here as a source of information; "Case study research is a qualitative approach in which the investigator explores a bounded system (*a case*<sup>1</sup>) (...) through in-depth data collection involving **multiple sources of information**<sup>2</sup> (e.g., observations, interviews, audiovisual material, and documents and reports), and reports a case description and case-based themes." (Creswell, 2007, p.73)

The case study gives insights into the question researched and enables a better understanding of the issue (Punch, 2014). In this research, the case study helps to understand media innovation from the perspective and practice of a popular media network in the Middle East.

Six interviews were carried out: two in face-to-face settings, and one by phone, each lasting about 60 minutes, while the three remaining interviews were conducted through email. In the US, the interviews were with the ex-*Chicago Tribune* App news strategist Joe Germuska, and with Rich Gordon, also an ex-journalist practitioner and publisher, with the *Miami Herald*. Both are currently educators and researchers in areas concerning digital publishing and online news media. They are purposefully selected because they offer an expert and outsider perspective on Al Jazeera's strategies and the way it has been navigating the shift from conven-

tional media to new media operating at a multinational level. The third interview in the US was by phone with a senior Al Jazeera executive, now Head of Innovation at AJ+, Moeed Ahmad. The remaining three interviews were conducted by email with a senior Al Jazeera English News producer, Lea Harding, AJ+ Head of Audience development, Haris Alistic, and a senior strategist at Al Jazeera, who prefers to remain anonymous: for this paper, he will have the pseudonym Mohamed Sultan. All interviewees were offered anonymity, but only Sultan opted for it<sup>3</sup>.

The purpose of the interviews is twofold: First, to support the case study with opinions and insights from within. Secondly, to have an expert perspective on digital media innovation, and informed opinions from those who have experienced the shift from a legacy media institution to digital operation and the digital publishing stream. Their insider perspectives are unique considering both the role they have played in their respective organizations, and also the challenges they have faced or the opportunities they took or missed. Additional insights were collected through secondary resources, as well as through interactions with Al Jazeera's top managers, and while attending some of their public talks.

The analysis starts with a description of the case, followed by

a focus on a few key issues (or *analysis of themes*), not for generalizing beyond the case, but for under-

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1 Ital. is used in the original text.

2 Bold and italic font is used in the original text.

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3 It is important to note that Al Jazeera applies an approval process for interviewing its employees. The approval process is long and difficult, as the employees need a waiver or approval to speak with researchers or interviewers. This has made it difficult to increase the pool of respondents.

standing the complexity of the case (...). In the final interpretive phase, the researcher reports (...) learning about the issue of the case or learning about an unusual situation. (Cresswell, 2007, p.75)

The analysis of the interviews was completed by the author. After a thorough reading of the transcripts, four themes informing the case at hand emerged: the human capital; the audience; the business leverage; as well as value and risk management. In the following section, these themes are discussed to help understanding what innovation entails in a legacy media institution from the global south, and how did Al Jazeera navigate the changes that disrupted the media industries in the recent years. The story of Al Jazeera, supported by the opinions of some of its key employees combined with expert perspectives will provide insights for media professionals and researchers, as well as those interested in the development of legacy media intuitions, more particularly.

Al Jazeera is selected as the case study for this research for several factors: First, Al Jazeera was the first broadcaster to break with the mainstream loyalist way of doing news in the MENA region, as will be explained below. Al Jazeera has introduced and modernized reporting and distributing news. Additionally, Al Jazeera was avant-gardist as a legacy media in the region that experimented a globalization strategy in a business as volatile as news. It succeeded gaining audiences regionally, but also its early success with AJ+ speaks to its attempts for innovation and change. Its platforms may have not been successful or popu-

lar equally in terms of audience growth, awards gained or revenues and profits generated, but this does not conflict with its attempts to innovate and recreate, as will be discussed below. In this research, media innovation is understood in a broad perspective, as an exploration of alternatives toward a path to be sustainable and evolve in a complex media environment.

### **The Al Jazeera Media Network (AJMN)**

The Al Jazeera Arabic News Channel was launched in Qatar in November 1996 by the Emir of Qatar, Sheikh Hamad Bin Khalifa Al-Thani. Its launch coincided with the closure of BBC Arabic, which allowed the new channel to learn from a top-tier news agency and even acquire some of its 250 reporters. Al Jazeera Arabic became synonymous with the Middle East to the broader public, specifically with their news scoop on Operation Desert Fox in 1998: Al Jazeera was the only foreign news agency that was allowed in Afghanistan when the American strikes began, which was a golden opportunity for Al Jazeera to provide an opinion and a perspective other than the American's, and which helped it gain credibility. Within the region, Al Jazeera developed a voice known to criticize socio-cultural taboos, but also issues from the political and economic realm, primarily in places other than its home, a point of persistent criticism. Al Jazeera, when it first started, introduced a novel and innovative way of doing journalism in the Middle East and North Africa (MENA), where typically media are state-owned, and, to a large extent, are loyalists and propaganda tools. Al Jazeera has developed to include

an English-language service, introduced in 2006, and other broadcasting services, such as Al Jazeera Sports renamed beIN sports/beIN Connect, Al Jazeera Children, Documentary, and Mubashir (tr. live). Al Jazeera's other properties include a training center and a research center, which are beyond the scope of this study.

AJMN operated Al Jazeera America as a cable and satellite channel in New York from 2012 until its closure in 2016. The years before the decision to close Al Jazeera America were decisive, with regard to its market strategy, and as the result of which new and innovative business ventures started developing. The first that materialized was the online video channel, AJ+. Following AJ+, in 2017, Al Jazeera developed a new English podcasting service, Jetty, which changed its name in 2019 to Al Jazeera Podcasts, as well as a live-streaming digital competition for social media influencers, Sadeem<sup>4</sup> (launched in 2017), and a virtual-reality brand, Contrast VR (also launched in 2017).

### **A brief introduction to AJMN online platforms**

AJ+ is an online news platform that offers information via short videos. It was launched in September 2014 from San Francisco, where Al Jazeera America was based. Now based in Washington, AJ+ targets young adults (aged 18-34) from different backgrounds. AJ+'s primary purpose is to engage its audience through bitesize content via mobile devices. AJ+

counts several products under its brand, including AJ+ In Depth, AJ+ Docs, Direct From, Untold America, and Original Shorts.

Launched as Jetty, Al Jazeera's podcast and audio storytelling platform is now called Al Jazeera Podcasts. Developed in 2016 and launched in 2017, it targets users interested in audio storytelling. It aims to "connect listeners around the world with podcasts that are engaging, challenging, and consequential" (Jetty.fm). Headquartered in San Francisco, initially Jetty targeted English speakers in the US and UK, both among the biggest markets for podcasts (Bhardwaj & Cheng, 2018). Now Al Jazeera Podcasts' audience is composed mainly of young adults consumers of content on-the-go.

Contrast VR is Al Jazeera's new approach to in-depth original documentaries, shot using 360 Virtual Reality (VR) and Augmented Reality (AR). Contrast VR uses an integration of Samsung 360-degree filmmaking technology with breaking news, and promises an immersive experience.

Sadeem is an influencers' training platform dedicated to the youth of the Middle East. It is a digital reality series of 15-week on-screen competitions featuring 15-24-year-olds from MENA who aim to become social-media influencers. Throughout the 15 weeks, young competitors create impactful and original content online under the mentorship of famous bloggers and influencers from across the Arab region.

These platforms have not been successful or popular persistently or consistently. In fact, Jetty has had a hard time gaining listeners before its name was

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<sup>4</sup> Sadeem is an early name of this platform and competition. For this paper we will use this original name. Similarly, we will refer to the podcast platform with its original name, Jetty.

changed to Al Jazeera Podcast; Contrast did not grow the way it was anticipated, eventually because the consumer VR market did not pick up, as one of the informants notes. In this research, innovation does not equate success. The research is more interested in understanding the strategies and process of developing the portfolio of the legacy media than speaking to how successful this portfolio is.

## Study findings

The findings are driven from the case analysis through the secondary research, case documents as well as interviews. From these sources, the research explores innovation and its practices, and the way AJMN develops and grows the news business. The findings discussed below are organized in four sections: identifying the opportunities that help leverage the business; managing the human capital resources; discovering the audiences that drive the business; and recognizing the opportunity value while reducing the risks.

### Taking opportunities and leveraging the business

In this case, the legacy media- AJMN- is quite separate from its other products, like AJ+ or Jetty, which have been developing independently. This development is driven by leveraging procedures and processes rather than discovering new ones. Moeed Ahmad, the Head of innovation at AJ+, speaks about evolution and not innovation; "there was no innovation in technology," he says: the technology was happening, but the team identified,

and experimented with, opportunities. For instance, with Sadeem, the opportunity was to build on the concept of reality shows that already existed, but to use it differently, with the rise of the influencers' business. Sadeem's birth is made possible by data analyses that prove a massive connected generation Z in the region. However, the market opportunity for Contrast did not materialize, as VR videos did not become an important thing for the consumer market, Ahmad adds. Consequently, Contrast and Jetty have only leveraged the website aj.com, but not the legacy media.

As for AJ+, it continues experimenting with new ways of operating on a small scale, rather than changing the processes of doing business. It adopted a short format to tell stories in 50 seconds. The experiments take place in the way the stories are crafted, designed, and then tested by different means until finding the most engaging and successful tactic, typically by making the stories viral (Al Rawi, 2019). "By tracking performance and tweaking the length, wording, format, etc. we reach the audiences and the platforms, and shift to what can work for more growth," says Al Jazeera's Itani (2016).

This speaks to an inclination to being entrepreneurial; this disposition to flair opportunities, learn how to try, use and adapt to them, and eventually, learn from failed attempts. Joe Germuska, who was responsible for finding innovative ways to tell stories when at the *Chicago Tribune*, also speaks about running tests and experiments on a story-by-story basis, just like AJ+. Because stories can stand alone, there is an advantage in testing by



unit, eventually thinking about add-ons to stories rather than experimenting with changes regarding the whole streamlined process of producing those stories. If a new procedure tested in one of the stories worked, then it can be taken and applied more generally. Germuska thinks there are advantages in doing so, as it reduces risks while providing an edge to the team.

### **Focus on human capital**

The interviewees describe leaders within this organization as those who enable experimentation and support innovation. They are seen as visionaries, they fund and embrace new developments; they take risks. This goes back to a time prior to the launch of AJ+, in early 2010, when the top executives embraced the digital switch by recognizing upcoming opportunities. Since then, they have been freeing space to experiment, create, make mistakes, and try again.

From an organizational management perspective, the teams involved in new media development include highly-educated young professionals, with prior experience in the digital environment. They are either computer engineers, entrepreneurs, content producers, or marketers, with backgrounds in strategy and product or community development. Each platform is assigned a specific team that may or may not have experience in the platform they are hired for. For instance, initially, Jetty included hires who have been in the business of podcasting since the technology emerged, and have some experience in the podcasting market (jetty.fm). However, Sadeem's

new hires come from a related business, considering the newness of the influencer reality-show business. Typically, hires are young, reflecting the target audience of these products, and they are expected to be innovative. "[I]nnovation is the job of everyone working in the company and not of one person," notes Harris, AJ+'s Head of Audience Development.

One cannot ignore the impact that Silicon Valley's culture has had on many entrepreneurs' mindsets and imaginations, including those of Al Jazeera's think tank, which was called the Innovation and Incubation Division before it became the Innovation and Research Group. The usage of the word incubation in this unit's name, in itself reflects the entrepreneurial mindset and the leadership disposition to turn the attempts into startup models and providing them with the managerial support needed. This impact is particularly true for entrepreneurship in the Middle East region in general, and especially after the 2011 Arab uprisings that ignited more Internet and social-media adoption, and a proliferation of start-ups in the region (Allagui, 2019). The entrepreneurship spirit was embraced by Al Jazeera and its technology enthusiasts, especially its leadership, says Moeed, "back at the time, other companies in Qatar say they want to innovate but they pay Google to do this bit, and Microsoft to do the other bit. In Al Jazeera, the executive team was passionate and excited to support entrepreneurship from within," he adds. Al Jazeera teams have mirrored the start-up culture by working independently to develop their units. For instance, at Contrast VR, the team was just assigned an overall goal to build VR

experiences, but with no other detailed instructions, and with a small budget, said Zahra Rasool, Contrast VR editorial lead<sup>5</sup>. Leadership, teamwork, independent learning, and decision-making, with testing, failing, and testing again is the way to yield results according to my interviewees. The major difference, said Rich Gordon, is that Al Jazeera teams have the privilege of not having to think about revenues; and it remains unclear whether the digital units ever made any profit, he added.

### **The audience drives the business**

The migration of audiences to newer digital platforms has threatened the survival of some broadcasters. Contrary to television that is news-centric, online news platforms like AJ+ position themselves as audience-centric, since they focus on connection opportunities with their audiences, including reach and engagement. For instance, AJ+ introduced multiple languages (Arabic, French, English, and Spanish), thus enabling the development of its audience base.

With Sadeem, AJMN identified another opportunity for growth. In the post-uprising breakthrough in the media habits of the youth of the MENA region, young people became highly connected to the Internet as smartphone owners, cultural content producers, mobile news consumers, and social media influencers' followers. In response, AJMN launched Sadeem, an entertainment platform that connects with this growing audience. AJMN adapted its channels and tone of voice to

the users' media consumption patterns and their online behaviors. Harris speaks about how AJMN is innovative. He says,

AJ+, Jetty, Contrast, Sadeem, digital first focus of AJE, AJA, AJM online ventures and their separation from TV clearly shows the innovation mindset of AJMN. It's not well known that AJMN was the first company in the world to start with news coverage on Twitter (native tweeting of news and not just pushing links and headlines), first to use Facebook pages as editorial platforms and first to publish full live stream on YouTube (in the region). AJ+ launched and defined an entire industry.

The dramatic shift in audiences' behavior, with the emergence of the Internet and new media development, left no media company out of danger of industry transformations. The marketing approach, that puts the consumers at the core of the company's business and frames the product or service upon consumers' needs and wants was not a concern in the news business, back then non-audience driven. It is only later, when the audiences began discovering the YouTube and alike and shifting between platforms that news media, like Al Jazeera, started exploring alternative ways to do news, driven by where the audience is. Audience segmentation, niche audiences and other expressions referring to some homogenized groups of audiences sharing common interests in news styles or platforms (ex. bit-size news or podcasts, on-the-move, etc.) that are different

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5 Zahra Rasool, in a public talk on October 1st, 2017, Qatar.

and heterogeneous from other audience segments, impacted the news industry. Jarvis (2016) addressed this audience perspective in his essay, "Death to the mass," where he explains that the one size fits all is no more viable. The question becomes, how does a focus on audience generates innovation? In the case of Sadeem, for instance, it did. The starting point of Sadeem venture was the audience. The finding that a large group of young Arab people in the Middle East, little interested in news, and unlikely to become Al Jazeera audience at any point of time, according to Sultan, triggered the interest of the team. The quest became what are they interested in and how can Al Jazeera bring them closer. Then, Sadeem was born.

### **Identify the value and reduce the risks**

In the case of AJMN, the new platforms capitalized on the brand name of Al Jazeera to attract talented professionals wanting to join the company. Additionally, extending the reach of the content from legacy TV to digital enabled gaining some value, as did identifying opportunities for cross-platform content integration, such as bringing stories from TV to digital. This facilitates a life extension of the stories and increases the capacity to spark a synergy on the operational level. However, since it is story-based, content has a short time value. Harris sees the value in extending the reach of the AJMN audiences, he notes

The biggest added value was extending the reach of the content initially. Today, it is clear that we

have brought totally new audiences and markets to AJMN and extended our reach way beyond what it was before. Hadn't AJMN done that, it would be at risk of withering away as many traditional print, radio and TV companies have, with the ageing and shrinking audience.

Taking risks with trying and failing and experimenting with alternatives enables not only the identification of new values, but also possible new processes and outcomes. "You've got to have leaders who leave space for this," says Moeed, "who are risk takers themselves and who understand how important is to enable the team to learn, make mistakes, and try again." Moeed adds, what the team needs is "to earn enough trust to try, fail and develop, and be given enough space to figure out what's a good value." He describes this as the innovative culture that fosters value.

Gordon and Germuska also agree on the challenges of innovation in the media environment. For Germuska, it takes experimentation and commitment to build an innovative environment where failure is just part of the learning and innovative process. Innovation does not come without a cost; eventually, some part of the existing business could be threatened, as Schumpeter (1994) explained with his concept of 'creative destruction', but the experiment would pay off in the long run, he argues. It is difficult for management to be willing to lose money while trying new experiences, especially in legacy media institutions, he adds. Gordon also points to the fact that big structures and cumbersome media

companies are unlikely to become innovative; he argues that smaller companies, organized like startups, have better chances of success in their development process. Christensen (1997) recommends that established companies try new products in a separate company, as far away as possible from the established parent company, to avoid internal competition. AJMN applies the same principle, as the new units—whether AJ+ or Jetty or Sadeem—are to some extent all independent units that are not competing with the broadcasting service, but developing in different markets.

However, Germuska also points to some limitations to such a process. First, when the experiment works, it often means that there is an assumption that when applied to other platforms it would work equally well. Often times it does not, and the team returns to new experiments and new tests, with frustration and disappointment. Secondly, and most importantly, with such a piece-based process, it is difficult to scale up the business, says Germuska. Media organizations look for ways to grow and make a profit. With little wins on a unit-by-unit basis, it is unlikely that processes get transformed and mainstreamed in a way that enables significant cost savings or higher revenues.

AJMN operates with no monetization objective, as it is funded by the Emir of Qatar. This presents a less risky environment for the creative teams, who would thus be more prone to espousing innovation, since the organization does not tie them to revenue generation. Keeping only the consumers in mind, the new media team can focus on their commitment to

exploration and experimentation, while being freed from the need for making a profit. Harris adds,

We didn't do a single thing with profit in mind. We always focused on being a voice of the voiceless and telling the important stories of our time from native perspective of global south (not an ego-centric perspective of self-perceived western superiority). In general, profitability is surely attainable but the models would have to be different.

## **Discussion. Diversification and patterns of legacy media transformation**

Aside from mergers and corporate acquisitions, media institutions may turn to diversification to scale up their businesses. The diversification strategies developed by AJMN over a decade exemplify the ways media companies may adapt to their changing business environments. This broadcaster chose to expand both horizontally and vertically. The horizontal expansion translates into the development of multiple platforms in different areas of specialization (entertainment, news, production, etc.), enabling access to new audiences with various interests. The vertical expansion is platform-based and enables access to audiences with similar core interests but differences in other characteristics, be these language, or locality. The learning and insights gained from experimenting with the development of one platform are

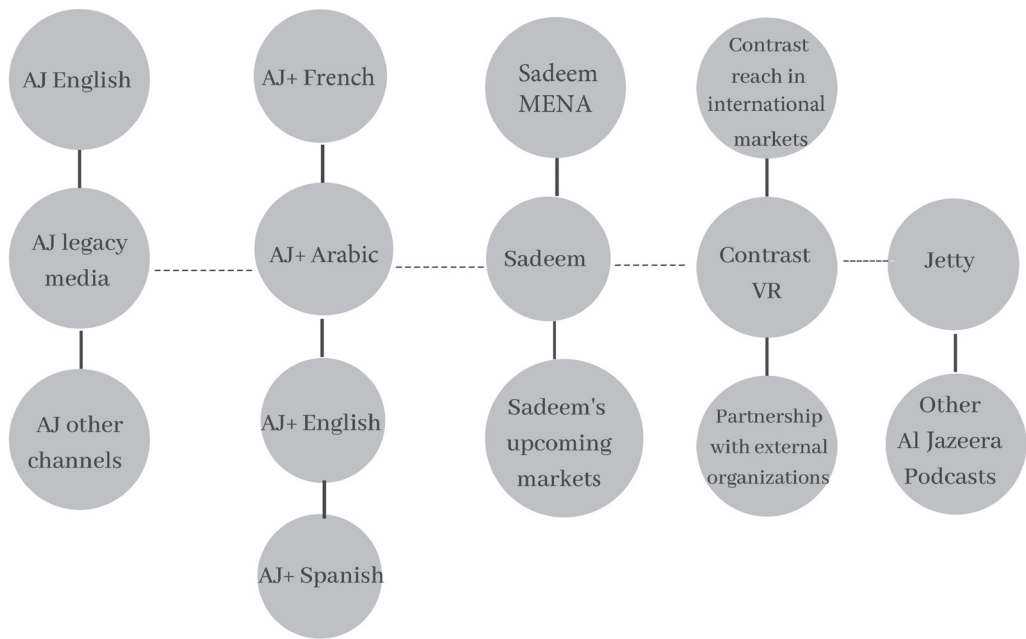


Figure 1. The integrated structure of Al Jazeera and its digital platforms.

shared across the teams, even though each platform runs as an independent entity, separate in branding and behavior from the legacy medium.

Each platform is responsible for developing and improving its operating system. For instance, AJ+ looks for an innovative way to tell stories and improve its process, as argued by Oliver (2014), who notes that improving the organizational process helps organizations innovate and adapt to their new environments. For instance, instead of hiring reporters, AJ+ takes stories from third parties, freelancers, and press agencies (e.g. APP, Reuters, etc.), consequently lowering the cost of human capital. Both human capital and organizational structure play a role in the development of the new digital ventures in the case at hand.

Media institutions do not have to reinvent the business, but to identify ways of optimizing their resources, understanding

their audiences and market trends, and experimenting with new ways of operating. Seeing that Millennials have different interests from the current Al Jazeera TV audience, the network opted to diversify its audience while not hurting the traditional brand, by creating separate brands, providing more room to grow the business. Kueng (2017) finds corporate culture, skills and competencies, and organizational flexibility, to be the basis of legacy transformation.

This study finds in resource management and corporate adaptability a means of innovation in media legacy institutions. Media organizations achieve higher performance when they can experiment, adapt, and change their resources to introduce improvements and achieve advantages, even though temporarily (Oliver, 2014). The case speaks to an adaptability model by discovering signals

and opportunities in its external environment and acting upon them (Reeves and Deimler, 2011). In the case studied, the innovation team prioritized optimization. The question became how to do things in an optimized way rather than in novel ways. Innovation, thus, is not about new inventions, but rather about improvements introduced in the ways of finding, producing, developing, telling, and distributing stories, which also demonstrates dynamic capabilities. According to Oliver, the development of dynamic capabilities “can be achieved by four tangible resource-based approaches; investment in new organizational processes and routines; product innovation and development; forming strategic alliances; corporate acquisitions and mergers” (Oliver (2014, 62). The case of Al Jazeera illustrates a strategy of product optimization. Such a strategy can be explained by bricolage of interests and practices that enables changing some of the settings in order to improve the product or the process by experimentation. The research findings mirror those of Heft and Dogruel (2019) who speak about freedom and flexibility enabling the establishment of new journalistic concepts and experimentation, thanks to the support of founders and journalists who create an entrepreneur culture, adopt flexibility, and advance team spirit.

Both organizational structure and decentralized decision-making processes play a crucial role in the development of new products, while adopting a creative space and ensuring autonomy to brainstorm, conceive, test, and run again. There is a consensus among the interviewees that AJMN executive team left good room

to the media innovation department to act as a think tank or a startup and experiment a wide range of opportunities, be it market opportunities or small processes and initiatives in the news room, whether they materialized and succeeded or not. As Heft and Dogruel (2019) explain, a digital news enterprise enables freedom when facilitated by “organizational autonomy, such as flat hierarchies allowing all members to get involved to a certain extent in managerial decisions as well as editorial processes.” (p. 689).

For new-venture optimization, it may be surprising that a legacy medium invests in several digital opportunities simultaneously. The findings show that this is possible if support is provided to the executive team, but also if staff are freed from monetization pressures. Victor Pickard argues that the market is destructor of journalism, and that news organizations need to be non-commercial or subsidized to succeed (Pickard, 2009). He notes, “[c]ommercialism lies at the heart of this crisis; removing it could be transformative.” (Pickard, 2020) AJMN has never claimed to be profitable or that monetization contributes to its success, “we didn’t do a single thing with profit in mind,” says Harris; AJMN settled on a non-commercial business model of news.

While it is not common to ignore monetization, it is reasonable to believe that other organizations, aiming to innovate and diversify, can facilitate new ventures inspired by audience trends emerging from media audience changes and transformations. Davidsson and Wiklund (2000) call this the strategic adaptation perspective that reduces the importance of the individual in favor of the gover-

nance structure. It is, in fact, an organizational model that enables managers to use resources in dynamic ways instead of inhibiting them by a rigid structure. Al Jazeera's new unit-governance model and management approach are poles apart from the managerial decisions made in the Arabian Gulf context, as per Siddique and Siddique's research (2019), who found that the decision-making style in the region continues to bank on an autocratic and pseudo-consultative style.

## Conclusion

Al Jazeera introduced a breakthrough model with regard to freedom of expression and new ways of doing journalism in the region. From its early days, not having any pressure to generate revenues from its operations and be profitable helped the team develop content quite smoothly. However it is uncommon for a non-public media institution to be able to prioritize content over monetization.

The capabilities discussed above to adapt and evolve in such a dynamic environment is what helped AJMN in its journey to remain sustainable. The team figured out ways to "reconfigure resources, assets, operating routines and competencies in order to improve its effectiveness in the pursuit of superior performance" (Oliver, 2014, 59). Providing a start-up with the freedom it needs to function is a major contributing factor to its success. The new enterprises are not meant to be a smaller version of their 'parent' company, the legacy media institution. They need to develop into

real businesses to be able to assess their success, as, in general, business success is still measured by profitability rather than impact. They are being developed as business ventures first and foremost, and thus do not operate in the shadow of the legacy media company.

This case is unique in the MENA region, as no other legacy media institution we are aware of has developed such a portfolio in the digital world. As research into entrepreneurship, start-ups, and business models is very limited in the region (Bruton et al., 2008; Kiss et al., 2012), this paper calls for more academic exploration to continue the conversation about the development of new media enterprises in the MENA region. Additionally, the lack of available data on the financials of the company represents a limitation in understanding Al Jazeera's innovation success in a dynamic market; but at the same time it represents a unique opportunity to understand media dynamics and performance aside from financial metrics.

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