

STAKEHOLDERS MANAGEMENT PRACTICES FOR LITHUANIAN MEDIA BUSINESS
SUSTAINABILITY

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Lukrecijus Tubys

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Abstract

Technological evolution has fundamentally changed the media industry and challenged traditional media business models. Prior to the advent of the internet era, advertising generated up to 90% of media companies' income. However, the rise of technology giants and changing information consumption patterns have forced newsrooms worldwide and in Lithuania to seek new approaches to financial sustainability. As a response, media organizations are turning back to the audience—one of the key media stakeholder—and implementing paid content strategies. In order to make this transition more seamless, this thesis highlights the potential of stakeholder management paradigm for media business sustainability and explores its practical application for the Lithuanian media environment. Through semi-structured interviews with Lithuanian media executives and international media stakeholder management professionals, the research explores current practices and opportunities for local businesses. The findings reveal that while Lithuanian organizations employ various management tactics, a more comprehensive and strategic approach to stakeholder management could increase their sustainability through enhanced operational resilience, financial health, and journalistic impact. The study contributes to media management literature and provides practical insights for news organizations navigating an increasingly complex media business environment.

Keywords: media management, media stakeholder management, media business sustainability, Lithuanian media environment.

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1. Introduction

The journalism and the media industry in general have undergone rapid and dramatic changes over the last few decades. The second development stage of the internet called Web 2.0 introduced multidimensional participation in the digital environment, creating a space for audience engagement as never before (Newman et al., 2023). While in the past, media consumers were limited to expressing their participation through telephone calls or physical letters, in the contemporary digital era the possibilities for engagement have expanded significantly. Today, one can consume media, express oneself through comments or interact directly with media organizations through social media platforms. It is perhaps most notable that consumers are now able to become producers and disseminate content of their own, thereby actively contributing to the media landscape. Consequently, the internet has disrupted the information publishing monopoly previously held by media companies, resulting in a redistribution of power among various actors (Newman et al., 2023). As a result, social cohesion has shifted significantly, audience relationship with journalism has been reshaped dramatically, the most popular business model of gathering audiences, selling their attention to advertisers and receiving income has been challenged fundamentally (Küng, 2017).

The advent of the new media business environment has introduced numerous challenges that media organizations must navigate through (Newman et al., 2023; Powell & Seave, 2024; Dejarnette, 2021). Firstly, it is evident that audience attention is scattered across a variety of social media platforms. Prior to the rise of the internet, media outlets primarily competed with other news publications. In the current media environment, newsrooms are facing competition from social media giants such as *X*, *Instagram*, *Snapchat*, *TikTok*, and *Facebook*. These platforms have emerged as significant substitutes for traditional news sources, with *Facebook* being the most popular news usage channel (Newman et al., 2023). The content published on these media behemoths is perceived to fill a need for information and thus has supplanted traditional media channels as more alluring information sources. Furthermore, social media preference is dominating over direct access to news sites, with figures showing 30% vs 22% respectively (Newman et al., 2023).

Secondly, in accordance with this trend advertisers reallocated their financial resources for publicity from news outlets to social media platforms. For instance, according to Statista (2024), *Google* was the largest digital advertising publisher in the United States in 2021, accounting for an estimated 28.6 percent of all digital advertising revenue generated, surpassing both *Facebook* (23.8) and *Amazon* (11.3). In Lithuania, major technology companies receive about 80% of local digital advertising revenue (*15min*, 2021). This shift has significant implications for the news industry, as historically, advertisements accounted for a substantial portion of a news outlet's revenue, ranging from 60% to 90% (Davis and Hunter, 2020; Breiner, 2016).

Thirdly, the widespread use of social networks has rendered media companies progressively reliant on these platforms for audience reach, thereby exposing them to vulnerabilities. These weaknesses rapidly appeared in 2023 when significant changes were introduced in policies, algorithms for search and social media traffic. In Canada, *Meta*, the parent company of *Facebook* and *Instagram*, has restricted access to news outlets on its social media platforms (Mundie, 2023). Internationally, according to content analysis service provider *Chartbeat*, in the first half of 2023, *Facebook* has reduced traffic to news sites by 40% (Neary, 2023; Newman, 2024). By May 2024, researchers observed a further decline, with traffic levels dropping up to 50% compared to the same period in 2023 (Majid, 2024).

These substantial changes resulted in a depreciation of value and the bankruptcy of numerous companies, in addition to job losses within the media industry. From 2005 to 2023, the number of newspaper titles in the USA declined by 3,000 while the number of journalists working in the industry fell by 43,000. During this period, newspaper circulation declined five times, from 50 million to 10 million (Jacobs, 2024). The effect of these changes in the industry was not limited to traditional media outlets, online media also faced challenges. For instance, well-known firms such as *BuzzFeed News* ceased operations, and *Vice* was sold for \$350 million, despite having been valued at approximately \$6 billion previously (Phillips, 2024). In 2023 approximately 20,000 media jobs were lost, representing a sixfold increase compared to the previous year (Newman, 2024).

The meagre response of the media industry to major business challenges raises a question about the sustainability of media companies (Newman et al., 2023; Altenberga et al., 2024; Davis

& Hunter, 2020; Hunter and Wassenhove, 2010). A significant number of organizations have adopted strategies that prioritize the audience—one of the media stakeholders—over traditional reliance on advertisers, both internationally and locally (Newman, 2024; *15min*, 2019; Balčiūnienė, 2020; Lietuvos rytas, 2023). In Lithuania, the country's leading profit-driven newsrooms in Lithuania, including *Delfi*, *15min* and *Lietuvos rytas* as well as smaller non-profit journalism organizations like *Siena*, *Nara* and *Redakcija* have embraced an audience-focused approach too. However, the practice of prioritizing readers and generating revenues from them in the industry is still relatively underdeveloped.

The attempts to make media business more sustainable through an increased focus on audience reflect a broader trend across the industry. This naturally gives rise to the question of how media stakeholder management practices can contribute to achieving this goal. The central argument of this thesis is that stakeholder management can have a significant impact on media organizations. Therefore, the primary objective of this thesis is to identify stakeholder management practices for Lithuanian media business sustainability. To achieve this, the focus will be directed towards accomplishing the following objectives:

1. By analyzing the literature review, identify key media business sustainability issues and media stakeholder management practices;
2. By conducting empirical research to uncover stakeholder management practices for Lithuanian media business sustainability;
3. To provide practical recommendations and theoretical implications for media industry scholars and practitioners.

The perspective of media management through stakeholder management is relatively new. Especially grounded from the point of view of professionals in the industry rather than general experts in the management field (Küng, 2017). Given the dynamic nature of the media industry, the thesis has the potential to provide new insights into media management and pave the way for future research in media stakeholder management. Furthermore, the thesis will attempt to bridge the divide between traditional and stakeholder-centered media business models. By identifying management practices, the thesis has the capacity to provide invaluable ideas,

inspiration and practical tools for media practitioners in Lithuania and beyond, enabling them to advance towards more sustainable, and consequently, stronger media organizations.

2. Literature review

The literature review of the thesis aims to identify key media business sustainability issues and media stakeholder management practices. This will be achieved by providing an overview of the current Lithuanian media landscape, thus offering a contextual backdrop for the challenges and opportunities media businesses face in the country. Furthermore, an in-depth examination of media management history, media business models, media business sustainability, the definition of stakeholder management and its implications for the media industry will be conducted.

2.1. Lithuanian media landscape

In order to gain a deeper understanding of the business obstacles media firms are presented with in Lithuania, it is crucial to have a broader perspective on the environment in which they operate. Firstly, it is important to note that the Lithuanian media environment is one of the most free in the world. According to the international non-governmental organization Reporters Without Borders' worldwide recognized annual Press Freedom Index, Lithuania is in 13th place out of 180 countries in the world in 2023 (Reporters Without Borders, 2024).

Secondly, it is of great importance to identify the principal national media outlets operating within different markets, as their strategies and influence significantly shape the whole Lithuanian media landscape, as well as which media platforms are used the most to consume news. The annual review of media research conducted by the data, insights and consulting company *Kantar* in 2023, indicates that television and social networks are the most popular media among respondents, with 67% and 66% respectively reporting usage. Video content online is the third most utilized form of media, with usage slightly exceeding that of radio content (46% and 45% respectively). News portals have a daily reach of 40%.

Out of all TV channels, *LNK group* has the highest market share at 24,9%, followed by *All Media group* (TV3) with 21.1% and the national broadcaster *LRT* group with 15.3%. In the radio sector, *M-1 Group* has a commanding 40.2% market share, while *RC Group* and *LRT* each hold 24,8% and 12%, respectively. Print publications is led by *Lietuvos rytas* (8.5%) and *Verslo žinios* (4.6%). Among weekly print magazines *Savaitė* and *Žmonės* have secured the largest market shares, at 25.7% and 13.4% respectively (Kantar, 2023). The results of a survey

conducted in June 2024 indicate that *Delfi* is the most recognizable news outlet. In the categories of spontaneous awareness and awareness *Delfi* was named by 94% and 79% of respondents, while *15min* received 54% and 89% mentions, and *Lietuvos rytas* 42% and 85% mentions respectively (*Delfi*, 2024).

2.1.1. Media business challenges and responses in Lithuania

The Reporters Without Borders' Press Freedom Index also indicated that, among other hurdles, economic challenges continue to pressure Lithuanian media companies, especially in the local markets (Reporters Without Borders, 2024). In order to gain a deeper understanding of the Lithuanian media business environment, it is necessary to examine the various adversities faced by media businesses and the ways in which they have been addressed.

Lithuanian media managers assert that global disruptive trends have had a significant impact on the local market, especially with regard to the volume of advertisements. While traditional online banner sales made up 80-90% of all the revenues five-six years ago, they currently generate 40 percent of the turnover (Altenberga, 2023). In response to such a dramatic decline in income, firms have sought to diversify revenue streams. Media organizations acquired companies from the same or adjacent industries. For example, *Delfi* bought *Login*, the biggest innovation and transformation conference in the Baltics, and the second largest news agency in Lithuania *ELTA* while *15min Group* in addition to its news portals *15min.lt*, *Zmones.lt*, news agency *BNS*, magazines *Žmonės*, *Ji*, *Legendos*, the company manages online cinema *zmonescinema.lt*, online doctor booking platform *manodaktaras.lt*, digital book shop *patogupirkti.lt*, the aggregator for print subscription *prenumerata.lt* (Altenberga, 2023). In July 2024, the *15min Group* also acquired radio station *M-1 Group* (*15min*, 2024).

One of the strategies for revenue diversification involves the purchase of other companies. Another approach is the implementation of a paywall and subscription-based model, necessitating media consumers to pay for the content. As the thesis focuses on stakeholder management for media business sustainability and the audience is regarded as one of the key stakeholders, it is important to examine the range of paywall strategies Lithuanian media companies have been employing to balance revenue streams.

2.1.2. Paywall and its strategies

The majority of Lithuanian news organizations have implemented subscription-based models for accessing content, albeit at varying times and under different terms. To illustrate, *Verslo žinios*, which started a paywall strategy in 2014, as of September 2023 has more than 19,000 subscribers. According to editor-in-chief Rolandas Barysas, one of the driving forces is corporate sales when employers offer subscriptions to employees (Alternberga, 2023). This indicates that *Verslo žinios* has their audience (a stakeholder) divided into smaller units, like corporate, and manages them separately from other audiences. The digital *Verslo žinios* subscription costs 15 Eur monthly for an annual plan, 22 Eur monthly for 6 months subscription and 39 Eur per month if subscribed only for this period. If paid for a print newspaper which comes along with *Verslo klasė* magazine too, the price becomes 27 Eur, 28 Eur and 41 Eur accordingly (*Verslo žinios*, n.d.). The company places over 80% of its content behind a paywall and keeps on adding value to subscribers by introducing new products, like podcasts and access to investments and financial literacy-oriented project *Manopinigai*. Currently the company is looking for ways to include other benefits too: video content, access to conferences, to mention a few. "It's more about what to add to the subscriber's portfolio, but not what to produce on the side," says R. Barysas and adds that 60% of income is generated from the paywall (Alternberga, 2023, p. 25).

Delfi, which began a subscription-based model for its digital content in 2019, as of March 2024 has around 40,000 subscribers (Žuolytė, 2024). The number is twice that reported by *Verslo žinios*, but the revenue per subscriber is lower due to different pricing policies. As of August 2024, the first annual subscription plan is 25 Eur which increases up to 30 Eur after a year. A customer can also subscribe for an ad-free plan which costs 40 Eur for a year and increases up to 46 Eur after the first year. The initial three months are priced at 1,5 Eur, followed by a monthly fee of 4,5 Eur thereafter (*Delfi*, n.d.) According to Vytautas Benokraitis, *Delfi* CEO, paying customers can read Lithuanian news, texts from *The Economist*, *Bloomberg*, browse archive, access exclusive multimedia content, conferences and video recordings, original video content, are able to write comments, participate in "brain battle" games, while kids can enjoy games (Alternberga, 2023). Based on the description of the services *Delfi* provides for paying customers, it can be noted that its audience could be described as business-minded, curious and entertainment-oriented. V. Benokraitis predicts that income from the paywall will

become the second stream of revenue in the next three years and will be equal to the advertising business in the next six or seven years (Alternberga, 2023).

15min introduced a paywall in 2019. As of October 2023, the news publication had gathered 21,000 subscribers and locked around 30% of its content (Alternberga, 2023). In September 2024, the monthly plan is priced at 1 Eur and 8.99 Eur for the annual subscription (usually 12 Eur). This includes accessing content behind a paywall and turning off pop-up banners. *15min* offers an additional subscription plan to eliminate ads. It costs 1 Eur per month, 10 Eur per year, and 18 Eur per year if content behind a paywall is included (*15min.lt*, n.d.). According to Gabrielė Burbienė, Chief Marketing and Development Officer, the organization is bringing a variety of value to their subscribers: "We provide approximately 1,000 content units monthly exclusively for subscribers. That includes commentaries from distinguished authors, investigative journalism (free to read on the first day, afterwards behind the paywall), documentaries, investment experts' advice, reviews, quizzes and business rankings." (Alternberga, 2023, p. 31). It can be observed that *15min* too offers products for business and curiosity-driven groups of people. Additionally, other *15min group* subsidiaries actively identify audiences with different interests, extending invitations to subscribe to *Žmonės* for entertainment news and *BNS* for the news-focused newsletter. The pricing of all three subscriptions is relatively similar.

In 2023, *Lietuvos rytas* online platform started subscription-based digital content as well. In May 2024, it passed the 10,000 subscribers mark. According to Tautvydas Mikalajūnas, *Lietuvos rytas* offers 400 articles per month, an archive of publications, a series of articles about the most famous stories in Lithuania and an entertainment talk show hosted by an influencer Saugirdas Vaitulionis (*Lietuvos rytas*, 2024). As of September 2024, the subscription pricing model offers a monthly plan starting at 1.00 Eur per month. The plan increases to 1.99 Eur after three months and 2.99 Eur after six months (with a 50% discount). The annual plan costs 17.99 Eur and the 24-month plan is priced at 29.99 Eur (*Lietuvos rytas*, n.d.). It can be assumed that *Lietuvos rytas* audience can be divided into two main groups: those who consume news and those who consume entertainment information consumers.

In March 2024, it was estimated that there were approximately 100,000 accounts subscribing to news in Lithuania (Žuolytė, 2024). However, leaders of commercial media

organizations argue, the numbers might have been higher if not for the competition by the state-funded national broadcaster *LRT* which provides content for free. According to V. Benokraitis, it can be called unfair competition: "How can you fight with a budget of 60-70 million?" (Altenberga, 2023, p. 26). *TV3 Group* CEO Christian Anting agrees: "Market is very much challenged by a very highly capitalised public broadcaster." (Altenberga, 2023, p. 27). To address this issue, The Internet Media Association, which unites digital news outlets in Lithuania, and the media company *All Media Lithuania*, which manages *TV3*, raised their concerns about *LRT* funding model to the General Court of the European Union in 2022 (*15min*, 2020).

2.2 The roots of media management

After examining the political, economic, and societal contexts of the Lithuanian media landscape, it is essential to review the history of media management, analyze the evolution of media business strategies over time, and define the concept of media sustainability.

The term "media" defines radio and television stations, as well as newspapers "through which information is communicated to the public" (Britannica, n.d). The definition is closely linked to the notion of "mass media" which allows massive duplication of media material, for example, newspaper print or electronic content distribution (Küng, 2017). However, the term "media" has different perspectives in the USA and in Europe. Europeans see media usually as radio and television broadcasting, print of newspapers, magazines, journals and books services as well as the motion picture and recording industries (Küng, 2017). Scholars in the USA include gaming, sports and theme parks as media too, that is why "media" is often called "entertainment" industries too (Küng, 2017). For the USA context, the word "media" is also used to refer to the individuals working in the media, including reporters, publishers, and broadcasters (Britannica, n.d). For the purposes of this thesis, "media" is defined through the lens of the European perspective, that is, as a "sector to broadcasting (radio and television), print (newspapers, magazines, journals and books), motion picture and recording industries" (Küng, 2017, p. 33).

The science of media management is "still in its infancy" (Küng, 2017, p. 25) with many leading academic associations and journals in the field only established in the late 1990's or early 2000's (Küng, 2017). The media field has long been neglected by management scholars, because

established managerial practices tend to conflict with cultural industries' perspectives on management. The conflict lies within the nature of cultural industries' goods which show artistic and expressive qualities rather than focus solely on practical purposes (Lampel et al., 2000). The second reason is that management academics usually choose sectors to analyze based on the topic they are researching (Lampel et al., 2000; Küng, 2017). Out of all media management academic work, the majority of it has been carried out by scholars of media, political economics, mass communication, journalism and media economics studies which can be called the basis of media management (Küng, 2017). Media economics is a field of study that focuses on the conditions, structures and management resources required to meet the needs of the audience, society and advertisers (all of whom can be considered stakeholders). It is widely used for analyzing the media industry (Picard, 2002a; Küng, 2017).

2.2.1 Evolution of media business models

Prior to the advent of the internet, the media business was fixed on a dual-product setting. It means that by making journalistic content (the first product) and publishing it in a newspaper, radio or TV station, media outlets attract and thus "produce" audiences (the second product) to be sold to advertisers (Picard, 2002a; Napoli, 2003; Medina-Laverón, Breiner & Sánchez-Tabernero, 2021). Consequently, the business strategy has focused on producing both standardized and appealing content for a broad audience, resulting in the generation of revenue from both readers and advertisers (Küng, 2017). While audiences consumed one product (news), by providing data on the number of copies sold and detailed market demographics, including audience socioeconomic status, advertisers were assured of the second product (audiences) (Breiner, 2016). Davis and Hunter (2020) note that this strategy used to derive up to 90% of revenues from advertising, while Breiner (2016) indicates that publishers earned between 60% and 80% of their income from advertisements. Additionally, prior to the rise of the digital age, the high barriers to entry in the publishing industry meant that established companies thrived in a less competitive environment (Breiner, 2016).

However, now the current reality is markedly different and media companies must compete in the attention economy where audience attention is considered a scarce commodity (Hollifield & Cofey, 2023). The rise of technology giants such as *Apple*, *Amazon*, *Facebook*, and *Google* has transformed the way media content is distributed and consumed, as they have the

means to control it (Küng, 2017). According to media scholar Nick Newman, "it's very hard to build direct relationships and financial security in an environment where you don't control the access points or the next click. It's an existential threat to the business model" (Altenberga et al., 2024, p. 13).

Furthermore, the advent of the internet provided audiences with free access to content, whereas digital tools allowed advertisers to gain more precise data about their customers than traditional media could have ever offered before the internet (Davis & Hunter, 2020; Medina-Laverón, Breiner & Sánchez-Tabernero, 2021). As a result, digital advertising spending increased by 11% in the \$628 billion dollar market with *Facebook*, *Google* and *Amazon* collecting 62% of digital ad spend in 2020 (Foster, 2021). To compensate for the loss of income, more and more media outlets globally are increasing their focus on paid content as the main source of revenue (Altenberga et al., 2024).

2.3 Media business sustainability

In the context of the media industry, the term "sustainability" can be understood in a couple of distinct ways. Firstly, it can refer to media enterprises that are able to meet the challenges of sustainability in terms of the environment, society and the economy (Berglez, Olausson & Ots, 2017). The Center for International Media Assistance describes sustainability in media as operating freely within supportive frameworks and fair conditions, ensuring diverse ownership, public trust as well as lasting impact (Center for International Media Assistance, n. d.). Another perspective is presented by Deutsche Welle academy: it is argued that media sustainability includes economic environment and media-market structure, sources of revenue and media firms' structure and resources (Kluempers & Schneider, 2015). On the other hand, the academy also offers another term called "media viability" which includes media outlets' ability to produce independent and high-quality content (Moore et al., 2020). Fairbairn (2009) notes that sustainability is not an end result, but a continuous process media organizations must align to. In this thesis, the term "media sustainability" is defined in line with the standards set out by the Local Independent Online News (LION) Publishers' Association.

LION Publishers, which helps local news publishers in the U.S. and Canada build and run businesses, defines sustainability using three key pillars: operational resilience, financial health and journalistic impact (Heyamoto, 2023; Dejarnette, 2021). Operational resilience

represents a company's culture and processes, policies that are designed to support and sustain growth. Financial health is a crucial factor for any firm to exist too, as without the necessary knowledge and tools to generate income, monitor expenses and manage a budget, it will ultimately be unable to function effectively. Journalistic impact, as the third pillar of sustainability, stands for a meaningful impact to society made through journalistic work (Dejarnette, 2021). Each of these pillars are not isolated but interconnected and, if not harmonized, might lead to different downfalls. For example, if a newsroom operates resiliently and has financial health, but cannot produce impactful stories it works inefficiently. If a company is well financially and makes an impact, but the team is not resilient, it increases the risk of burnout and a decrease in productivity. If a firm makes an impact on society and the work is well organized but operates without secured revenues, all of it increases the chance of bankruptcy (Dejarnette, 2021).

LION Publishers has also devised a framework of sustainability, which enables media organizations to evaluate and comprehend their present position. The four stages consist of Preparation, Building, Maintaining and Growing (Heyamoto, 2023). According to LION Publishers, the Preparation stage represents the beginning of a new venture where a media start-up identifies a target audience, a revenue model, a value proposition, and creates a lean business model and minimum viable product. The success, leading to an upper stage, is measured if a minimum viable product is launched to find out if the audience appreciates the new initiative. The second—Building—stage comes next and serves as a product testing ground. During this stage, an organization revises and iterates the product to match the needs of the audience. The second stage is completed once market fit is found. This leads to the Maintaining stage, which is dedicated to balancing operational stability, financial health, and journalistic impact. The third stage milestone is to have products, operations and revenue stabilized for growth. However, it does not mean a business is sustainable yet. Sustainability is achieved in the last—Growing—stage. Here news outlets have accomplished steady and balanced growth in revenue, audience and operations. The Growing stage also includes an expansion phase as news publications seek to reach new markets (Heyamoto, 2023). Thereby, according to LION Publishers' definition, a news organization is deemed sustainable not only when it has established a secure financial foundation but when it maintains continuous growth in audience, supported by a solid operations base (Heyamoto, 2023).

2.3.1 Media sustainability in Lithuania

The field of media business sustainability in Lithuania is underdeveloped compared to business sustainability studies. Lithuanian business researchers define sustainability through the lenses of economic, environmental and social attributes (Atkočiūnienė et al., 2023, Čiegis, 2003), as an ability to operate despite challenges poised by internal and external actors (Vartavičiūtė et al., 2023), as a way of running a business, including but not limited to sustainable production, consumption, marketing, generating sustainable energy and development (Bartkus & Grunda, 2011) to mention a few.

The review of previously conducted media management studies in Lithuania reveals that the majority of research could be categorized into three areas as defined by LION Publishers: financial health, journalistic impact or operational resilience. To name a couple of them, Valentinavičius (2016) write that the Lithuanian print media overused its power leading in the decline of trust and therefore financial results. The author claims that public trust is a significant element for the media firm to maintain its independence and relevance as a mediator of public discourse (Valentinavičius, 2016). Kėvišas et al. (2021) explores the problematic of state support for the media through the lenses of regional media outlets' executives. The research outlines the absence of a unified media support policy and highlights the need to prioritize funding for local continuous, sustainable and long-term projects over applications from national or international outlets (Kėvišas et al., 2021). Malychas (2022) explores regional newspapers' editorial teams and their readers' relationship building strategies.

Lithuanian media researchers have examined the issue of operational resilience too. Juknevičiūtė, Donauskaitė and Tubys (2020) provide a comprehensive overview of the diverse challenges faced by Lithuanian journalists. These issues include technological difficulties in protecting valuable sources of information, the escalation of harassment, threats, intimidation or being ignored and being subjected to legal and financial pressure (Juknevičiūtė et al., 2020). Kōuts-Klemm et al. (2022) research is one of the few attempts to analyze the business environment of Baltic media organizations more holistically. Through the perspective of resilience, the study examines media systems' ability to endure depletion of resources, the loss of audience attention and trust. The authors conclude that audiences are a key factor in fostering resilience. Additionally, the absence of a unified media support approach as well as the

underestimation of media business challenges by media policy makers raises concerns (Kõuts-Klemm et al., 2022).

2.4. Stakeholders management in the media industry

Given the object of the thesis to identify stakeholder management practices for sustainable media business in Lithuania, it is subsequently crucial to define stakeholder management, overview the context the definition was formed in, and recognize the paradigm's significance and application to the media business.

2.4.1. Stakeholders management history

The rise of stakeholder management approach usually is considered with Robert Edward Freeman's book "Strategic Management - A Stakeholder Approach" in 1984. The scholar claimed that stakeholders' management principles could be a cure for the turbulent and constantly changing environment business leaders were facing (Freeman & McVea, 2001). The purpose of this approach is to create methods to manage third party groups for strategic success. The beginning of stakeholder management principles is linked to Stanford Research Institute work in the 1960's which was influenced by Lockheed, Igor Ansoff and Robert Stewart. Stanford Research Institute argued that to develop objectives stakeholders would support and face long-term success, managers have to take into consideration what different stakeholders—shareholders, employees, customers, suppliers, lenders and society—need. According to Freeman & McVea (2001), the stakeholder approach is an active way to manage "business environment, relationships and the promotion of shared interests" and has several characteristics. Freeman & McVea (2001) write that at first this paradigm aims to provide a single strategic framework that could be applied in the light of new challenges without adopting new strategic methods. Secondly, it can be used as a strategic management process rather than a strategic planning process. While a strategic planning aims to forecast the future environment, strategic management actively charts a new direction for the firm. Thirdly, stakeholder management is a constant balancing act between multiple relationships and goals. According to the authors, this approach strongly relies on values, advocates for active relationship management between stakeholders rather than taken as given, invites to get acquainted with stakeholders personally and calls for inclusive decision making, having all interests managed in the same direction.

Stakeholders are defined in a variety of ways. For example, the Project Management Institute describes it as "individuals and organizations who are actively involved in the project, or whose interests may be positively or negatively affected as a result of project execution or successful project completion" (Smith, 2000). Some scholars argue that a stakeholder is an individual or organization with a vested interest in the project (Cleland, 1985), while others assert that a stakeholder is an individual or a group affected by or can impact the achievement of a firm's objectives (Freeman & McVea, 2001). It would be prudent to differentiate among stakeholders since stakeholder management is a crucial project success activity (Huemann, Eskerod & Ringhofer, 2016) and due to the fact that stakeholders require different approaches depending on their power and interest in the project (Freeman, 1984). Freeman and Parmar (2020) suggest distinguishing stakeholders into two groups: primary and secondary. The agents in the first group are essential to the operation of the firm whereas the second group actors are those who have any influence over the business or/and who can impact or be affected by the purpose the company fulfils. Employees, consumers, suppliers, financiers, and communities typically make up the first cohort, while the government, media, special interest organizations, consumer advocacy groups, and competitors usually form the second.

2.4.2. Managing media stakeholders

Organizations need strong ties with stakeholders in order to thrive (Xu & Saxton, 2019) and stakeholders management—either it is an audience, employees or other—requires a different mindset to media business. Journalism has been a vertically oriented business where journalists decide what "the news" is for a long time (Radcliffe, Lawrence & DeVigal, 2023). Excess concentration on elitism and experts' perspectives (Merill, 2011) disconnected newsrooms and audiences which as a result made journalists unapproachable for readers' critique or even feedback (Glasser & Ettema, 2008). Stakeholders oriented media organizations seek to reorient business to a more horizontal relationship and put strong emphasis on audiences and building connections through dialogue, feedback and interactions (Radcliffe, Lawrence & DeVigal, 2023). For example, a non-governmental stakeholder-focused organization like Greenpeace perceives communities not as markets only but rather as valuable contributors to value creation in terms of information, ideas, and solutions (Hunter and Wassenhove, 2010). However, while this approach has been successfully implemented in adjacent industries for years, and "is the best

available strategy" for most media organizations, it is not a common practice in the media industry (Davis & Hunter, 2020, p. 16). According to Davis and Hunter (2020), the stakeholder management approach could have been adopted earlier by media organizations if the advertising business model had not been so effective, which consequently made newsrooms blind to looking for more sustainable business solutions.

Media organizations that acknowledge the benefits of stakeholder management are now called stakeholder media or community media, to mention a few. Hunter and Wassenhove (2010) argue that "Stakeholder media" is an organization which reflects community or partisan interests and uses its resources in serving, reflecting, promoting those interests as well as defending and building their communities whereas traditional media seek to address the needs of the general public. "Community media", writes Fairbairn (2009), consists of four features: ownership and control, service, participation and a non-profit business model. According to author, community media tends to be more sustainable when it is owned by community members, as it brings a stronger sense of ownership to them (Fairbairn, 2009). Studies show that employee-owned firms work more productively, show bigger loyalty and serve more passionately to audiences of similar interests (Schneider, 2020). Such media must also practice service to validate and strengthen its community, cover relevant topics, encourage discussions, represent audience as well as participation to include them into the process in content creation (Fairbairn, 2009). These two perspectives have similarities and differences too. Both of them put a strong focus on the importance of the audience and are aligned with a Community-Centered Journalism approach which stands for journalism production with communities and for them (Radcliffe, Lawrence & DeVigal, 2023). On the other hand, Community media differs from Stakeholder media in two areas—ownership and business model. While Community media emphasize that an entity ought to be non-profit and owned by members of the community, Stakeholder media stands that a firm could be owned by other entities and profit-oriented.

It is important to note that the transition from traditional to stakeholder-oriented media may take time, and should include training and dedicated resources. That is because, as Radcliffe, Lawrence and DeVigal (2023) argue, stakeholder management requires a variety of new skills like "listening, facilitation, partnership working, building trust and measuring impact" (p. 13).

2.4.2.1. Managing audiences and communities

Usually, audience and community engagement are used as synonyms but news entrepreneur and community oriented-journalist Ariel Zirulnick (2021) offers a new perspective. According to her, the first focuses on audience revenue, loyalty, building habits, statistics, newsletters, and SEO strategy, whereas the second one invites organizations to come to approach individuals closer, engage with them personally to understand community needs and arrange newsrooms, its products and audience engagement plans to meet them (Zirulnick, 2021).

Hunter and Wassenhove (2010) argue that managing stakeholders means asking communities what matters to them and what needs they have, as opposed than just delivering the news. The authors observe that with changing news consumption habits, audiences' needs have evolved as well. Instead of reading facts, the public now "want to know its meaning - the story it tells - for their lives, and how they must act in consequence" (Hunter and Wassenhove, 2010, p. 10). Any newsroom, before starting any engagement related initiatives, should be asking themselves these questions: What do we want the "customer journey" to be during and through this project? What forms of interaction and opportunities for involvement do we want to offer our target audience through this project? What can we give them that will be meaningful to them? What can we get in return for this value? (Davis & Hunter, 2020).

Media publications' willingness to connect and listen to readers as a result would foster audience trust (Banerjee, S. et al., 2023). Davis and Hunter (2020, p. 25) assert that engagement is bonding, therefore it is required for both outlets and audiences: "it is the cornerstone of trust, because people place greater trust in others whom they can contact, see, and exchange with". Fairbairn (2009) adds that audience participation in newsroom activities increases a sense of ownership too, also facilitates skills exchange and demystifies media processes, thereby increasing trust in the outlet. Other advantages of engagement are creativity and inclusivity in the newsroom. By establishing a feedback loop that involves audience needs, suggestions and responses, media companies can gain deeper insights into their audience and thereby customize their offerings more effectively (Goligoski, 2019; Powell & Seave, 2024).

Stakeholders management rewards a publisher by delivering financial benefits too. Newman (2024) writes that subscription/membership is perceived as the most important stream

for commercial publishers and it grew by 6% since 2020. On the one hand, it is self-evident that organizations, seeking to increase subscriber base, will focus on delivering products or services worth paying for (Altenberga, 2023). On the other hand, scholars argue that certain stakeholder management techniques could help to increase the revenue from the audience—by finding and retaining them. Davis and Hunter (2020) argue that before any strategies are employed, an organization has to be mindful about the people they are going to target. It is those "who gain the most material and cognitive value from using and engaging with your organization's content, products and services" (p. 88). Therefore organizations, based on the data they possess, have to create marketing persona which represents either an existing or future customer which new products or services will be tailored to. Such technique allows project teams to work with specific users in meeting their desires when defining an offer and testing them before the launch (Davis & Hunter, 2020). An imaginary or factual client could be described through various perspective, not limited to gender, age, relationship status, salary, geographical location, interests, news consumption habits, news channels followed, fears and wants. After developing key traits of a customer which personifies specific community, its requirements and wants, newsrooms are encouraged to test their hypothesis by collecting the data, either it is an open source or private conversations, and then confirm, correct or dismiss the hypothesis (Davis & Hunter, 2020). Identifying your audience is one step, making them contribute is the other. Davis and Hunter (2020) write that stakeholder-oriented media organizations should look at it through the conversion funnel approach which derived from marketing funnel developed by Elias St. Elmo in 1898. According to Lichterman (2019), the conversion funnel is one of the most popular way used by publishers in increasing the number of subscriptions. The conversion funnel consists of five steps a reader has to go through—interest, awareness, engagement, conversion and loyalty (Davis & Hunter, 2020). From journalistic point of view, the first phase dedicated for people that are interested in journalism or certain topics. Here newsrooms could step in by providing high-quality service or products. The second—awareness—phase is for attracting readers attention by additionally meeting their particular informational or emotional requirements. The engagement stage refers to an environment where audience is interested and has awareness about the publisher, therefore is signing-up for newsletters, attending events, sharing their personal information. Then conversion follows when people decide to purchase media organizations products or services as they are triggered to act. A journey up to this point is

called the cost of acquisition. Finally, after acquiring customers, media organizations should invest in retaining them, mostly by marketing and analyzing why audience leave and why they stay. All of the goal related expenses are called the cost of retention (Davis & Hunter, 2020). Another technique publishers could benefit from is "Mapping the customer journey". It helps to build awareness of all the ways potential clients shift from one stage of the conversion funnel to another one. As outlined by Blake Pappas (Davis & Hunter, 2020), media organizations must ensure that all gaps in the customer journey are adequately addressed. Failure to do so may result in potential clients seeking solutions to their problems elsewhere. As noted already, marketing plays an important part in customer acquisition and retention. Marketing serves as a way to identify, satisfy a client's need and generate as well as retain value created (Villanueva & Seager, 2017). Media scholars argue that effective marketing is value-focused rather than product-oriented and has to have to the questions of these categories: "customers: what customer needs am I attempting to satisfy?; company: what special skills does my company have to satisfy those needs?; competitors: who's my competition?; collaborators: whom can I enlist to help me reach my customers?; context: which external factors will condition my effort?" (Villanueva & Seager, 2017, p. 58). Robin Wijnberg, founding editor of audience-centric publisher "De Correspondent" in the Netherlands, say that success of the company lies in hands of every member of the newsrooms, therefore everyone in the organization takes part in marketing and expanding subscriber base if one wishes to (Hunter & Wassenhove, 2017). Professor of University of Lausanne Markus Christen add that "marketing is making the truth attractive" (Davis & Hunter, 2020, p. 102).

2.4.2.2. Employees as a manageable stakeholder

Another media stakeholder is its employees, especially journalists. To perform, workers have to be healthy, supported and work in a balanced environment (Anand, 2022; Storm, 2024). Otherwise, media enterprises may fail to function sustainably (Dejarnette, 2021; Thompson & Chedraoui, 2023). Academic research and surveys show that the majority of journalists face various mental health and well-being challenges, including post-traumatic stress disorder and burnout (Thompson & Chedraoui, 2023; Storm, 2024). A survey in 2015 of more than a thousand journalists revealed that one third of journalists were thinking of leaving their jobs, two thirds admitted that their working life was affecting their health, causing fatigue and stress, while

another study shows that one in five journalists had a high risk of burnout (Brédart, 2020). The Center for Innovation and Sustainability in Local Media at UNC Hussman School of Journalism and Media conducted a survey in 2023 which revealed that more than 70% of local journalists experienced personal burnout and 70% work-related burnout in the USA (Thompson & Chedraoui, 2023). According to the World Health Organization (2024), burnout is defined as a syndrome "resulting from chronic workplace stress that has not been successfully managed" whereas post-traumatic stress disorder "may develop following exposure to an extremely threatening or horrific event or series of events".

Media scholar Mark Deuze (2023) attempted to explain what conditions may influence journalists to experience such conditions. According to him, professionals in the media sector often operate in informal, unregulated settings where clear policies or safety standards are lacking. As the media industry is evolving rapidly and competition is fierce, Deuze (2023) claims, journalists too may be pressured to learn and adapt to emerging technologies. More so, work environments require physical, cognitive and emotional involvement with long and usually unpaid working hours which is followed by an expectation to be always available. To add, he writes, the journalism industry is usually soaked with stress, where high-pressure, tight deadlines, intense schedules and attributes of toxic culture like bullying, favoritism and work overload are daily companions. The scholar also indicates that journalism often does not bring a sense of security as it lacks medical, legal and social protections. Other academics argue that blurred lines between work and home (Storm, 2024) and a lack of managerial strategy (Brédart, 2020) contribute to the problem too. While some acknowledge the situation as "a mental health crisis among media practitioners" (Deuze, 2023, p. 15), for others it is an individual problem. Thompson and Chedraoui (2023) claim that many media organizations still tend to treat burnout case-by-case, this way denying the need for a systemic change and thus pushing journalists to quit the industry.

However, there are positive examples too. A news organization in the USA *Montana Free Press* offers unlimited paid time off, paid parental leave, sabbaticals and mandatory extended holidays for their 13 employees (Anand, 2022). According to deputy director Kristin Tessman, they wanted to provide different working conditions for journalists: "One of the things I learned very quickly when I joined the field is that journalists were traumatized by their

employers for a very long time" (Anand, 2022). Media researcher Storm (2024) conclude that the media industry has ignored "the fact that journalists are our industry's most precious resource" (p. 165).

The literature review demonstrates how media business models have evolved from advertising-based approaches to media stakeholder-oriented frameworks for sustainability. While extensive research exists on media business strategies, the theoretical foundation of stakeholder management and stakeholder management practices in the media, scholarly work focusing on these areas within the Lithuanian media business context remains limited. This absence of research presents an opportunity for academic inquiry.

3. Methodology

This chapter is dedicated to presenting the research methodology chosen to achieve the thesis objectives. It details the research design, the sampling process of participants and the tools used for data collection and analysis. This methodology chapter is organized into the following key sections: Research Design, Sampling, Instrumentation, Ethical Considerations and Limitations. Given the main aim of this thesis which is to uncover stakeholder management practices for Lithuanian media business sustainability, a qualitative research method with the constructivist approach was selected as the best-suited for the study.

3.1. Research design

In order to identify stakeholder management practices for media business sustainability in Lithuania, the study seeks to uncover the participants' outlook on media business challenges and ways to respond to such challenges, to understand what are media stakeholders, their management and media business sustainability.

This research methodology employed in this study adhered to the qualitative research framework. Qualitative research is a 'valuable method in gaining insight into people's perceptions, understandings and experiences of a given phenomenon and can contribute to in-depth data collection' (Ryan et al., 2009, p. 309-314). Qualitative research provides valuable insights into human behavior and attitudes (Creswell, 2014) and is considered the most suitable approach for comprehensive media stakeholder management for business sustainability research that encompasses media business challenges, a diverse range of factors as well as respondents' opinions, experiences and perspectives (Newman et al., 2023; Powell & Seave, 2024; Dejarnette, 2021).

Research was based on holistic account characteristics and a constructivist worldview. Holistic account involves presenting multiple viewpoints, elucidating the multifaceted elements that make an impact on a situation and generally presenting the wider perspective that emerges (Creswell, 2014). Constructivism approach suggests that individuals comprehend the world in which they reside and work as they develop personal meanings for objects or things. Constructivism encourages researchers to look for complexity of views instead of limiting

oneself to a few patterns and rely as much as possible on the views of participants about the situation in focus (Creswell, 2014).

To uncover the stakeholder management practices for media business sustainability for Lithuania, the semi-structured interview method was employed as it allowed to have a conversation on premeditated questions (see Appendix A for the interview questions) and also explored emerging subtopics which could valuably contribute to the research. As constructivism values personal participants' ideas about the discussed topic, the presented questions were open-ended as they fixed a scene for participants to engage in an interview broadly and share their worldview (Creswell, 2014). The research commenced with an in-depth interview with study participants. Subsequently, the collected data was systematically categorized and thematically analyzed. Afterwards, findings were compared to relevant literature.

3.2 Sampling

For the research, two samples of respondents were chosen. The first was Lithuanian media business managers—two from the regional, two from the niche and two from the national outlets. Interviews with media leaders from different markets gave space for more inclusive and diverse data to be gathered about business realities in Lithuania. Respondents were chosen from digital media outlets only. Because this particular sector employs subscription-based models, which subsequently means that companies are putting more focus on creating business related relationships with the audience as a stakeholder (Žuolytė, 2024).

The first sample was based on the company participants are working for and their personal occupations. To be precise, participants were chosen according to these criteria:

- A person from a business that focuses on one of the markets—regional, national or niche;
- A person from a business that works in a digital media outlet;
- A person from a business that has been operating for at least 5 years;
- A person that is currently enrolled at a C or similar level position in a company.

In total, the first sample consisted of six participants. They were recruited by approaching them directly through Messenger or WhatsApp messaging platforms.

The second sample was international stakeholder-oriented media professionals who shared their expertise on stakeholder management practices for business sustainability challenges in Lithuania. The emphasis on exclusively international professionals is grounded in two key considerations. Firstly, stakeholder management's impact on business operations has been discussed in the Western business environment for more than 40 years now (Freeman & McVea, 2001). Therefore, it is no surprise that the Western media industry has demonstrated significant interest in applying his paradigm to practical contexts, thus Western stakeholder-oriented professionals may possess a more solid background, deeper expertise and greater intellectual capacity in this domain. The other reason is that during the course of writing the thesis, the author was doing a professional internship in the USA for the Lithuanian diaspora newspaper *Draugas* and working with LION Publishers. This position exposed the author to the opportunity to meet face-to-face or be introduced to successful and recognized media business professionals. This personal connection opened the door to interview top stakeholder-oriented media experts, which likely would not have been possible otherwise.

The second sample had to meet the following inclusion criteria:

- A person is a media professional with no less than 2 years of experience in international media business and stakeholder management consulting;
- A person has no less than 2 years of experience working as a head of an international media stakeholder-oriented department or stakeholder-oriented media project manager;
- A person has no less than 2 years of experience working as a founder or editor-in-chief of an international stakeholder-oriented news outlet.

Individuals who meet the eligibility criteria were contacted via email, social media platform LinkedIN, or during the "Independent News Sustainability Summit" conference held in Chicago, Illinois, in September 2024. In total, this sample consisted of six participants. Note that the term "leader" employed within this research pertains to individuals occupying the most senior management positions and, consequently, possessing significant agency and influence in their domains.

3.3. Instrumentation

The research was conducted in two phases. The interviewees of the first group were asked a number of questions which can be found in Appendix A. Questions included but were not limited to defining business challenges and responses, media stakeholders and their management as well as media business sustainability. The second group was asked a majority of the same questions as the first cohort but also were presented with the media business issues escalated by the first group, so they could name what would be the stakeholder management practices to employ. The interviews took place using Microsoft Teams services and lasted on average 60 minutes to cover the questions and create a space for interviewees to add any additional information that might be important from their perspective.

Due to the fact that the thesis author resides abroad, interviews with Lithuanian media managers took place online using the Microsoft Teams platform too. With the participant's consent, interviews were recorded using a Microsoft Teams built-in recorder, transcribed by the Microsoft Teams transcription tool and respectfully edited to ensure clarity. All of that enabled a comprehensive understanding and analysis of the data. An example of a transcribed interview is provided in Appendix B. One of the interviews of all took place in written form with questions presented and answers received in a document. This type of communication was preferred by the interviewee due to the lack of time resources. Three out of 14 interviews took place in Lithuanian due to the language barrier, as proposed by the interviewees. The conversations were translated using the *DeepL* digital translation tool and reviewed by the author to ensure the accuracy of the thought expressed in the native language.

Prior to the interview, each participant was provided with comprehensive information regarding the study's objectives and aims. Subsequently, they were asked to voluntarily participate in the study and express their consent by signing a dedicated document which could be seen as Appendix C.

Following the interviews, to identify the prevalent themes and patterns across the data set a thematic content analysis was conducted. This is an adaptable framework that empowers the researcher to recognize and analyze patterns and themes in common while also noting possible connections between them (Kiger & Varpio, 2020). Qualitative data analysis software MAXQDA was employed for identification and categorization of the codes found in the data.

The themes of the analysis were suggested by respondents' answers and interview questions which were grounded in literature review.

3.4. Ethical considerations

This research was conducted by following the general ethical guidelines as set forth by the ISM Committee of Ethics throughout the course of preparation, data collection, analysis, and presentation of the findings. One of the most important ethical considerations is ensuring respondents' safety. Most of them hold high-level positions within their organizations and have access to confidential or at least not public information. By disclosing such sensitive data, like the current business situation or business strategies to gain an advantage in the market, it could potentially harm them as professionals and organizations they work for. To avoid this, the confidentiality of each participant was ensured and all identifying and sensitive information was removed. For this reason, the participants are coded R1 to R12 in this thesis.

3.5. Limitations

Several limitations could be identified in the study. Firstly, the research sample was relatively small, raising a question about the generalizability of the results. Six media leaders from the digital media industry in Lithuania could not adequately represent what are media business sustainability challenges as well as how Lithuanian media leaders define media business sustainability or media stakeholder management. It is important to recognize that media CEOs from TV, radio, magazines or print newspapers may have contributed to the study differently.

Additionally, it is noteworthy that some international media professionals may have been less familiar with the Lithuanian media market. As a result, this gap in knowledge may have restricted their ability to propose the most effective stakeholder-management practices. However, it was observed that the majority of the interviewees were aware of that and requested additional contextual information to provide the most accurate stakeholder-management approaches.

Furthermore, while the semi-structured interview method is proven to be highly useful and adaptable, the outcome of the conversation partly relies on the researcher's ability to articulate questions as well as the interviewee's capability to answer them during the conversation. These factors may contribute to compromising the validity of the obtained results,

thus to avoid that questions were sent before the interview and the researcher, being a professional journalist, took an additional effort to re-ask the same questions again wherever it was necessary.

The third limitation is that out of twelve interviewees, ten media leaders are male and two are female. The researcher made an effort at balancing gender among respondents, however, a couple of female media leaders in Lithuania and stakeholder-oriented professionals did not find time to take part in a study.

4. Results

To analyze the data for the research an inductive thematic analysis approach was applied. The collected data was assigned to categories and then to themes based on the underlying patterns that occurred in the dataset to draw meaningful observations.

4.1. Participants' characteristics

Twelve interviewees—ten male and two female—took part in a qualitative research, which was conducted in two phases. In the first one, six C-level managers representing six outlets operating in national, regional and niche markets in Lithuania were interviewed. All of them met the selection criteria set by the researcher. To protect respondents confidentiality, it would not be appropriate to elaborate on the participants' characteristics extensively as the Lithuanian media environment is tiny and any additional information could pose a risk of identification. Lithuanian-based interviewees were assigned codified names from R1 to R6.

During the second stage of the research, another six international stakeholder-oriented media professionals, who met set criteria were invited for an academic interview. Respondents were named from R7 to R12. Their experience is presented in Table 1 below:

Table 1*Interviewees outline*

Name	Group	Gender	Years of experience
D1	Lithuanian	Male	Not an inclusion criteria
D2	Lithuanian	Male	Not an inclusion criteria
D3	Lithuanian	Male	Not an inclusion criteria
D4	Lithuanian	Female	Not an inclusion criteria
D5	Lithuanian	Male	Not an inclusion criteria
D6	Lithuanian	Male	Not an inclusion criteria
D7	International	Male	13
D8	International	Male	7
D9	International	Male	10
D10	International	Male	6
D11	International	Female	8
D12	International	Male	8

Source: created by the author

4.2. Overview of themes

Based on participants' answers, the analysis resulted in two broad themes and five sub-topics, which are presented in Table 2. Some of the sub-themes have an extensive list of codes derived from Lithuanian and international respondents' perspectives. Those are employed to draw comparisons and underline the similarities and differences between the two groups of respondents.

Table 2*Themes, sub-themes, groups and codes derived from categorization of the input*

Themes	Sub-themes	Groups	Codes
Media business environment	1. Media business challenges	Lithuanian	1. Technological disruptions
			2. Revenues
			3. Macro challenges
			4. Competition
		International	1. Technological disruptions
			2. Lack of contact with the audience
			3. Irrelevance
			4. Lack of media professionals
	2. Media business sustainability	Lithuanian/ International	1. Operational effectiveness
			2. Impact on society
3. Financial stability			
Stakeholder management practices	1. Defining stakeholder	Lithuanian/ International	1. Internal
			2. External
	2. Defining stakeholder management	Lithuanian	1. Connection
			2. Common success
			3. Respect
		International	4. Giving freedom
			1. Relationships
			2. Vision
	3. Lithuanian stakeholder management practices		3. Managing expectations
			1. Direct communication
			2. Higher quality and diverse content
			3. Events

Themes	Sub-themes	Groups	Codes
			4. Motivating a work environment
	4. Stakeholder management practices for Lithuanian business challenges from international media specialists		1. Knowing your ‘why’
			2. Stakeholders centricity
			3. Diversification: Going Beyond Journalism
			5. Harvesting technologies

Source: created by the author

4.2.1. Media business environment

All of the participants underlined that the media business industry has been undergoing significant changes. As a result, outlets are introduced to a variety of challenges that affect their capabilities to operate sustainably.

4.2.1.1 Media business challenges

The leaders of Lithuanian media companies (R1, R2, R3, R4, R5, R6) share that the most pressing problems are related to finances, how the market has been disrupted by technologies, competition from other outlets and macro-level threats.

Firms are concerned about their revenues for a couple of reasons. The first one—readers are not supporting outlets at all, supporting just a little or the potential of revenue from subscribers is not yet fully harvested. Some of the respondents claim they are not sure how to persuade audiences to support them financially (R1, R2). The second reason is that some companies have close financial ties with local governments and businesses. Revenues from these relationships are considered relatively fragile as it may change unexpectedly because of a political, economical or personal matter if a journalistic piece would not meet the agenda of a person with a higher rank: *‘The closer these financial relationships are, the more dangers arise for press freedom’* (R1). Another issue for respondents is the architecture of project-based funding. Its short-termism of approximately 12 months contributes in financial instability and inability to create a secure work place for staff: *‘While we can hire for projects, what happens*

after? '(R4). Not to mention the insecurities that occur if a project is dismissed and a significant part of a planned budget is missing.

Technological disruptions and its effect on the market have been emphasized by the interviewees too. Firstly, due to global technological giants like *Google, Meta, TikTok* advertisement business operation in the Lithuanian market, local outlets have been suffering the decline of financial flows. R5 claims that these companies can offer way more sophisticated and attractive ways to display advertising than media brands: *'all the advertising is being sucked away by Google'* (R5). Additionally, Lithuanian media leaders assert that technological mega-companies exert significant influence over the visibility of outlets on the internet. It has gone worse recently, creating numerous issues for the newsrooms. For example, outlets cannot reach as much audience as they used to make an impact on society with their journalistic content: *'Now they block our links and create various complications with them, and we see that traffic from Facebook has dropped by almost half. It's very difficult to recover'* (R1). A decrease in the number of page views directly correlates with the revenue generated from advertisements. Furthermore, there are concerns regarding the potential impact of artificial intelligence (AI) on the writing industry. According to R2, exceptional AI capabilities to summarize texts may result in bypassing human authors without proper recognition for their work. Moreover, interviewees elaborated on how technological disruption influences media consumption. R2, R3, R5 noticed that audiences now are much more attracted to shorter pieces of information, media outlets have lost the position to be the main source of information for social media platforms. Geopolitical threats, possible war in Lithuania as well as competition from Lithuanian public broadcaster LRT were mentioned as business challenges too (R4, R5, R6).

International media professionals (R7, R8, R9, R10, R11, R12) pointed out similar but different issues too. For them, the most pressing points are lack of contact with the audience, media companies' irrelevance, technological disruptions and decreasing number of media professionals in the field. Interviewees say that newsrooms don't really know why do they exist, don't know the audience they serve, haven't built bridges to communicate with them without intermediate platforms, thus are losing readers and becoming less and less relevant: *'Most media organizations are just hopelessly irrelevant and don't have the systems and processes in place to identify areas where they can be relevant, so they just kind of perpetuate old processes of news*

gathering and production '(R10). Stakeholder-focused media professionals also emphasize that a lot of media organizations over-rely on social media platforms, exposing themselves to vulnerabilities. According to R7, R8, R9, if in a past newsrooms succeeded in reaching vast audiences on the internet without investment, now social platforms have optimized their algorithms not for the benefit of publishers. R10 expressed concerns regarding the rapid pace of media evolution and that a new generation of leadership in the media is necessary to lead the industry, but this transition is not occurring at the desired speed.

Table 3*Summary of data on media business challenges*

Theme	Participant	Extract
Media business challenges	R1	I don't know about global trends, but Facebook has changed its algorithm. We used to get many visitors.
	R2	There are some thoughts that you wouldn't have to click on the link to get the information, you'll get it summarized in 2-3 sentences by AI, and this kind of theft from the original source - like now, once we get the click, you're kind of rewarded for doing that article, for investing your time.
	R3	<...> people complain that we need independent media, that everything is bought up and so on, but when it comes to contributing, paying, they don't contribute.
	R4	Social networks are changing, and there's a shift away from Facebook within our own team, making us less inclined to invest in this platform.
	R5	This is increasing like each year. What does it mean for us? Basically, this year, LRT funding is €80 million and their strategic priority is to build number one news portal. What does it mean for us? Basically people are getting news for free, which is affecting of course our subscription business.
	R6	War scenario is a black swan we don't want to meet.
	R7	<...> they have a very, very large - larger than ever in most cases - infrequent audience and a smaller than almost any time in their history direct paid support audience.
	R8	Facebook, your whole audience is on Facebook. Everyone knows about you on Facebook. That's your whole top of funnel. Facebook disappears, you're done.
	R9	<...> the biggest challenge is we're losing our audiences. We're losing our relevance to society.
	R10	I think that's one of the things that really comes to mind right now is really not managing the leadership transition to the next generation of leaders who are able to navigate this new face of media, where there is not kind of next to free user discovery through the big platforms.
	R11	<...> news organizations still don't turn to their audience members for answers as to how they should proceed.
	R12	<...> as an industry we forgot why we exist in the first place. We are so used to think of journalism as something to produce that we kind of have disconnected ourselves from what is our value proposition as an industry.

Source: created by the author

4.2.1.2 Media business sustainability

During the interview respondents were asked to share their understanding of what is media business sustainability. Responses from both Lithuanians and internationals could be categorized in almost identical ways—operational effectiveness, media company’s impact on society and financial stability.

Lithuanians focus the most attention onto financial aspect of sustainability. A sustainable company is that which is profitable and financially independent. Subscribers are seen as one of the ways to achieve it. Media leaders also expressed the importance of impacting society by keeping journalistic principles and values, editorial independence, being mission driven and this way impacting society. Operational aspect with effective work, stable team, good relationships and market wages as well as growth are also seen as attributes to sustainability. R1, R4, R6 argue that sustainability is maintaining current situation despite various turbulences: *‘only then it can be resilient to outside influence from advertisers, various interest groups and politicians, it can pay decent wages to journalists and go through economic downturns without sacrificing it’s quality, values and editorial team’* (R6).

Journalistic impact as a characteristic of sustainability is stressed the most by internationals. They say that a sustainable outlet is that which knows what exactly it is doing to serve its communities, helps them to become successful, has a market fit, therefore has a place to make an impact, is desired and hence relevant to its readers. Sustainable company is also financially stable as it has predictable, diverse revenue and a good handle of its expenses. Thirdly, it operates resiliently, meaning it is not too much dependent on a particular employee or a vendor and is able to continue working in a long term without comprising quality and well-being of the team: *‘there is operational resilience and that is that the act of getting that work done day in and day out does not feel like it’s going to break the organization or break people’* (R11). Respondents R7, R8 and R11 refer to LION Publisher’s definition of the sustainability which is used for the thesis too. R7 suggest to perceive sustainability as a fluid rather than stable position which can temporarily change due to strategic decisions or market turbulences.

Table 4

Summary of data on media business sustainability

Theme	Participant	Extract
Media business sustainability	R1	<...> sustainability probably means knowing that each month you can pay your employees' salaries, can pay yourself a salary, and because of that, the information would be reliable, stable, and timely.
	R2	<...> when you're not too dependent on things that you cannot control, like financial situation of the world or your environment. The subscribers kind of help to control that.
	R3	<...> if that original model where media could survive just on readers, without advertising would return - that would be extremely sustainable.
	R4	<...> ensuring employee conditions without compromising our principles. Yes, ethics and various issues - not compromising these. So I'd say it's about ensuring stability and growth while preserving these things.
	R5	One of our missions is to serve democracy - to be like a watchdog, to help understand better what is happening in Lithuania and in the world, to be a platform giving all this freedom.
	R6	Media business sustainability is when media company has decent profitability margin and working business model, has well diversified revenue sources.
	R7	<...> sustainability means you can survive the storm.
	R8	What's also true is that we need to be in a community, in an environment that is sustainable. Our business can't succeed if our community isn't succeeding.
	R9	Sustainability is the ability to have predictable revenue streams that allow you to have X amount of employees to provide Y amount of service.
	R10	So that a media business can continue to operate over time and can continue to be relevant over time, I think that would be kind of my definition.
	R11	There is operational resilience and that is that the act of getting that work done day in and day out does not feel like it's going to break the organization or break people.
	R12	I think it's just the ability to start with people or in your wording with stakeholders - what are we doing for people <...> to offer sustainability in their lives, that's gonna be the necessary condition to make sustainability for the business.

Source: created by the author

4.2.2. Stakeholder management practices

This chapter presents the interviewees' outlook on media stakeholders and their management. Additionally, it elaborates on current media stakeholder management practices employed by Lithuanian executives and overviews international professionals' perspectives on stakeholder management for Lithuanian media business challenges.

4.2.2.1. Defining a media stakeholder

Both groups of respondents name a list of stakeholders that could be categorized as internal and external. From a Lithuanian point of view:

- Internal stakeholders are employees (R3, R4, R5, R6), shareholders (R2, R3, R5, R6), the editorial team (R1, R2).
- External stakeholders are the audience (R1, R2, R3, R4, R5, R6), advertisers (R1, R5, R6) and partners (R4).

International stakeholder-oriented professionals' perspective on stakeholders:

- Internal stakeholders are the editorial department (R11, R12), staff (R8, R9, R11) and board (R9).
- External stakeholders are the audience (R7, R8, R9, R12), civic institutions (R7, R8), community (R8, R11), government (R7, R11), philanthropists or funders (R7, R11), vendors (R8, R12), other media organizations (R12), advertisers (R7).

4.2.2.2. Defining media stakeholder management

For Lithuanian media leaders, stakeholder management is related to connections, common success, freedom and respect. R1 says that they are trying to maintain and deepen relationships with the same advertisers: *'we try to maintain stable relationships with our advertising clients. We try not to be erratic'* (R1). R2 claims that they perceive their audience as a community, shows them respect and seeks to connect on a deeper level while building the company's reputation: *'we didn't approach it simply as a way to generate revenue but as an opportunity to build a community'* (R2). R6 adds that employees are *'our main asset'*, therefore

they are being listened to, R4 express an emphatic approach to employees too: *'I'm interested in how others feel'* (R4).

Lithuanian managers perceive stakeholder management as a way to grow both for the company and its stakeholders too—whether it is the audience that will get a higher quality journalistic service or employees that will have an opportunity to raise competencies, or advertisers that will receive additional value: *'growth is essential not only for the individuals working within the company but also for the audience we serve'* (R2). For Lithuanian interviewees it is important to respect the audience as a stakeholder, treat them as equals, for example, by following journalistic ethical standards. R3 says that as a way to manage its subjects the company entrusts a vast freedom of choice at work.

In contrast, international respondents emphasize the close connection between stakeholder management and relationships, the company's vision, ability to inspire action and manage expectations. R7, R9 say that the relationship between newsroom and audience should be reciprocal, each party has a way to serve each other, while R8 contributes by saying that media companies can act as a connection link between stakeholder in a community. R7 also shares that stakeholder management is also about getting in contact offline, either through marketing arrangements or events. Some argue that stakeholder management is important among shareholders, board and employees too. Firstly, it helps to manage everyone's expectations and creates a space to adopt to the new realities of the market, as per R10 and R12. According to R11, creating and distributing journalistic content *'is no longer something that is only the remit of the newsroom'* (R11). Secondly, through stakeholder management one can distribute knowledge and ensure consistency at work: *'stakeholder management is about getting all these people with different functions within an organization on the same page'*. (R11).

R7, R8, R12 express a need for a company to have a clear vision to be able to manage stakeholder, as without knowing what you do and who you are you would not be able to interact with related third-parties.

Table 5

Summary of data on defining media stakeholder management

Theme	Participant	Extract
Defining media stakeholder management	R1	Others offered to do it for lower prices, but we say we have our people. Then that trust carries forward. <...> It's like an echo - how you call out comes back to you another time and helps build a circle of trusted people.
	R2	<...> they've suggested new directions for us—whether it's exploring different formats or expanding into broadcasting. Their input shows us that our audience wants to see us evolve, just as much as they enjoy what we currently offer.
	R3	So that management, in that sense, there isn't any - our relationships are completely horizontal.
	R4	Due to my personal qualities, I'm interested in how others feel, if everything's okay, if there are problems that could be solved.
	R5	We are heavily investing into people and trying to develop our people to earn more, let's say via different ways. I mean the biggest value is our people who are bringing creative ideas, different kind of projects, bringing new ideas, new business directions which could help us to earn this money, let's say.
	R6	Employees is our main asset. We listen to them.
	R7	That's what stakeholder management is about - contribution both ways. What are they giving us and what am I giving back to them/our community? That's the peak of stakeholder management.
	R8	I could be writing stories forever or content forever, and if no one does anything with it, if it doesn't make any change... So I think that stakeholders are like your sounding board. Not only are they your sounding board, like "hey, we're doing this thing, what do you think about this? How do we support you?" From our community and audience perspective, they are essential. They are the thing that makes our impact possible.
	R9	Your job as a news organization is to find people that you can appeal to and then capture information about them so you can deliver an authentic relationship and have give them what they want, but also get something back in return.
	R10	I think there is a lot of systemic disruption happening in the media industry right now in terms of how journalism and media more broadly is consumed. And there are many expectations in terms of the impact of media on society that are also changing. So it requires a lot of communication.
	R11	<...> it's important because journalism, the act of producing and distributing journalism, is no longer something that is only the remit of the newsroom.

Theme	Participant	Extract
	R12	So when it comes to the staff of an organization, not managing the stakeholders and just putting the very heavy expectations that currently are put on any newsroom from both workload and external pressures in terms of reputation, it's not going to bring any good results if we don't put care into that stakeholder management aspect.

Source: created by the author

4.2.2.3. Lithuanian stakeholder management practices

Lithuanian media managers invest into higher quality and diverse content, working environment, direct communication and offline activities as ways to manage their stakeholders. R1, R2 and R5 assign resources to create unique content in other than written formats—shorter or longer audio and video content pieces: *'because you know you will pay only for that content which you really think that it's really worth to pay for'* (R5). Additionally, R5 shares that they are implementing technological solutions to make the content more accessible to the audience. Respondents share that they value direct communication (R5, R4) with stakeholders and have established different kinds of communication channels with them. A couple of examples: R1 says they have a Facebook group, R2 tells that they coordinate a Facebook group but also have a WhatsApp channel and Discord server set up, whereas R4 emphasizes that activity in a Facebook group has been decreasing and how well Slack works for them. Moreover, R4 says that they send small gifts to their subscribers and are keen on meeting their main partners over breakfast or dinner to discuss ongoing projects.

Offline activity has been seen by R2 and R4 as a way to interact with stakeholders too. They organize events for their audiences to be able to meet them face-to-face: *'for us that's a very nice way of moving from online to offline—from not seeing your audience to not only seeing them, but talking to them, understanding them, hearing their needs.'* (R2) R4 adds that as they communicate with listeners directly, they have a chance to know them personally and use their competencies in collaborative work. R5 and R6 express the significance of fostering a positive working environment: *'we create nice culture and work environment'* (R6). This includes celebrating successes, recognizing employees for their work, establishing an appealing work culture, offering competitive compensation and providing incentives. Both respondents also underline profit making as a way to serve shareholders as a stakeholder.

Table 6

Summary of data on Lithuanian stakeholder management practices

Theme	Participant	Extract
Lithuanian stakeholder management practices	R1	I once read a phrase very long ago and it stuck with me - 'content is the king'.
	R2	So audio is one solution - we are coming to this point where we will have every article in audio format and you won't have to read, you can listen to all your articles.
	R3	With readers, well, I just directly respond to comments, what people write there, something that wasn't described correctly - that's my only direct communication.
	R4	We send postcards to supporters.
	R5	Our most biggest focus is of course profitability, these numbers, like EBIT, net profit and then the cash flow.
	R6	We create nice culture and work environment, we pay market size wages and have many perks.

Source: created by the author

4.2.2.4 Stakeholder management practices for Lithuanian business challenges from international professionals

Based on the media business challenges Lithuanian outlets are facing, international stakeholder-oriented specialists share their recommendations on practices to be employed. Their strategies could be categorized into "Knowing Your 'Why'", "Stakeholder Centricity", "Diversification: Going Beyond Journalism" and "Harvesting Technologies".

4.2.2.4.1 Knowing Your 'Why'

Interviewees say it is important for an outlet to reevaluate its mission, vision, value proposition and market. As discussed before, respondents emphasize that these are the foundation for further management attempts with stakeholders. Significant changes in the media industry, according to R12, encourage companies to fundamentally question what do they do in the first place and if it is the right thing to do: '*sometimes the way journalism is done nowadays, it's clearly broken*' (R12). Without asking themselves these questions, firms would not go far

business-wise. R10 argues that changes in the media industry urge companies to go from a generalistic kind of approach to building more specific products: *'The change more broadly is gonna be <...> where every product does a specific job or provides a specific service to a certain defined audience'* (R10). As an indicator of an outlet's market position, R7 offers this perspective: if a newsroom is not getting paid for its work, does the company produce value and does its work really matter? If not, respondents (R11, R8) suggest turning to audience as stakeholder and focusing on serving their needs. Based on research, R11 underlines core audience needs: discover, connect, navigate (guiding audience), change (helping to make a difference), inform. Research shows, according to R8, that newsrooms success correlates with the wealth of the community. R9 adds the importance of framing your value proposition through stakeholder needs and such marketing strategies should be learnt from adjacent industries.

4.2.2.4.2 Stakeholder Centricity

Outlets are advised to employ various stakeholder-first practices to establish a solid connection and earn from it. R8 gives a formula for how to do it: *'What do people need from us and how do we change or produce stuff that meets their needs? Super simple.'* Thus, firstly, newsrooms should have a desire to know their stakeholders and their needs. R7, R12 suggest to have on going online or offline conversations with audiences, to find out what a company does well and what can it do more to cover underserved communities, to look what driving factors they have: *'how many readers have you talked to in the last week? You'd be shocked at the number of publishers for which that number is zero. Make it more than zero. <...> You should do it until you start hearing people repeat themselves and you can almost finish people's sentences'* (R7).

After the conversations, newsrooms could develop archetypes or the customer personas. According to R9, adjacent industries are successfully implementing personalization, content management and customer relationships management that *'is absolutely as critical as anything right now.'* R9 and R8 suggest asking a set of questions like who newsrooms would like to reach, where are audiences now, what are they pain points and how an outlet is a solution to that. Based on that, create an imaginary person—its gender, occupation, habits, needs, daily routine and etc—and tailor products for it. R8 advices to have around 5 archetypes. R9 suggests to involve diaspora members too.

Finances are an important part of the media business sustainability, hence as a next step international stakeholder management specialists (R8, R9) suggests to interview real representatives of the customer personas. If they subscribe, an advice is to ask them why do they do that, what makes this outlet special and different, if a newsroom is gone tomorrow, what would they miss. If they do not subscribe, the following questions could be asked: are they able to pay, if yes, why they are not doing that, what are they paying for, what do they subscribe to, what would it take to pay for this outlet's content. R8 explains that for every customer persona's needs a company should offer corresponding products and ways to monetize them. It can be articles, but it can be t-shirts, drinks, events, newsletters and others too: *'everything needs to have a strategy'* (R8).

R9, R10 add that the customer persona segmentation can help not only in defining your current audience but in expanding its reach. R8 emphasizes the importance for a newsroom to appreciate shown trust by committing to serve audience: *'you can't do this public service work without an actual commitment to it. It won't reward you.'* (R8). If there's dedication, R8 argues, then newsrooms are making an impact on readers and getting people to support them financially. An interviewee (R8) additionally thinks that companies should not ask to pay for a piece of content covering civic information needs.

R10 underlines the importance of optimizing the conversion funnel by going through the customer's journey—where a company stands in terms of discovery, engagement, conversion to subscriptions, where do people leave—and finding as well as correcting the weak spots. An interviewee also say that companies will benefit if they are able to show the value subscriptions bring to society and the media beyond generalized ideas like saving democracy.

4.2.2.4.3 Diversification: Going Beyond Journalism

For newsrooms that strongly rely on grants, respondents suggest to communicate your needs for more sustainable financing to a stakeholder—funders. Firstly, newsrooms may express the need to receive support for operations and growth (R9). Secondly, outlets could educate funders to organize projects based on specific needs rather than pre-planned outcomes (R11). R8, R9, R11, R12 emphasize that companies eventually should use grants as a means to become independent and sustainable. R8 suggest to use external funding to create an infrastructure that supports outlets mission and attracts audience to a direct communication.

More so, interviewees (R8, R9, R10, R12) share that media companies should consider expanding beyond journalism to fund themselves. R9 tells an example of a newsroom that diversified its revenue by commencing to offer additional services to the community: *'one of our former students in Armenia bought a coffee shop and movie theater and turned it into a community center and used that revenue to actually be where the newsroom was as well'* (R9). R10 says that outlets are publishing books or do community events around the journalistic piece that they produce or host pizza nights: *'it sounds really simple but what a lot of newsrooms really forget, especially locally, is they need to have these real life connections with people that are often neglected'* (R10).

Additionally, R10 points out that outlets could share employees' expertise by conducting training sessions or presentations at companies or government agencies. R12 suggests newsrooms to constantly think about how to expand journalistic value to society without creating any single piece of content. According to R9, this is the new reality media companies have to face: *'that's the hard part is, you know, we may have to do other things to subsidize what we want to deliver to society'* (R9).

4.2.2.4.3 Harvesting Technologies

Lastly, media companies should employ technologies for their own benefit to serve stakeholders while discarding what's not working anymore. Given the decline of social media's benefits for publishers, respondents emphasize the need to invest in technologies that facilitate direct communication and effective relationship management. R9 encourages publishers to leverage on customer relationships (CRM) and content management systems (CMS). R8, R9 thinks that companies should strategically evaluate the road from a newsroom to the person. Social media platforms could play a role in this journey but eventually newsrooms should end up with tools that they are in control of: *'Google has decided that they make much more money by not sending people away. <...> And this is why it's essential for us to be collecting direct information and serving people directly'* (R9).

R7, R8 and especially R9 say that newsletters are by far the most important product newsrooms could develop for direct communication. Companies could establish direct communication channels on WhatsApp or Telegram as well as SMS messaging services too. R9

shares an example of one newsroom that created a VIP channel for high paying donors as a way to communicate with them and ask for their feedback.

R7 suggests to employ technologies to drive habits and encourage audience virtuous behaviors. To do that, outlets should incentivize readers if they download an app, sign up for a newsletter, join a channel and etc. This would keep the audience loyal and retained. R7 also expresses the importance of harvesting technologies to go along with human behavior: *'we want to make it very easy to support you and very clear why we support you. And we need to make it very, very easy to do the behaviors that are gonna lead to long term support.'*

Table 7

Summary of data on Stakeholder management practices for Lithuanian business challenges from international media specialists

Theme	Participant	Extract
Stakeholder management practices for Lithuanian business challenges from international media specialists	R7	The way to become less dependent is by talking to stakeholders - what does this community need in order to thrive, and what job can I do as a media organization as part of that community?
	R8	Develop archetypes, so like 5 characters. The mom who opens our newsletters every morning as she gets her kids ready for school. She works from home, she goes out in the community, she does yoga, visits coffee shops. But she's primarily a homemaker, right? So she stays at home.
	R9	I think the three big things are figure out who you're trying to serve, you know, listen to them, build your customer journey, support it with technology, right? More than three things and AB test the hell out of your messaging.
	R10	<...> you look at the funnel kind of overall and you assess where you stand in terms of discovery, where you stand in terms of engagement and where you stand in terms of conversion to subscription and you look at where you feel you have weaknesses.
	R11	We are understanding there is no monetization to be had off of most of the social platforms. If anything, maybe they're good for reach. But even that is increasingly questionable.

Theme	Participant	Extract
	R12	I think at a high level, I do think that we're not going very far if we just trying to marginally improve what we do without fundamentally questioning what we do in the first place and if that's the right thing to do. Sometimes the way journalism is done nowadays, it's clearly broken - clearly the trust of people is not there in journalism as an institution. The value they don't see it, they don't find it, so I think we're not going to create any sustainability.

Source: created by the author

5. Discussion

Based on the outcomes of the research, it can be concluded that stakeholder management practices, especially around audience as stakeholder, could make an impact on media business sustainability in Lithuania. In answering the research question posed by this study, two key themes were identified as the outcomes of the research: the media business environment and stakeholder management practices. Thus, the following sections will reflect on how the implications of these results relate to the literature review and could be applied in the current context.

5.1 Media business environment

Data shows that the Lithuanian media market has been affected by technological disruptions in the media industry in a similar way as the rest of the world (Küng, 2017; Newman et al., 2023). A couple of Lithuanian media companies' CEOs elaborated that *Google* and *Meta* dramatically influenced the media market resulting in a decrease of inflows from ads to local media companies (R5, R6). Global media researchers universally recognize that the substantial shift in advertising revenue experienced by interviewees from media organizations is a prevalent trend. Before the advent of the internet media companies gathered up to 90% of revenues from ads, 80%-90% from banner sales five-six years ago, and now it is up to around 40% of the turnover only (Davis & Hunter, 2020; Breiner, 2016; Alternberga, 2023). International media business researchers too acknowledge the fact that technological giants like *Google* or *Meta* have been dominating the media market, mostly because it can offer more diverse and accurate advertising options (Davis & Hunter, 2020; Medina-Laverón, Breiner & Sánchez-Taberner, 2021).

Additionally, the Lithuanian media market is suffering from the drop in traffic to the news sites from social media platform *Facebook*. One of the interviewees (R1) says that the referrals to the website decreased significantly—by half—and as a consequence the company lost around 50% of revenues from ads. According to the respondent, it is difficult to recover from such a loss. This issue corresponds to the concerns faced by media industry researchers

worldwide too as they observed that since *Facebook* started reducing referrals to publishers in 2023, the traffic has gone down by 40%-50% (Neary, 2023; Majid, 2024).

More so, Lithuanian media leaders perceive changes in news consumption as an issue as well. One CEO (R2) says that audiences are much more attracted to short pieces of information and therefore a newsroom is required to reorganize its work to be able to offer content in new and trendy formats. Another Lithuanian CEO (R5) acknowledges this situation as a pressure for publishers too, making them to dedicate additional resources which are utilized in creating specific content on *Facebook*, *Instagram*, *YouTube* or *TikTok*. Besides that, the interviewee states that social media has surpassed traditional news publishers as the main source of information which is the case worldwide, as per academic studies (Newman et al., 2023).

Lithuanian media managers expressed that readers'—one of the media stakeholders—donations to the outlets is another major business concern. The growing numbers of subscribers is one of the key business focuses for R2, R5 and R6, while R3 and R4 are struggling with the challenge of acquiring even a modest number of paying subscribers. R1 lacks arguments about how the newsroom could elaborate on the value of its paid content if it decide to pursue this path. Even though there are approximately 100,000 content paying accounts (Žuolytė, 2024), the absence of paying customers, as expressed by local media leaders, could serve as an illustration of the fragile, underdeveloped and yet potent relationship between audience and publishers in Lithuania.

According to international stakeholder-oriented professionals (R7, R8, R9, R10, R11, R12), the greatest challenge is that the media industry is losing audience and becoming less desired and important to society. R12 expresses a concern that media companies are absent of a contact with readers which is not facilitated by an external platform or service provider. As outlined by R7, the media sector is currently experiencing a condition in which publishers '*have larger than ever before infrequent audience and smaller than almost any time in their history direct paid support audience*'. Therefore, an international media management specialist asserts that the industry must undergo a significant transformation and establish a strong and direct relationship with its most steadfast stakeholders.

One of the reasons behind this situation is that media companies continue operating the "old way". They tend to create generalistic content rather than investigating what are the actual

readers' needs and acting upon them (R10). This behavior might be inspired by the vertical oriented business mindset inherited in the media environment where journalists themselves decide what "the news" are (Radcliffe, Lawrence & DeVigal, 2023; Glasser & Ettema, 2008; Hunter and Wassenhove, 2010). This perspective does not serve in making connections with the audience and receiving feedback (Radcliffe, Lawrence & DeVigal, 2023; Glasser & Ettema, 2008). International media professionals (R7, R8, R9, R11, R12) are concerned that newsrooms do not focus their own resources on serving their stakeholders and not exploiting the benefits of such strategic decisions. According to Davis and Hunter (2020), the stakeholder-centricity is regarded as "the best available strategy" for most media organizations (p. 16). On the other hand, such a change requires media companies to reorganize fundamentally. If they ought to turn to stakeholders, organizations have to question themselves, starting with what they are, what they do and how they do the work with a focus on the audience first. More so, it takes training, resources, time and new skills, like facilitation, partnership, building trust, listening and etc (Radcliffe, Lawrence & DeVigal, 2023).

International interviewees (R8, R10, R12) argue that most of the publishers have forgotten why do they actually exist, what is the value they are providing to the customers, resulting in a decline in their relevance. Why would customers want to pay if no value is delivered to them, to rephrase a couple of the international respondents (R7, R8, R9) and reflect on Lithuanian media managers' worries. As outlined by R11 as well as Davis and Hunter (2020), engagement too is a crucial factor for financial success, as it is a driving force that makes clients pay for the content and stay loyal to the organization.

Lithuanian representatives (R3, R5), however, could argue by saying that they either protect democracy, seek to inform society or that they are irredeemable and deliver news without ulterior motives, therefore customers should pay for the content. This miscommunication is yet another business concern for international stakeholders-oriented professionals point of view. R12 even humorously suggests that journalism is the only industry where a client is wrong for not comprehending the value media organizations provide. To Lithuanian media managers' arguments international specialists (R7, R9, R10) probably would respond that newsrooms not only have to reflect and deliver what stakeholders desire but also narrate marketing messages in a way that readers realize value media organizations generate to them. In other words, most of

the media firms fail to execute on both, and if they succeed in meeting stakeholders' needs, they likely are unable to communicate that. According to international media specialists (R9, R10, R12), big slogans like "we are serving democracy" don't work as messaging has to be developed through audience point of view, what exactly they are getting by supporting the publisher and how it helps the newsroom to continue serving the readers. Media scholars would likely contend that Lithuanian managers' approach to audience reservation in subscription services may be attributed to inadequate or erroneous marketing strategies that prioritize product offerings over value generation or lack of comprehension of audience preferences (Villanueva & Seager, 2017). Additionally, it may also be related to the approach of the customer journey. If the audience is interested and has awareness of a media brand, but lacks engagement or call to action, they likely wouldn't convert into a paying customer (Davis & Hunter, 2020). Therefore, as suggested by R10, publishers have to critically optimize the conversion journey to avoid any drop offs.

More so, as R10 emphasizes, the revision of the customer journey has been of the utmost importance due to the fact that technological giants are optimizing services for their own benefit, pushing publishers excessively reliant on *Google*, *Facebook* and other social media platforms into the margins and making them less and less visible. This is observed by R1 which states that traffic to their news site from *Facebook* has decreased by half as well as media researchers that say in May 2024 the number of referrals internationally has declined by 50% compared to May 2023 (Neary, 2023; Majid, 2024). R8 expresses concern that if the media outlet's whole audience is on *Facebook* and everyone knows it on *Facebook*, once the social media platform ceases to exist 'you're done'. R7, R10 think that with changes in algorithms, media companies will not be exposed to such vast audiences anymore in the near future, therefore the costs of client acquisition will increase. While it is not the case yet, R7 argue, media companies should take this momentum and invest in marketing to reach audiences and lead them to direct communication platforms as discussed below: *'The risk there is you haven't built the muscle required to go find audiences out in the world where they roam, whether that's organic - getting people to share things - or paid. Direct-to-consumer brands assume they're going to spend a lot of money on marketing, whereas news organizations say "Why would we ever spend money on marketing? We should get it for free - we're high quality, we're good." And the platform doesn't look at it that way. The platform says brands put out a lot of good quality stuff too, and they also buy ads, so why are you special, publisher?'* (R7). This issue is evident worldwide and aptly addressed by

media scholar Nick Newman, who suggests that "it's very hard to build direct relationships and financial security in an environment where you don't control the access points or the next click. It's an existential threat to the business model" (Altenberga et al., 2024, p. 13).

5.1.1 Media business sustainability

Lithuanian and international interviewees (R1, R2, R3, R4, R5, R6) named various aspects of media business sustainability which ultimately could be categorized into financial, operational and impact on society. Respondents' perspective is closely related to Local Independent Online News Publishers (LION Publishers) association's media business sustainability definition which consists of three pillars—operational resilience, financial health and journalistic impact—and is used as the foundational term in the thesis (Heyamoto, 2023; Dejarnette, 2021). Three out of twelve interviewees mention the LION Publishers definition when asked to describe media businesses' sustainability.

Notably, during the interviews Lithuanian respondents (R1, R2, R3, R4, R5, R6) financial aspect of sustainability are emphasized more often than others, meaning that revenue is by far the most important trait. While it is no doubt a substantial attribute, it is also useful to be informed that the majority of interviewees named grants or subscribers as the main or most potential sources of income, showing close connections with either funders or readers as stakeholders. A couple of respondents say that the ideal media business situation is when an outlet is fully supported by its readers.

Arguably, this perspective can be seen as chasing the result rather than creating a cause for it, as international respondents, on the other hand, most often underline making an impact to society as the most significant characteristic of media business sustainability. According to international management professionals, and it again relates to the theme discussed previously, the absence of audience-centric journalistic work raises concerns about its societal influence. Consequently, readers have less incentive to support an outlet monetarily. In other words, publishers that carry strong ties with stakeholders for their financial success are encouraged to look at it through the perspective of value creation which in result would reward financially.

International media professionals' perspective on media business sustainability shows corresponding signs to the approach given by stakeholder management paradigm researchers.

According to Freeman & McVea (2001), stakeholder management can be used as a strategic management process instead of a strategic planning process. Thus, while the latter seeks to predict future events, strategic management allows to actively work in paving the way forward for a company. Looking to it through a media business perspective, audience-centricity would allow firms to gather unique data which would empower them to make stakeholder-oriented strategic decisions and lead in increased media business sustainability.

Nonetheless, in defense of Lithuanian interviewees, it should also be acknowledged that local media business leaders are accountable for delivering financial results to their shareholders and compensating employees. Consequently, if a firm is financially insecure, it can be natural to identify this issue as the most important and others, especially the ones that cannot deliver tangible results quickly, considered less significant. Arguably, financial emphasis could serve as a legacy of the traditional media mindset too. Breiner (2016) states that before the rise of the digital age, publishing industry had high entry barriers which allowed companies to be successful in a less competitive field. Presumably, back then a solid financial foundation was seen as the major factor to step into the market, whereas the question of value creation to society could have been perceived as secondary, if not less important. Now, when publishing has become extremely inexpensive—every person with an internet connection has this capability—value creation to the audience can be regarded as the biggest competitive advantage. In an industry where publishers compete with practically every person online, users' attention is considered a scarce commodity (Hollifield & Cofey, 2023) and audience-centricity could help newsrooms to draw it to themselves, again resulting in financial gains.

It is worth to mention that some Lithuanian and international respondents (R1, R4, R6) define media business sustainability through the lenses of maintaining current status, whereas LION Publishers note that sustainability happens when a company is continuously growing on a solid financial and operational foundation (Heyamoto, 2023). One of the international respondents (R7) also suggests to perceive sustainability not as a fixed state but rather as a dynamic phenomenon. Interviewee referred to LION Publishers' sustainability stages—Preparation, Building, Maintaining and Growing (Heyamoto, 2023). It says that a company is at "Maintaining" stage when it has products, operations and revenue stabilized for growth. But it does not make a company sustainable yet—sustainability is achieved in the "Growing" stage,

when a firm has established a secure financial base, simultaneously maintains continuous growth in its audience and is supported by a reliable operational foundation (Heyamoto, 2023).

According to the interviewee R7, companies may vary from "Maintaining" to "Growing" stage based on their situation in a market and strategic decisions. The most important, according to respondent R7, is the ability to keep two of the three pillars of sustainability—operational resilience, financial health and journalistic impact—solid (Heyamoto, 2023). Fairbairn (2009) also asserts that sustainability is not a culmination of efforts but rather a continuation of media business operations.

5.2 Stakeholder management practices

Another aspect that warrants discussion in the thesis is data on how Lithuanian representatives and stakeholder-oriented media business professionals define media stakeholders and what management strategies they employ or could potentially implement.

5.2.1 Defining stakeholders

Interviewees define various third party actors as media stakeholders: employees, shareholders, editorial team, advertisers, partners, board, civic institutions, community, government, philanthropists or funders, vendors, competitors. These could be categorized into external and internal stakeholders or, according to Freeman and Parmar (2020), primary and secondary. Scholars write that the primary group's agents are of the essence for firms' operations, while the members of the secondary cohort have an impact or can be impacted by the business. Therefore, all of the employees, board and shareholders can be seen as primary stakeholders. The external stakeholders—audience, civic institutions, government, vendors, community, competitors and advertisers—can be valued as secondary.

Lithuanian media managers (R1, R2, R3, R4, R5, R6) name 6 stakeholders (employees, shareholders, editorial team, audience, advertisers and partners), while international respondents (R7, R8, R9, R10, R11, R12) mention 11 (editorial department, staff, board, audience, civic institutions, community, government, philanthropists or funders, vendors, competitors and advertisers). Lithuanian respondents have not uttered government, governmental institutions or competitors as media stakeholders, though they include competition, short-term funding (Kėvišas et al., 2021), economical and geopolitical factors as threats when elaborating on the media

business challenges. Stakeholder management researchers define stakeholder as an agent that is actively involved in a project or whose interests maybe affected once it is completed; or an actor that has an interest in the project or is subjected to being influenced by a firm's success (Smith, 2000; Cleland, 1985; Freeman & McVea, 2001). Consequently, government entities, governmental institutions and competitors can be identified as stakeholders and specific management principles can be applied in interactions with them. While macro-level issues are unlikely to be directly affected by stakeholder management strategies, funding constraints as well as more favorable economic or market conditions, for example, the reduced VAT rate for the media, may warrant consideration on decision-maker agendas, making them a valid stakeholder as named by international media professionals too. This comparison could serve as an illustration of the lack of media stakeholder awareness among Lithuanian media industry representatives and, possibly, suggests the potential that could be harvested when conscious stakeholder management practices are employed.

Additionally, it is interesting to mention that one of the respondents (R8) name audience and consumers as separate media company third-parties. From the perspective of the interviewee, they serve the audience by providing content to consumers. In other words, as the interviewee's audience are specific communities, they treat them differently than consumers which are decision makers and have an influence over those particular communities' life for better or worse. Such detailed perception of media stakeholders can be seen as an example and as an inspiration for Lithuanian media managers.

All of the Lithuanian representatives name employees as stakeholder. On the one hand, it suggests that Lithuanian media leaders value workers as a precious resource, contrastingly to the literature review which found that industry has offered an unsustainable work environment for journalists (Thompson & Chedraoui, 2023; Storm, 2024; Deuze, 2023). On the other hand, when asked to elaborate on stakeholder management practices, Lithuanian media leaders share that they listen to employees, have personal conversations, create a positive working environment, offer competitive salaries and incentives. It is difficult to evaluate how these practices actually affect employees and their emotional well-being in Lithuanian media companies.

5.2.2 Stakeholder management for Lithuanian media market

Lithuanian interviewees (R1, R2, R3, R4, R5, R6) presented a variety of ways to manage different stakeholders. Based on how they perceive audience needs and business challenges, media companies seek to focus on creating higher quality content in video, audio and written long and short formats. They additionally foster technological innovations to make publications more accessible for readers on their websites. Media firms have established communication platforms either on *Facebook* or *WhatsApp*, *Discord* or *Slack* to connect with stakeholders, they have discovered the value of events and organize offline activities to meet face-to-face with stakeholders, show personal attention either in private meetings or by sending gifts.

Recognizing the challenges social media platforms cause for publishers, international professionals (R7, R8, R9, R10, R11) also underline the need to harvest technologies in managing stakeholders. One of them (R9) especially emphasizes the value of using modern customer relationships (CRM), content management systems (CMS) and creating direct communication channels. A couple of respondents (R8, R9) highlight newsletters as a perfect tool to reach audiences directly with their own consent. Arguably, the potential of this method in Lithuania is not yet fully realized by media companies. International stakeholder-oriented specialists (R7, R8, R9, R10, R12) also perceive offline events as a rewarding and trust building way to engage with stakeholders, while messaging applications, like *WhatsApp* or *Telegram*, could be used to maintain connection with the most generous—VIP—subscribers (R9). One of the respondents (R12) underscores that media companies should be constantly thinking about how to offer value to the audience without creating any single piece of content, thus expanding their boundaries of professional activities.

According to media scholars, such stakeholder management practices, especially ones related to direct engagement, help in building trust in the media company (Banerjee et al., 2023). In an engaging activity, audience and journalists can get to know, hear and see each other (Davis & Hunter, 2020). More so, during such events readers get to understand journalism better and the process of content making is demystified (Fairbairn, 2009).

Alternatively, international media stakeholder-oriented professionals urge Lithuanian newsrooms to look at their managerial practices from a strategic and audience-centric point of view. As one of the respondents say, newsrooms could ask themselves: ‘*What do people need*

from us and how do we change or produce stuff that meets their needs? (R8). Such advice closely relates to media scholars Davis and Hunter (2020) perspective. The authors write that before any engaging initiatives, a newsrooms should question themselves what is the customer journey during and after a project a company wants to create, what interactions and opportunities for involvement are ought to be offered to the target audience and what meaningful value can be provided as well as what can be expected in return? (Davis & Hunter, 2020). These questions go along with international respondent's perception of stakeholder management—it as a reciprocal connection where newsrooms and audiences give but also ask for something in return.

From the thesis authors' point of view, this two-way communication between media companies and stakeholders has room for improvement in Lithuania. Firstly, none of the Lithuanian representatives share that they have researched stakeholders' expectations towards them and that they have a clear understanding of stakeholders' desires. Secondly, none of the Lithuanian interviewees say that they have developed a stakeholder management strategy. Even so, it should also be noted that it does not necessarily mean that newsrooms do not have a management strategy for certain groups of stakeholders, for example, audience. As discussed in a literature review, Lithuanian media companies have different subscription pricing offerings which could also be seen as stakeholder management (Alternberga, 2023; Žuolytė, 2024; *15min*, n.d.; *Lietuvos rytas*, 2024). More so, during the process of interviews, several CEOs could not identify certain activities as stakeholder management practices even though it could be regarded as such. For example, the annual Christmas celebration for employees. This again could illustrate that stakeholder management paradigm is not fully recognized among Lithuanian media practitioners as of now. Hence, it is unknown what data Lithuanian media leaders base their decisions upon when employing one or another management practice.

In terms of audience management, most likely it is done by gathering data through digital means and analyzing the number of page views or the duration of time spent on the website. Alternatively, international media professionals (R7, R8, R12) assert that one of the simplest and by far one of the most effective methods for comprehending how to manage an audience as stakeholder is through direct communication. Regrettably, as outlined by R7, it is surprising to discover how rarely newsrooms call their audience and inquire about their concerns. With over a decade of professional experience in the media, the author of the thesis has never observed or

participated in an activity where newsroom staff actively engaged with the audience to gather their feedback. Usually, the editorial team relies on the data they possess to determine reader preferences. While containing a lot of benefits, such data, if used disproportionately, could potentially alienate audiences (R9). The customer persona method, as stated by international management specialists (R8, R9) and media scholars, can help to identify and specify audiences resulting in more defined services to meet clients' expectations (Davis & Hunter, 2020). As a journalist or media project manager, the author has never participated in discussions or the creation of the customer persona for a media company. While it would be inaccurate to assert that such practices are not employed in the Lithuanian market, this management technique, which has garnered recognition from international media professionals and has not been mentioned by Lithuanian representatives, likely still remains undiscovered by some Lithuanian media leaders as a standard stakeholders management practice.

5.3 Research implications

This research has several theoretical and practical implications that can prove to be most useful for media business leaders or media scholars.

Firstly, this thesis expands on the application of stakeholder management theory (Freeman, 1984; Freeman & McVea, 2001) by demonstrating its relevance in the context of media business. It highlights how stakeholder management practices can address the variety of challenges faced by media organizations, including technological innovations that influence the advertisements market, stream of revenues, and news consumption. The research positions stakeholder management theory as a vital framework for understanding and addressing the complexities of the modern media business environment.

Secondly, by emphasizing the potential of stakeholder management practices, the research provides new findings for the academic discourse on media business sustainability. The data supports LION Publishers' definition of media business sustainability which consists of operational resilience, financial health, and journalistic impact (Heyamoto, 2023; Dejarnette, 2021) and shows interconnectivity with stakeholder management strategies. The research attempts to establish a theoretical link between stakeholder management and organizational

sustainability in the media industry arguing that strategic stakeholders management contributes to long-term success for the company and positive impact on society.

Thirdly, this study is one of the rare attempts in the field of media studies in Lithuania to explore local media leaders' perceptions of stakeholder management and its links to media business sustainability. More so, the paper examines the perspective of international stakeholder-oriented professionals on the Lithuanian media market and its challenges. This cross-cultural dialogue suggests that stakeholder management has the potential to be a universal, culture-proof solution to media business issues nowadays. These findings deepen the theoretical understanding of stakeholders' influence on media business sustainability and hence contribute to the field of media management studies (Küng, 2017).

By bridging theoretical concepts to real-world industry, the thesis delivers practical implications too. Firstly, it offers actionable stakeholder management strategies on how to navigate through the media business plight. These management principles, if adopted, could result in a more sustainable enterprise, the rise of influence, stronger relationships with stakeholders and the increase in income. For example, Lithuanian respondents acknowledge that paying readers as stakeholders are an important aspect of business prosperity, therefore they are offering higher quality and more diverse content. Contrastingly, media scholars and international interviewees (R7, R8, R9, R10, R12) firstly suggest media companies to make a strategic revision of its activities, purpose and value towards society (Radcliffe, Lawrence & DeVigal, 2023; Davis & Hunter, 2020). International respondents (R8, R12) argue that cosmetic changes would not work in the long run and only strategic level decisions could respond to the current media environment and its challenges appropriately. If companies continue operating the "old way" without paying attention to disruptions in the media market, firms eventually will lose trust from stakeholders, especially the audience, and become irreversibly irrelevant with time.

The thesis elaborates on a wide range of possibilities on how to lead the business with stakeholder-centricity in solving financial, technological and competitive challenges. Media scholars argue that media firms should invest in strong relationships with its stakeholders, be it audience, employees, partners or civic institutions, investigate their needs and expectations, and deliver value-focused services (Radcliffe, Lawrence & DeVigal, 2023; Davis & Hunter, 2020; Villanueva & Seager, 2017). R10 says publishers have to reorganize their operations from a

general approach to news to a product portfolio defined based on audience needs. The customer persona approach named by R8, R9 helps in identifying those requirements, while the customer journey empowers media organizations to guide a client from a position of interested to an engaged and paying customer (Davis & Hunter, 2020). As social media platforms have become less favorable for publishers, international media stakeholder management specialists (R7, R8, R9, R10) as well as academics urge outlets to build connections with audiences without intermediates (Altenberga et al., 2024). It could take place through direct messaging platforms, like *WhatsApp*, *Telegram*, or newsletters as well as on face-to-face meetings and events. Academics write that engaging activities between newsrooms and audience bonds and fosters trust (Banerjee, S. et al., 2023; Davis & Hunter 2020, Fairbairn, 2009).

Furthermore, the data demonstrate what stakeholder management knowledge Lithuanian media executives possess. While interviewees elaborated on management practices they have been employing towards stakeholders, media leaders have room for improvement in acknowledging their third-parties. In comparison, Lithuanian representatives name 6 stakeholders, whereas international respondents mention 11. Recognition of media stakeholders—whether primary or secondary—can lead to conscious relationship management in promoting mutual success (Freeman & Parmar, 2020; Huemann, Eskerod & Ringhofer, 2016).

Finally, given the significant implications of stakeholder management for the media industry and society, it is imperative to continue research efforts to fully exploit the benefits of the paradigm for the media sector. For future academic work, it would be recommended to study each type of media stakeholder and examine their management techniques in order to have tools to navigate through the ever-present business challenges (Küng, 2017). More so, it is advisable to continuously monitor the evolution of technology, especially the rise of artificial intelligent and algorithmic changes presented by technological giants such as *Meta* and *Google*. These developments will have a significant impact on business sustainability in the media industry (Altenberga et al., 2024; Newman, 2024; Davis & Hunter, 2020; Hunter and Wassenhove, 2010).

6. Conclusion

This research aimed to identify stakeholders management practices for Lithuanian media business sustainability. Twelve interviewees—six Lithuanian media executives and six international stakeholder-oriented media professionals—were subjected to semi-structured interviews. The gathered data was analyzed using thematic analytical process. The outcomes of the study demonstrate that while Lithuanian media organizations acknowledge various stakeholders and employ certain management practices, the stakeholder management paradigm possesses the potential to enhance the sustainability of media enterprises in Lithuania if used strategically and comprehensively.

The thesis findings suggest that Lithuanian media companies face similar challenges to their global counterparts, especially in terms of technological disruptions, changing consumption habits and streams of revenue. All of it results in declining advertising revenues, reduced social media traffic and difficulties in increasing subscriber base. The research suggests that these challenges could be addressed through more deliberate stakeholder management strategies.

A notable discovery lies in the disparity between Lithuanian and international interviewees' perspectives on media business sustainability. While Lithuanian media executives emphasize financial stability as the priority for sustainability, international management professionals underscore the importance of stakeholder-centric strategic foundation, stakeholder oriented practices and media organizations' impact on society that ultimately produces financial results. The findings suggest that Lithuanian media companies have the potential to embrace the definition of media business sustainability that encompasses financial health, journalistic impact and operational resilience more fully.

The study shows a gap in stakeholder recognition among Lithuanian media executives which identify fewer stakeholders (6) compared to international stakeholder-oriented professionals (11). This finding proposes that a broader group of stakeholders should be considered for Lithuanian media firms, including government entities, civic institutions, and competitors. This would facilitate the development of more comprehensive management strategies and benefits media business sustainability.

The thesis outlines the advantages of a stakeholder-centric approach to traditional media operations in the disrupted media industry. International media professionals assert that media firms should be compelled to move beyond conventional journalism formats in embracing broader and targeted service delivery. This includes developing stakeholder-centric strategies using the customer persona and the customer journey techniques, leveraging technology for direct communication channels, such as newsletters, messaging platforms or customer relationship systems for engagement, and organizing face-to-face community events.

The study contributes both to the theoretical understanding and practical application of stakeholder management in the media industry. It suggests that strategic stakeholder management can positively affect media business sustainability through its attributes: operational resilience, financial health and journalistic impact. The findings underline the importance of strategic vision and practical implementation skills to succeed in stakeholder management.

Future research could examine management practices for each type of media stakeholder for media business sustainability in the context of technological evolution and its impact on the industry. Such research would further contribute to the field of media management studies in understanding how media organizations can be more sustainable in an increasingly complex media business environment.

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Appendix A

Interview questions for Lithuanian media business managers

No	Type (Introductory, Main, Follow-up, etc)	Question	Explanation (what are we trying to achieve with these questions)	Reference (what literature are we basing this question on)
1	Introductory	Could you briefly tell me about your experience working as a media business manager.	Identifies the respondent's industry of business and years of experience in a C level position.	Hunter and Wassenhove (2010)
2	Introductory	What made you take this career path?	Reveals respondent's career path as well as work motivation.	
3	Introductory	Could you please shortly describe your business and revenue streams	Identifies business model of the company they own/work for.	
4	Main	What are the current business challenges for your organisation?	Reveals current challenges in the media field.	Newman et al., (2023); Küng (2017)
5	Main	How do you respond to that?	Uncovers company's employed ways to meet challenges.	Newman et al., (2023); Küng (2017)
6	Main	How do you define media business sustainability?	Explores the definition of media business sustainability.	Newman et al., (2023); Altenberga et al., (2024); Davis and Hunter (2020); Hunter and Wassenhove (2010)
7	Main	What does it need for a company to be sustainable?	Deepens interviewees perspective on media business sustainability.	Newman et al.,(2023); Altenberga et al., (2024);
8	Main	How would you define what are media stakeholders?	Evaluates the respondent's understanding of stakeholders framework and its implications to the business.	Freeman and McVea (2001); Davis and Hunter (2020); Freeman and Parmar (2020)
9	Main	If you manage stakeholders, how do you do it?	Reveals stakeholder management practices used.	Freeman and McVea (2001); Davis and Hunter (2020); Freeman and Parmar (2020)

10	Ending	What are the biggest business threats you might face in the future?	Assesses the respondent's proactive approach to staying informed, and anticipate possible challenges.	Newman et al., (2023); Powell and Seave, (2024); Dejarnette, (2021)
11	Ending	How could you respond to that?	Elaborates on respondent's perspectives of the media business.	Newman et al., (2023); Powell and Seave, (2024); Dejarnette, (2021)
12	Ending	Is there anything you would like to add to the topic?		

Interview questions for international media management experts

No	Type (Introductory, Main, Follow-up, etc)	Question	Explanation (what are we trying to achieve with these questions)	Reference (what literature are we basing this question on)
1	Introductory	Could you briefly tell me about your work experience in the media and what do you do right now.	Identifies the respondent's industry of business and years of experience in a C level position as well as work motivation.	Hunter and Wassenhove, (2010)
2	Main	What are the biggest business challenges for media organizations nowadays?	Reveals current challenges in the media field.	Newman et al., (2023); K�ng (2017)

3	Main	How do you define media business sustainability?	Explores the definition of media business sustainability	Newman et al., (2023); Altenberga et al., (2024); Davis and Hunter (2020); Hunter and Wassenhove (2010)
4	Main	How can a company become sustainable?	Deepens the knowledge of media sustainability practices.	
5	Main	What are media stakeholders?	Evaluates the respondent's understanding of stakeholders framework and its implications to the business.	Freeman and McVea (2001); Davis and Hunter (2020); Freeman and Parmar (2020)
6	Main	Why it is important to manage stakeholders?	Reveals the importance of stakeholder management practices.	Freeman and McVea (2001); Davis and Hunter (2020); Freeman and Parmar (2020)
7	Main	I would like to present a couple of challenges that are faced by Lithuanian media managers and ask for your professional expertise. The first one – local newsrooms are finding it challenging to attract paying readers and expand their subscriber base, which currently remains small. What stakeholder management strategies might help address this?	Explores respondent's professional expertise.	
8	Main	The second: many newsrooms feel overly reliant on project-based funding, creating a sense of financial instability. What approaches in stakeholder management could provide a solution?	Explores respondent's professional expertise.	

9	Main	The third: for niche newsrooms, there's a perception of having hit a "ceiling," limiting their subscriber growth. What stakeholder management practices could assist in attracting new subscribers?	Explores respondent's professional expertise.	
10	Main	Another one: national outlets are seeking to expand their subscription base as this is seen as one of the most perspective and important type of revenue in the near future. What stakeholder management practices could be employed?	Explores respondent's professional expertise.	
11	Main	The last one: newsrooms are struggling to maintain their former levels of visibility due to changes in Meta's algorithms. Also find it difficult to compete with global platforms for ad money. What stakeholder management principles could help?	Explores respondent's professional expertise.	
12	Main	What are other stakeholders management practices employed worldwide you are fascinated the most?	Explores respondent's professional expertise.	Davis and Hunter (2020)
13	Ending	What are the biggest threats of the media business you face in the future?	Assesses the respondent's proactive approach to staying informed, and anticipate possible challengesz	Newman et al., (2023); Powell and Seave, (2024); Dejarnette, (2021)
14	Ending	How media organizations could prevent that?	Elaborates on respondent's perspectives of the media business.	Newman et al., (2023); Powell and Seave, (2024); Dejarnette, (2021)
15	Ending	Is there anything you would like to add to the topic?		

Appendix B

An example of an interview, R3.

Q: Could you briefly tell us about your experience as a media business leader?

R: Well, I strictly managed for a day, I was an editor at ... - it's hard to remember the exact years, I think it was around 2011-2017. I was the editor, not the owner. Then from 2017, I co-founded ... It's been more than seven years now. Yes, seven years with ... as of October, sometime in mid-October.

Q: What led you to create your own media outlet? What motivated you to take this path?

R: Essentially, I had completely lost motivation, let's say, in print media. The economic crisis that started in 2009 has continued. I'm talking about until 2017 while I was working - there was no financial motivation left for a long time. But then I also lost professional motivation because, well, business influence on media was always there in one way or another, but when municipal influence became fundamental - I'm talking specifically about regional media, not excluding ... where I worked. Because the main clients are the municipality and municipal companies. So, let's say, when indirect censorship started coming from there, it just killed me, everything - because realistically you can't change anything in your work. I had basically decided to leave media altogether, but somehow one of my friends suggested this idea, and that's how we created ...

Q: Can you tell us briefly about your duties, what you do, and introduce your portal?

R: Essentially, ... is an online daily newspaper. We publish news and press releases daily. My idea was to create a regional media outlet that would live solely on support. I mean no commercial contracts, no publicity contracts, which essentially guarantees absolute freedom. I hoped it would be people's support, but essentially it doesn't work because we don't have any marketing, no person who would work with marketing to communicate, do promotions, attractions, various publicity campaigns. Essentially, we survive only on local business support from those who know me, know my principles and ideas, who don't need any intentions - I mean

no requirements about what to write or not write. And cultural projects. Previously there was the Press Support Fund and Media Support Fund, as monthly support from people is somewhere around, well, from 400 to at best 700 euros per month. So it's difficult, but despite that, not all businesses can provide support, so they would ask for invoices for banner ads. So banners appeared, what I call essentially a brick for ... businesses. Maybe not even for advertising, they just have something to provide support for by paying such an invoice. But that model essentially remained. We don't have any publicity contracts, we have no commercial texts, we publish everything as press releases at our discretion, editing as we want, publishing what we want or don't want. And the only advertising is declared rates during elections for texts, banners that can be ordered. That's the model we live by, that's our operational principle.

Q: Could you break down what makes up your budget, if you can expand on that a bit? For example, what percentage is reader support, what percentage is business support? Just to get a general picture.

R: Realistically, reader support is, well, I don't have everything at hand now, but I imagine reader support is roughly seven hundred times - I mean, definitely less than ten percent. Less than ten percent. The majority, I'd say, is still projects. Let's say last year, I remember we got about thirty thousand from the ... for the Russian version project - that actually made up about a third of the budget. Then let's count a couple of projects from the Press Support Fund. So roughly speaking, I think about sixty percent is projects, ten percent readers, and about thirty percent business. Probably like that - to be honest, I've never actually broken it down into percentages before. This is the first time calculating it, right now with you.

Q: Can you help explain how you would define your duties, what you need to do, what you're responsible for?

R: Formally, I'm the editor, because when creating the institution - I was one of the co-owners because someone helped introduce me to get a share, but he later gave up his share due to declaration requirements and such. So formally, I'm the editor and owner, the only shareholder, but essentially I'm a journalist - I write, photograph, and write projects, fill out reports. I mean, essentially, I have hired an accountant, but realistically I have to do quite a lot myself. That's really everything, because...

Q: Do you have your own employees and do they work under contracts, individual activities, full-time, part-time - can you help understand this part?

R: Besides me, there are retired colleagues, journalists who have retired. Previously they worked under individual activity certificates because the taxes are lower. Actually, for our budgets, those taxes are crucial. It was good because they only had to pay 5% income tax as pensioners. I always try to arrange things so people's taxes won't be too high from what we have. But when the Media Fund appeared this year, they had requirements like having two to three employees. So we had to formally employ them. Now it's a bit reversed - they don't have to pay income tax because the salaries are so modest, but social security appeared, which is quite significant. So currently we are three employees. But now I saw the Media Fund announced new conditions for next year's financing for regional media - I think the requirements are one employee but needs to be officially employed. So if colleagues want, maybe they'll go back to individual activities because essentially it doesn't add much to their pension recalculation - it's better to pay them more in hand than give it to social security since they already receive pensions.

Q: One of the most important questions in my research is how do you see what are your organization's main business challenges or operational challenges?

R: Well, essentially, as I mentioned, I don't really have an answer for why people - speaking specifically about ... residents, though probably throughout Lithuania - there are great examples where media survives, like 15min.lt which was later bought by the editorial team, not to mention Tapinas. I mean, people really donate, contribute, pay for media. But in ..., there isn't that - essentially people complain that we need independent media, that everything is bought up and so on, but when it comes to contributing, paying, they don't contribute. On the other hand, I don't have the answer because, speaking about it, essentially I understand that we haven't offered anything new. We're just another news portal like ... or ... - just that we can't be bought. The challenge is that we can't somehow encourage people to contribute, to pay. I understand that ideally there should be a person dedicated specifically to such work, who would think about marketing campaigns, work with companies, because essentially I have to write articles daily, react to events, be at meetings, talk with new businesses, explain the idea, tell what we're doing. It's physically impossible. Despite that, everyone often offers ideas, but when I say "okay, take

half the support, whatever you need, right? If you attract something new, take 30-40%, everything's fine." In any case, to attract something new that I couldn't do myself - but nobody has stepped up to work for success fees. Probably we'd need to pay a salary plus some bonus, then maybe such a person would appear, but there's nothing to pay from because realistically we have about 400 euros - what can you do with that? And projects are also unpredictable because you never know if they'll grant it, if experts will like it. And those stable businesses that support us yearly - I don't know if I could count even ten that have consistently supported us for these seven years.

Q: How would you define media business sustainability?

R: It's hard to say, but realistically media business is specific. It's extremely value-based, and maintaining that balance between content independence and revenue - I imagine it's not logical, not very easy. And all those challenges, all those social networks have their impact, and *Google*, and all the advertising being sucked away by *Google*. We don't want to use that aspect, but still you read and see what's happening, what people are talking about - that from online media, the vast majority of advertising goes to YouTube, social networks, and thus loses what used to be the main source. So essentially what remains is paid content, which most have already done - looking at *Verslo Žinios*, *15min*, *Delfi*, *Lietuvos Rytas*. What used to move slowly, and still remains the same publicity contracts. Like recently there was that big study done, and sponsored content appeared - what they successfully did before, just it wasn't clear if it was advertising or not.

Q: I heard two very clear aspects at the beginning of your answer - budget and journalistic independence. Am I correct in assuming that these two strong areas that don't conflict with each other represent business sustainability?

R: Yes. I'm talking about the general media perspective. Sustainability is about how long you can remain truly journalistic, I mean a real media outlet. With all due respect to my colleagues at ... and ... - they're really not media anymore in that sense, and I... well, when I left, especially under the current government, I hear how things are changing there. Some colleagues

stayed, gritting their teeth but working. So that's the thing - general public trust in media also factors into sustainability. How long will people believe in media, how much they'll need it. I look at it more through that lens.

Q: If you tried to define - because I'm asking interviewees with the goal of understanding what business sustainability means to them - could you share a definition that comes to mind now?

R: Well, in my opinion, sustainable media would be one that manages to survive on readers alone. Maybe this is my extremely idealistic vision, hard to implement. But I mean, as someone once joked when we were creating ..., they said we wanted to try something like when boys used to run through streets with newspapers, readers looking at what was written - that people would buy it for what you write, not for having advertising or something else. Well, I don't know if it's viable, maybe with time because social networks, in my opinion, can't replace media - there's no responsibility, no reliability there. And if that model would come back, or rather if that original model where media could survive just on readers, without advertising, would return - that would be extremely sustainable. Because essentially such a model guarantees your independence. Because people read and pay for what you write - and what more does a journalist, a media representative need than to just live from that? Then you don't need any advertising departments, any project departments, content departments like portals have now. That would be such a pure media model, but this is extremely theoretical and an extremely difficult ideal to achieve.

Q: But I think it's not utopia, and there are more and more examples in Lithuania. Maybe it's a bit harder to do, but in Scandinavia, how many are paying, and in America I see quite a few examples, so don't lose hope - it's definitely possible to do this, you need to find ways how.

R: Yes, you know, last year I had such a great joy - there's this US State Department's Internet Leadership Program. They selected me and showed me, and actually, for example, I was in Boulder - it's a smaller city than ..., there's a local radio station. They showed and talked about how they live by this model. They said their annual budget is a million dollars - it's a university

town, they survive on people sometimes even giving away cars, saying "we don't need it anymore, take the car" - either use it yourself or sell it for money. People come to fundraising events or transfer money themselves, do shows, something like that - what a small town needs to have an independent news source. That model works there and in many places. So somehow, I believe maybe it will start working someday, maybe I won't live to see it in Lithuania, but still.

Q: How do you think, what's needed for a company to become sustainable? You defined your definition that it would be a reader-supported medium. What's needed for a company to become sustainable?

R: There's clearly a value aspect, I mean. Speaking about media, it's absolutely a value-based business. In any case, although I don't consider myself a businessman - I don't have that entrepreneurial vein - but somehow you have to manage, do that. So values, independence, precisely that, and financial stability - these might be three, three, three aspects. In my view, that harmony should be there for sustainability.

Q: How would you define who are the media company's stakeholders?

R: Well, in any case, there's the owner - they're interested in the media outlet surviving, providing some income from which you can live, invest, maybe expand. The reader is definitely a stakeholder, who's interested in the content, if they read, that it would be quality. And in my view, the employees themselves are an essential thing. Well, if it's just journalistic, then just journalists, but if it's the model that's most common now, then content, advertising department, commerce, all those things. Maybe those three factors, I think.

Q: There's this English word "manage" - I don't know how to translate it to Lithuanian because "valdyti" isn't quite equivalent. My question is related to how you manage or defend these stakeholders, how do you do it?

R: Essentially, with colleagues, I'm not a boss in that sense - there's complete freedom. I mean, if they don't want to write, don't write, although sometimes I would say "go write" but I don't force them. They have absolute complete professional freedom. We discuss what to react to, what not to react to. On the other hand, I couldn't even force them while paying such funny salaries, right? But they are completely enthusiastic and really do more than expected. So that management, in that sense, there isn't any - our relationships are completely horizontal. Like we

share weekend duties with colleagues equally, discuss vacations. There's no management, it's complete horizontality. I'm just formally the editor because I have to handle various reports, pass things to the accountant, and so on. With readers, well, I just directly respond to comments, what people write there, something that wasn't described correctly - that's my only direct communication. And more, as I say, we should work more from the support side, organize events like I saw in America. Not just there - we were at a radio station in Washington too. They said they have events organizing, fundraising week - we should do that, but physically there's no way and no one to do it. We should work with the community, invite them to talk, present things, do these events. But essentially - I don't remember which year it was - we tried something, we did debates during mayoral elections, I think it was in 2019 during municipal elections. We essentially organized such community open debates that didn't cost us anything. Just water, because we got the venue. The filming crew was also passive, did the live stream out of goodwill. We could do such events if someone would handle it, but in the fourth year during the last elections, we didn't do it anymore because it gave no result. People would say "guys, you did great with these debates, helped me decide" and something like that, but there was no effect - "good job, nice, I watched it" and that's it, it ends there. So definitely this year...

Q: Can you help understand what products or services you offer to your audience?

R: Well, we essentially publish absolutely all ... news, and if we're talking about the region, that includes ..., ... district, ... Mainly text, because essentially, well, sometimes we do some live streaming if there's some event, important press conference or something, through *Facebook*. Photo reportages, let's say, there are quite a few essential construction objects in ..., so periodically I take photos. Just for history to remain, such visual material. And more essentially, as I say, we are such a tribune for everyone to announce things for free. Let's say, I always explain to students who come for internships what I think is the essential difference between advertising and news, right? If, let's say, some new café manages to send a press release that "we're opening" - in my opinion, that's news because it's new jobs, new place to go, just announcing. It's free, but if they would send "we have 50% off coffee from tomorrow" - well, that's already advertising. So that's why, let's say, all business news, absolutely all events,

announcements about events we publish for free. Which often happens, as I say, traditional media asks to pay for. So that's our, well, let's say, that's why the word "open" is in ... name - that we're really open to everyone and announce everything they want.

Q: How would you describe the biggest business threats in the future that you might face?

R: Realistically, I'm not afraid of anything anymore. To be honest, no threats. I now always say when people meet and ask how we're doing - I've now understood we're stable without prospects. Essentially for our business model, I don't see any major threats because even the growth in traffic or anything doesn't have any impact - it doesn't correlate at all with our number of supporters. Like during the pandemic, our traffic was shocking. If now on average there's about 120,000 unique visitors per month, then it was 280,000, but that didn't increase the number of supporters. And this reserve business also, let's say, can refuse support anytime because there might be an economic crisis and that support won't exist anymore. So that's understandable. There might be circumstances where I myself won't go to that same business, maybe something will happen. So essentially, I don't see anything terrible happening, nor do I see anything becoming significantly better. It's just stable as long as it goes.

Q: When I hear that your situation is currently quite stable but on a slightly declining curve, right?

R: Yes, because let's say constantly, for example, last year we had that 30,000 support from the ..., which was really a huge boost because you could allocate for administration and everything. This year we don't have that. Well, that's a huge drop, let's say about a third of the budget, but you live without it. So let's say if I submitted an application again for next year, if everything works out, fine, everything's good, and if not, then not. Living with this uncertainty has become normal.

Q: How do you think, what could be done about this "stable without prospects" situation? Can anything be done at all? What do you think?

R: Actually, something could be done. I mean, there should appear some person, like it's popular to say, an investor, right? Who would come wanting to take a share and provide some financing for it. We have ideas how to improve this work with other potential supporters,

everything's okay in that sense. If a qualified person would appear who knows how to attract financing, that would be it. I myself am definitely not competent anymore, nor do I have the strength or physical time to accomplish anything more. The thought is, essentially we just, I understand that in the beginning we set the bar too high, because we essentially make a lot every day - realistically many don't even understand that we're only three people. Now one colleague was away for a month, so we did everything just the two of us. Nobody imagined how much time sports content takes. Let's say, such a press release to put up, to edit, because it's not just opening and throwing it in - you edit it, sometimes shorten it and remove things.

Q: At the very end, is there anything else you'd like to add to this topic that might seem important but wasn't mentioned?

R: I talked so much, I don't know if you'll find anything suitable from all this talk.

Appendix C

Consent form



Stakeholders Management Practices for Lithuanian Media Business Sustainability

Consent to Participate in the Research Study

Before agreeing to participate in this research study, I was provided with verbal and/or written information about the study, its purpose, and its procedures. I had the opportunity to ask any questions I had. I may keep the written information about the research study for my records.

- I consent to participate in this study “Stakeholders Management Practices for Lithuanian Media Business Sustainability”.
- I agree that my personal data will be processed following the personal data processing principles outlined in the form of the research study.

Name and Surname

Signature

Date