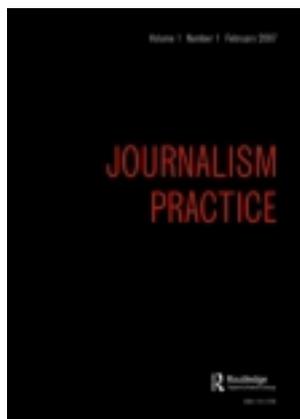


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# THE IMPACT OF CROWDFUNDING ON JOURNALISM

## Case study of Spot.Us, a platform for community-funded reporting

**Tanja Aitamurto**

*This article analyzes the impact of crowdfunding on journalism. Crowdfunding is defined as a way to harness collective intelligence for journalism, as readers' donations accumulate into judgments about the issues that need to be covered. The article is based on a case study about Spot.Us, a platform pioneering community-funded reporting. The study concludes that a crowd-funded journalistic process requires journalists to renegotiate their role and professional identity to succeed in the changing realm of creative work. The study concludes that reader donations build a strong connection from the reporters to the donors, which creates a new sense of responsibility to the journalists. The journalists perceive donors as investors, that cannot be let down. From the donor's perspective, donating does not create a strong relationship from donor to the journalist, or to the story to which they contributed. The primary motivation for donating is to contribute to the common good and social change. Consequently, donors' motives are essentially more altruistic than instrumental. Thus, when the public donates for a cause, the marketing of a certain type of journalism should be aligned with the features of cause marketing. The traditional role of journalism as a storyteller around the campfire has remained, but the shared story is changing: people no longer share merely the actual story, but also the story of participating in a story process.*

**KEYWORDS** collective intelligence; crowdfunding; crowdsourcing; media work; professional identities; revenue models

### Introduction

In the era of the unraveling of traditional business models in journalism, (Downie and Schudson, 2009), new revenue sources for journalism are being sought. One of the new revenue models is crowdfunding, in which stories are funded by voluntary donations via an open call to anybody to donate. Crowdfunding is increasingly used to fund journalism on several online platforms. This article analyzes the impact of crowdfunding in journalism, and the analysis is based on a case study of Spot.Us, a platform that is pioneering community-supported journalism.

This article examines crowdfunding as a realization of collective intelligence (Lévy, 1997). By donating to a pitch the donor expresses his or her opinion about what kind of topics need to be reported. Donors' judgments are aggregated and accumulated into funding for a story, and with the appropriate funding stories will be delivered. These aggregated judgments in the form of donations are an articulation of collective intelligence concerning the topics journalism needs to report.

The case study about Spot.U.S., reported here, presents data from 15 Spot.U.S. reporters and donors, along with ethnographic observations made while participating in volunteer work at Spot.U.S. The article explores how collective intelligence is manifested in a crowd-funded journalistic process, and how these manifestations impact on the work and the role of a journalist. Crowdfunding is also considered from the donor's standpoint by looking into donors' motivations to contribute finance and their experiences in the crowd-funded journalistic process. I conclude by discussing what the findings mean to journalism, journalists and society.

### The Spot.U.S. Model

Spot.U.S. is an online platform to crowd-fund journalism. Crowdfunding is a type of crowdsourcing, which means an open call for anybody to participate in a task (Brabham, 2008; Howe, 2008; Muthukumaraswamy, 2010). In crowdfunding the crowd-sourced task is to gather money to a certain purpose, and in the Spot.U.S. case, the task is to gather funding for a story pitched by a journalist. On Spot.U.S., freelance journalists pitch their story ideas, and community members—basically, anybody who comes to the website—can donate for the pitches they like.

Spot.U.S. launched in November 2008, and by April 2010, more than 800 people have funded over 60 stories, with an average donation of \$60. By April 2010, the donations on Spot.U.S. aggregated to \$100,000. Spot.U.S. is a nonprofit organization, and it was selected in the year 2008 as a winner of the Knight News Challenge contest organized by the John S. and James L. Knight Foundation. Spot.U.S. is initially funded by the Knight News Challenge award grant.<sup>1</sup>

### Method, Data and Research Questions

The data informing the analysis derives from interviews with Spot.U.S. donors and reporters from July 2009 to April 2010. Seven Spot.U.S. reporters and eight Spot.U.S. donors were interviewed for the study. All the Spot.U.S. reporter interviews were conducted in person; five were undertaken face-to-face, three via telephone. Two reporters and two donors were interviewed twice, to follow-up about their relationship with Spot.U.S. The average length of a reporter interview was 74 minutes, and the average length of a donor interview was 44 minutes.

The age range of the donors varied from 23 to 57 years, and of the reporters from 22 to 57 years. The reporters were professional freelance journalists with experience in journalism ranging from a couple of years to decades. They had worked in print, radio, and television. Most of the reporters had a formal education in journalism, meaning a degree from a journalism school or related studies.

Interviews were semi-structured allowing interviewees the opportunity to express themselves as openly as possible. The same open-ended questions were addressed to all interviewees. Interviews were recorded and transcribed with the data analyzed in the framework of the following four key themes:

- *Interaction.* A description of the reporters' and the donors' interactions on Spot.U.S., and the impact of participation and interaction on the journalistic process and product.

- *Transparency.* The impact of pitching on journalism and on the work of a journalist.
- *Motivation.* The reporters' motivations to pitch on Spot.U.s and the community members' motivations to donate and participate in the journalistic process.
- *Identity.* The impact of the crowdfunded journalistic process on journalist's professional self-identity, and the role of donating and participating in community members' identity building.

## Key Concepts and Theoretical Background

Convergence culture (Jenkins, 2004, 2006) describes the conglomeration of the media industries and a parallel development, an increasing merging of journalism production and consumption. Convergence culture recognizes both the top-down, news organization-based distribution of journalism, and the grassroots bottom-up distribution in which journalism is created and influenced by the public, the readers, or the users—the people who used to be called the audience (Rosen, 2006). Nowadays, they are referred also as prosumers (Toffler, 1980), a combination of the words “consumer” and “producer”. Prosumers participate voluntarily in the creation of journalism, and they become co-creators.

One of the most important elements in the convergence process is of a cultural nature and is referred to as participatory culture (Jenkins, 1992, 2006). End-users feel empowered and encouraged to participate in the production and distribution of journalism, and they become co-creators. Aligned with Jenkins' idea of participatory culture is Pierre Lévy's (1997) theory of collective intelligence, the idea that knowledge is most accurate when it consists of inputs from a distributed population. Lévy describes collective intelligence as “a form of universally distributed intelligence, constantly enhanced, coordinated in real time, and resulting in the effective mobilization of skills” (Lévy, 1997, p. 13). The opposite of collective intelligence is a reliance on a single agent, for example, one knowledgeable expert. The concept of collective intelligence has been popularized as the wisdom of crowds (Surowiecki, 2004).

Along with the permeation of the Internet, geographic locations and spaces are increasingly becoming less significant, and particularly, they are losing their ability to hinder collaboration and participation. Therefore, collective intelligence can be harvested from all around the world, regardless of where the people participating are located. Additionally, computational costs have declined as technologies have become more developed, facilitating the gathering of collective intelligence for many purposes, including journalism (Benkler, 2002; Lévy, 1997, pp. 5, 54).

With the help of a multitude of sophisticated technologies and the wired nature of modern life, the crowd can easily channel their collective free time, energy and brainpower, which result in cognitive surplus, a term introduced by Clay Shirky (2010), to projects such as Wikipedia. In these projects, people's brainpower is used to accomplish tasks such as editing articles on Wikipedia or submitting code to an open-source software project. These tasks are crowdsourced in the form of an open call for anybody to contribute resources, whether knowledge, talent, or money (Howe, 2008). Outsourcing, on the contrary, means that the task is assigned to a specific company, organization, or an individual; thus, it is not an open call for anybody to participate.

Crowdsourcing has become increasingly common in many settings including as a basis for business for a number of companies (e.g. Howe, 2008). T-shirt company Threadless successfully crowdsources t-shirt designs, and a clothing company Cord-arounds crowdsources branding. Web platform Crowdspring harvests design and creative talent; a mobile tool called The Extraordinaries crowdsources volunteer work, calling it "micro-volunteering". InnoCentive crowdsources complicated scientific problems on behalf of companies such as Eli Lilly and Procter and Gamble. On InnoCentive, the solutions are rewarded with money.

Crowdsourcing is becoming more common in journalism, in which crowdsourced tasks range from submitting photos to finding out facts and to writing full articles. One of the best-known experiments with crowdsourcing is TalkingPointsMemos, a political Web publication's experiment on Muckraker in 2007, in which TalkingPointsMemos asked its readers to examine 3000 emails concerning the firing of federal prosecutors. The readers found useful information that resulted in news leads. Similarly, *The Guardian* newspaper in the United Kingdom used crowdsourcing to examine hundreds of thousands of documents in 2009. More than 20,000 volunteers helped *The Guardian* to parse documents related to a nationwide political scandal. The task was crowdsourced with software that enabled the volunteers to sort the documents in a useful way for the newsroom.

In the spring of 2009, the Huffington Post assigned its readers to compare the differences between the original US Senate stimulus bill and the "compromise bill". The Huffington Post also crowdsources headlines so that the readers get to choose which of two headlines will be published. The list of crowdsourcing in journalism is almost endless: YouTube, a website for video sharing, helps news organizations such as the *San Francisco Chronicle*, National Public Radio, and Politico to crowdsource video clips from citizens. It is typical of crowdsourcing initiatives in journalism that only a part of the journalistic process is crowdsourced. Typically in the case of established publications, for example, their reporters still write the stories, but the readers are asked to help out in certain, narrowly defined tasks.

Crowdfunding is a type of crowdsourcing, and crowdfunding is used for example on platforms such as Spot.Us and Kickstarter that enable journalists to publicly pitch their stories and get donations from the community. Crowdfunding is used also in other fields. For example, SellaBand and IndieGoGo are platforms to crowdfund music and art projects.

Characteristic of crowdsourced projects is that groups of individuals voluntarily collaborate for a common goal. Yochai Benkler (2002) has defined this phenomenon of increased collaboration as commons-based peer production. The participants associate themselves with the tasks, and the result is an aggregation of the input of the participants. The motivation for the tasks is not monetary rewards or managerial commands. One of the best known successful uses of commons-based production has been in open-source software projects such as the Linux operating system as well as the Apache Web server software. As Benkler (2002) points out, open-source software projects do not rely on markets or managerial hierarchies to organize the production.

### **Crowdfunding: Decentralized Editorial Power**

This article focuses on Spot.Us, a pioneering platform for community-funded journalism as an example of the use of collective intelligence for journalism. When a

donor donates for a pitch, he or she uses their judgment, and supports a story she thinks is important. When these decisions accumulate, they illustrate the power of the crowd in story topics. Furthermore, the article identifies reader participation, specifically reader donations, as a manifestation of a participatory culture, as well as other means for readers to participate in the journalistic process.

On Spot.U.s, freelance journalists pitch their stories for the community. The community is basically anybody who comes to the website. Every pitch has a price attached to it, and the price is the cost of the story, the payment to the writer. Journalists can also gather money for other production costs than pay, for example travel costs or material costs such as copying documents. The amount of money is a fundraising goal: when the set amount of money is raised, the story will be reported and delivered. Usually the reporter writes several updates about the unfolding story before publishing the final piece.

On the Spot.U.s website, readers and donors are called community members. Community members can donate money or talent for any pitch they like, and they become co-creators when they participate in the story process in one way or another. A community member can donate talent for example by volunteering to edit an article. Community members can also submit tips and leads for the story, share their knowledge about topics, suggest story topics as well as accomplish assignments such as taking pictures for the story. The Spot.U.s reporters can assign these tasks to the community if they want to.

A community member has a lot of power on Spot.U.s. Most of the power lies in donations: as a funding source for stories, donors get to define which pitches succeed, and thus, which stories will be reported upon.<sup>2</sup> In this sense, the legitimacy for a story on Spot.U.s is based on pure market success: the stories that people are willing to pay for will be reported. Participatory culture manifests often in the production level of the journalistic process, as the public contributes for example by commenting on a story. In a crowdfunded journalistic process, the manifestation of participatory culture extends from the production level to the filtering level of the process, as the community decides what stories will be reported. Thus, the community actually takes on the gatekeeper role for the public sphere—the role that used to belong to editors in established news publications. The decentralization of the editorial power has been called as The Obama Effect in Journalism (Aitamurto, 2009), as the power of the community can be seen in small donations given by a crowd, a similar action that partially funded Barack Obama's presidential campaign in 2008.

Nevertheless, traditional editorial power still has a role in the Spot.U.s model. A Spot.U.s story can be bought and published by an established news publication. In those cases, the editors in the news publication make a decision to buy the story. This creates an interesting twist to the dynamics in the crowdfunded journalistic process. The editors make the decision about publishing, but they do not get to decide initially which stories will be reported upon. The public does that by funding the reporter to do the research and write the story.

### **Manifestations of Participatory Culture on Spot.U.s**

Participatory culture manifests itself in various ways on the Spot.U.s platform. Community members can participate by donating money or talent, commenting on a

pitch or on a developing story, or by submitting information, tips, sources, and other knowledge.

Donating is a significant act that bonds the reporters to the community members, or donors, in the crowd-funded journalistic process. The reporters describe it as motivating to see that the community is willing to support their work by donating. The reporters see donations both as support for their work, as well as interest in the topic they are writing about. A Spot.Us reporter describes the feeling after she saw that a number of people were supporting her pitch:

but then I looked at it [the pitch] and then I saw the people's pictures and they were people I didn't know . . . And that was really, really neat because, you know, I guess the big question about crowdfunding is, is it going to be a popularity contest? . . . And so when I saw that it was no one that I'd ever met before—except for him [the editor], who I think was just doing it as a like kind of supportive move—that was very heartening. You know that there were other people that were interested in these subjects. (Reporter, 31 years old)

One reporter described the feeling of seeing people donating as “personally motivating, beyond professionally motivating”, another one as “gratifying”, while another describes donations as “a big vote of confidence for the story”.

It feels great. It feels gratifying . . . And seeing somebody paying \$20 for a story—it is a way more than 20 cents. (Reporter, 57 years old)

The connection created by donations develops a strong sense of responsibility in reporters, who describe this as very different from the feeling of responsibility in a traditional assignment, way beyond “professional responsibility” in a story process. A Spot.Us reporter describes what professional responsibility is:

In a traditional assignment, it is professional responsibility that I have to deliver a product that I promised to deliver and if I don't do it my editor will be really upset and on the hook. But now [in a crowd-funded story process] it's kinda like well, if I don't really see this through, there's this person whose face I see you know who is willing to put their money up and then you know, and then maybe they're not gonna get the story that they were hoping to read. (Reporter, 31 years old)

The reporters do not mean that they would not have responsibility on a traditional story assignment. They do. The feeling of responsibility is just different on a crowd-funded process. A Spot.Us reporter explains what this feeling of responsibility means to her:

it is more than having it written in a nice style and formatted properly, things you worry about for an editor. You worry more about the accuracy, really honest reporting and presenting the issues correctly, because these people have directly invested in you. (Reporter, 22 years old)

The reporters compare the donors to investors, that cannot be let down. The reporters see donations as investment in their work, and these investments are a significant factor that makes them feel more invested in their work.

And even then, writing for a magazine, I don't think that I've felt the same responsibility for the individual buying the \$5.00 magazine as I would if someone gave me \$5.00 to do my story. But then that made me feel very personally invested in it. It made me work a lot

harder I think. Then I felt like they are individuals that I wanted to impress and do right by. (Reporter, 25 years old)

The reporters find it very rewarding to have a direct connection to the readers, and also knowing who the readers are. The reporters say that they feel they are not writing for the editor but for the community. The reporters suggest that the connection to the readers is more direct, closer than the connection in a traditional journalistic process.

When I started working on the story [for Spot.Us] I already knew who the readers are, whereas when writing a usual story [in a traditional journalism model] sometimes it feels like writing for a black hole. (Reporter, 27 years old)

On the Spot.Us site, the donors can create profiles of themselves displaying their pictures. The pictures of the donors displayed on the Spot.Us site notably strengthen the reporter's connection to the readers. The reporters describe the pictures as "compelling", and "motivating". One reporter said that she was thinking about the donors while doing the reporting for the story, and that she actually had images of some donors in her head while reporting.

However motivating it is for the reporters to see the donations flowing in for their pitches, pitching in public is challenging for journalists. In the Spot.Us model, the journalist has to market his or her pitch to the public. As the Spot.Us site does not have very much traffic yet, in order to raise awareness of the pitch, the journalist needs to reach out to his or her social networks, online and offline; awareness is needed to get donations.

The crowdfunded journalistic process brings a new element to the reporter's role: pitching in public, asking for money in public. In the traditional, mainstream journalism production model, the journalist focuses on the journalistic process: finding sources, gathering data, writing the story. The journalist does not need to think about marketing the story. The newspaper does not really market the story either. The marketing department markets the brand and newspaper subscriptions, but rarely<sup>3</sup> an individual writer or an individual story. Even when a journalist works as a freelance, she typically sells the pitch to an editor in a newspaper. The journalist does not need to market the pitch to the public.

Donating as a funding mechanism for journalism has a strong tradition in the United States, and has been used for decades for example by the National Public Radio. Donating is experiencing a new heyday as it is increasingly used by non-profit news organizations such as the *Voice of San Diego*, *Texas Tribune* and *MinnPost* as a revenue source. However, the crowdfunded journalistic model brings a new aspect to donating since donors give directly to a pitch, not to an organization as a whole, which usually is the case when donating is used for funding. In the crowdfunded model, journalists have to individually pitch their stories instead of the organization doing that for them.

The Spot.Us reporters do not feel comfortable with this new public element. For example, they feel hesitant to reach out to their social networks to raise awareness of the pitch, as Spot.Us reporters describe:

And then I just do wonder . . . I do want to meet my fundraising goal. But on the other hand I'm really hesitant to send out that e-mail or put up on Facebook, "hey, I've got this pitch going you know, think about donating." I just don't feel comfortable doing that. (Reporter, 31 years old)

it [pitching in public] almost feels unprofessional sometimes, and I feel like that was hard for me to swallow. I have a lot of pride. I like to think that I'm self-sufficient and it almost

felt like begging. It felt like asking for donations and I had mixed feelings about that. (Reporter, 25 years old)

Another Spot.Us reporter says that “I’m a journalist, not a salesperson. I can’t make myself go out and promote my pitch”. One reporter considers pitch promotion to be almost akin to begging and describes the feeling of promoting her pitch as shaking a tin can. These reporters are socialized in the old role of journalist, which does not include the marketing part of a pitch. Reporters would feel more comfortable promoting their pitch if some promotional live events were organized by Spot.Us.

The whole concept of pitching in public and revealing their story topics, as well as asking for money, feels challenging to journalists. The traditional premise of journalism does not require the journalist to reveal the story topic or the scope of the story in advance to large groups, if anybody, before the story is published. On the contrary, the journalist keeps the topic and the information he or she has to himself so that competitors, meaning other publications and journalists, would not be able to cover the story. The Spot.Us model turns this strategic presumption upside down: the scope and ambition is made public in the pitch before the story is written.

I don’t like pitching in public. Yeah, hell, it is scary to pitch in public. I didn’t reveal everything in the pitch—I know more than I wrote in the pitch, and have learnt more too since the pitch was published. (Reporter, 57 years old)

Reporters say that they do not reveal all the information they have in the pitch because they do not want to give their competitors an advantage. They would rather keep the most valuable information to themselves, yet at the same time they want to share enough with community members to convince them to donate. The reporters suggest that writing a pitch has become an art form.

Some reporters said that after they started pitching their stories on Spot.Us other local publications had written about the same topic they were pitching. The reporters felt they had been scooped. However, they were not sure whether the coverage was a result of their pitch on Spot.Us, or just a matter of coincidence, or the timeliness of the topic. Reporters did not consider such scooping to be a phenomenon unique to Spot.Us, but compared the situation to pitching as a freelance to a newspaper, and being refused, but then noticing later that the paper had written the story anyway, using a staff writer.

However, reporters did not feel that pitching in public would have affected their coverage in a negative way, vice versa: the reporters think experimenting with the new level of transparency and publicity is worth risking a scoop. Coverage of the topic in other publications resulted in the refocusing of their story in a new direction, for example finding a new angle to the story. Also they felt that the fear of a competitor “stealing” their story can be groundless.

If this story was easy to cover, somebody would have done it already. You need to have the experience and resources to do this story. And if I don’t try crowdfunding now, when will I try it? (Reporter, 57 years old)

Differences between age groups seem to be a factor influencing the level of comfort reporters feel in promoting their pitch. Reporters in their thirties do not want to promote their pitches, whereas reporters in their twenties are more comfortable doing that. They have tweeted and used Facebook to enhance awareness of their pitches. As the sample of reporters interviewed here is modest, generalizing conclusions must be avoided but the

data are suggestive. A reporter who is comfortable with pitching the story describes her approach in the following way:

You just have to be out there. It is natural to go and speak with people about my pitch, and I like doing it. I don't ask for money, I just tell people what I'm working on. (Reporter, 27 years old)

Based on these notions, crowdfunded journalistic processes create a need for journalists to renegotiate their roles and their self-identity. In a crowdfunded model, it is not enough that a journalist has an awesome story topic, since he or she also has to be willing to raise awareness of the story to get donations. The journalist is supposed to take responsibility of the whole journalistic process, including marketing the pitch and convincing the community about the importance of the story topic. To this end, the journalist's role in the crowdfunded process requires new skills, and a new self-perception, that includes ownership of the whole story process starting from the selling of the pitch.

Similar developments in the shift of self-perceptions is occurring in creative industries at large, as brands and institutions such as record labels (Deuze, 2009, p. 31) and media institutions lose power. According to Deuze, creativity and commerce in cultural work are increasingly coming together. One manifestation of this is the trend for consumers to increasingly becoming part of the production process, and the producer–consumer relationships becoming more important. This development presumes that creative workers see their skills, ideas and talent in commercial terms too—whereas the self-perception of the workers in the journalism industry has embraced creative autonomy and peer review rather than market appeal (Deuze 2009, p. 32).

Similar developments in the roles of producers and consumers can be seen in crowdfunded journalism. On Spot.U.s, a reporter, who can also be seen as a producer, has a direct relationship with the donors, who can be considered consumers. In this regard, when a reporter promotes a pitch, he or she tries to increase the market appeal of the story. Typically, the Spot.U.s reporters did not feel comfortable with using the words “promoting”, or “marketing”, but would rather use wording such as “raising awareness of the pitch”. This terminological preference highlights that journalists are not used to conceptualizing their work in commercial terms. Furthermore, the donors become co-creators in the journalistic process, when they contribute whether by donating or submitting comments or sharing their knowledge.

The reporters interpret community members' interactions, donations, comments and feedback, as signs of interest in the topic or in the story project. Reporters also appreciate community members' interactions other than donations, such as comments. They find comments motivating and rewarding. However, reporters say that interactions with readers have not been useful in the journalistic process.

It [comment sections] is all about opinions—I can't use them for anything. I don't care about opinions, but I care about facts. I wish people were more empowered to say stuff. If somebody shared something useful, a piece of information, that would be better. (Reporter, 57 years old)

Reporters are disappointed with the amount and the quality of comments and other forms of community members' participation. Reporters hope to receive more relevant knowledge and comments, especially when they post direct questions or tasks to community members, but the reporters feel that they do not have the means to make that

happen. A reporter describes her expectations concerning interaction with community members:

I would love to have people asking me questions or saying, "I'd really love it if you looked into this thing specifically", or "I've always wondered about this". I think facilitating that communication as much as possible would be great. (Reporter, 25 years old)

Reporters are attracted to pitch on Spot.Us because they want to experiment with new revenue models. They are also curious to try a new, more transparent production model. They are happy with Spot.Us in the sense that they are also able to experiment with novel story-telling tools such as multimedia, video and infographics, which they are not able to use when doing assignments for traditional publications. The reporters say that on Spot.Us they have more freedom than on traditional assignments, and by experimenting with new things they learn and improve their skills as journalists. They feel that traditional publications are too bound with their practices and templates. Therefore, Spot.Us serves a bit like a journalist's personal Research and Development Lab.

The journalists who were interviewed for this study perceived Spot.Us as one source of revenue, not the main source, which in most cases still involves traditional reporting assignments or other jobs related to writing. The reporters determined the fundraising goal according to the instructions published on the Spot.Us website, made by the Spot.Us editors. The range was from a couple of hundred dollars to 10,000, of which all but one was accomplished.

The journalists were happy with the amounts of money they had raised on Spot.Us to fund their stories. However, they did not think it was possible to make their living merely by pitching on Spot.Us, because the funding accumulates slowly, and the donor base is still relatively small so that continuous pitching would not possibly generate strong revenue.

### **Crowdfunding from the Donor's Point of View**

The donors who were interviewed for the study had donated to stories about the following topics: an investigation about the financial ties of the University of California's regents, the condition of streets in Oakland, the condition of public schools in Oakland, problems in the Oakland police, taxation issues in Los Angeles, investigations about the construction work of the Bay Bridge, the impact of the recession on the sex industry in San Francisco, the state of the fast speed train plan between Los Angeles and San Francisco, the costs and benefits of using Twitter as a public service, and the environmental condition of the San Francisco Bay. Most of the donors had donated more than once for a story on Spot.Us.

When analyzing a crowdfunded journalistic process from a donor's point of view, the giving does not create an equivalently strong bond for donors as it does for reporters. After donating for a story, the donors might not return to the Spot.Us site at all, or even read the final story. Most of the donors who were interviewed did not leave any comments, or engage in any interactions with the writer. The donors explain their passivity in the following way:

I participated by donating. I don't have so much to say about the topic, and I'm not used to leaving comments on websites. (Donor, 57 years old)

I'm not actually engaged with what has happened on the site. I will wait to get the email to say, you know, here's the story done, here you are, here's the output of it. A part of it is

that I'm not incredibly close to these stories. I think that they are very important and I want to learn about them...but...I'm not bringing a lot of knowledge into it, you know. I don't know too much about the UC [University of California] system and go to those schools. (Donor, 30 years old)

The lack of knowledge about the story topics prevents the donors from participating. They feel that the journalist is the professional, and the professionals should do the work in journalism.

I think I like journalism being done by professionals and—I would gladly volunteer information if I came across it that would be helpful to them. But I don't think like me going in and trying to edit work is gonna be—I don't think that's like value to them. I think my money is more valuable. (Donor, 30 years old)

Overall, the possibility of participating in story production, other than by donating, is not very appealing to the community. However, even though donors had not been actively involved in the story process, they appreciated the opportunity to be involved, and wanted to have that opportunity to participate in the process, not only by donating but also in other ways.

I want to be kept in a loop, and have an opportunity stay engaged. And even if I'm unable to continue to donate funding, if I can contribute my talent, whatever my talents are. If I happen to be good at writing code and making websites, so if there's a way to contribute my talent or if I can contribute to help raise awareness around the story, that is something I would like to do as well. (Donor, 23 years old)

The donors mention a number of reasons for donating. They say that they donated for a story because the pitch was relevant in their lives, or the topic affected the lives of their friends or relatives. For example, one donor contributed to a story about the development of a bullet train plan between Los Angeles and San Francisco because the donor travels regularly between those two cities, and she would like to have more opportunities than are offered by the current transportation provision. Or, another donor contributed to a pitch to investigate the possible wrongdoings in the University of California, because he works at UC Berkeley.

Donors had donated for multiple pitches because they wanted to support Spot.Us as a good and promising journalistic initiative. It is worth noting that many donors at the early stage of Spot.Us are journalists themselves, studying journalism or news entrepreneurs, which most likely affects their appreciation of journalism. Three of the donors define themselves as journalists, one of them is studying journalism and two of them are working in an organization or on a project related to journalism.

The primary reason for donors to give is more altruistic than instrumental. The donors see journalism, especially investigative reporting, as essential to the democratic health of a society.

I don't really expect anything for my donation. I just do it because it is a great concept, I just want to support it. (Donor, 57 years old)

I don't personally—I don't think I'm gonna get anything, right? I'll get to—I'll learn something out of the process. But this is more of a—I consider it a donation for the common good more than any kind of personal gain. (Donor, 30 years old)

Overall, donating is more about supporting a good cause, or the common good, rather than supporting a specific story pitch. This might also explain why donors are not prone to return to the Spot.Us website to read the final piece: they are not so interested in the actual story, but rather in the possibility of contributing to the common good. And that need has been fulfilled by donating.

The donors felt that both Spot.Us as an organization and the pitch they donated to was aligned with their values.

It [the decision to choose a pitch] is all about values. (Donor, 30 years old)

Donors perceived contributing as one way to make a difference, a way to try to resolve a problem such as pollution, societal inequality, or governmental corruption. They saw the story as a potential route to making a change for the better in their society, the better being towards a state according to their values. The donors wanted the story to have an impact on the society and to get as much publicity as possible.

When I fund a story, . . . I'd like to see it published in a place to get as much attention as possible, and finally, I want to see whatever change the story is trying to bring about, happen. (Donor, 23 years old)

I wish the stories got more publicity . . . as they won't make an impact, at least not as big of an impact, if the story is not published in a bigger newspaper. (Donor, 57 years old)

because the whole point of this is not like for it to be my personal news source, but for to push these stories out to the public. So it is important where it gets published, yeah. (Donor, 30 years old)

For the donors, donating seems to create a sense of connectedness to the community—even though when asked to define the community, they cannot define what that community is. As one donor described the feeling he got after donating:

I felt I belonged to the community after I donated. (Donor, 31 years old)

Interestingly, sharing the fact that they have donated is significant for the donors. The donors who are on Twitter share the fact that they donated by tweeting to their friends.

## Discussion

The observations in this study are based on a small sample, and thus they should be considered initial or tentative findings. But they have relevance since they provide, via a particular case study, important qualitative information about the effects of crowdfunding on journalism. The observations can be treated as hypotheses that will inform and perhaps be tested in further studies.

First, a crowdfunded journalistic process creates new requirements for the journalist's role. To succeed in fundraising and raising awareness about the story project, the journalist has to reach out to the community—for example, through their social networks. These new requirements challenge the conventional journalist's self-perception and identity as an independent creative worker whose story topics are first and foremost accepted by their colleagues, not by the public. Also, reporters do not feel comfortable

with using commercial terms to describe their work, a feeling that is typical among creative workers, according to Deuze (2009).

The manifestations of participatory culture, especially reader donations for a story, increase journalists' motivation to work. Reporters described the feeling as "beyond professionally motivating" when they can see that the public is willing to support their work by donating money. Reporters, moreover, find it rewarding to have a direct connection with community members since this makes them feel they are working directly to the public rather than to editors. This connectedness also creates a strong sense of responsibility for the story in reporters. Journalists also feel that the practices and interests in traditional publications do not often match the interests of the public, and furthermore, that these practices create more distance between the public and journalism—by covering irrelevant topics, or using outdated models when practicing journalism. The models in traditional publications also prevent journalists and publications from experimenting, and therefore learning new from experiments.

For Spot.U.s donors, being able to participate by means other than donating, for example by sharing knowledge about the story topic, was not a frequently realized opportunity. They wanted to support the pitch by donating money. The donors rarely commented or engaged in any other kind of interaction concerning the pitch, while some of them did not even return to the Spot.U.s website to read the finished story. The donors say that they are not in the habit of commenting on websites, or they just did not have anything to say about the topic. This provokes a question: However counterintuitive it might be, perhaps engaging in the story process is not related to the act of making a donation?

Consequently, donating for a pitch on Spot.U.s is not so much about journalism, since donors do not follow up the story process closely or might not even read the finished story. The act of participating in crowdfunding seems to be more important than the actual journalistic product. The reasons for contributing to a pitch are more altruistic than instrumental in nature: rather than getting a good story to read, the donor donates for a common societal goal which is a democratically healthy society.

There is a gap between the expectations of the reporters concerning the reader's participation and the reality of the interaction with the community members. The reporters are hoping to receive contributions in the form of leads and tips, but readers are not interested in submitting them. They perceive the journalist as the expert on the topic, and therefore, he or she needs to do the work. This notion articulates a significant difference between a crowdsourced journalistic process and an open-source software project. In an open-source software project, the contributors and the organizers of the project are more equal than in commons-based journalism on the Spot.U.s platform. In a commons-based software project, programmers are professional, or at least knowledgeable enough to submit code. Whereas in journalism, the community members do not know about the process of journalism, and often, about the topic either. Reporters do not really see the readers as peers—and in a professional sense, they are not unless they are journalists. Nor do readers perceive themselves as the peers of the reporters—vice versa, they want the reporter to do the work and report the story for them.

The premise is different too. In an open-source software project it is clear that the project proceeds according to the amount of input from the contributors, whereas in a crowdsourced journalism project on Spot.U.s it is clear that the journalist is the professional, the leader of the project, and the story will be written anyway, regardless

of any reader contributions beyond the initial funding. The signal for a community member is clear: good journalism is conducted if you donate money. If you give something else too, that is great, but the story will be told and reported without your participation.

Furthermore, the ways in which community members can participate in the story process on Spot.Us are usually not defined, separate pieces like modules as they are in open-source software projects where a task is often a piece of code. The functionality of the submitted code is easy to see: either the code works or it does not. If the code works, it is beneficial for the project to use the code. Whereas, the ways in which community members on Spot.Us can participate are much more nebulous. If a reader submits a comment to a story and suggests for example another angle to the story, the usability of the suggestion can be interpreted in a multitude of ways. For the reporter, the suggested new angle might not make sense, or may not fit the premise of the story. The reporter can decline to take the suggestion into account, even though the reasoning is good, but it would still be beneficial for the project. Whereas declining to use the functioning code in a software project would not be beneficial to anybody.

Therefore, it is challenging for community members to participate in the journalistic process and to channel their cognitive surplus into the process. For a community member who is not knowledgeable about the story topic, donating money is the easiest and the most straightforward way to participate. Other ways of participating would require a learning process and conducting research on the topic. To this end, the idea of commons-based peer production does not fully realize on Spot.Us, and has challenges to function in journalism at-large.

The act of donating for a pitch serves as an element in building one's identity; those on Twitter usually tweeted after they had donated. Some donors say that they felt that they belonged to the community after they donated, even though they cannot define what that community is. Nowadays the ritual role of journalism as a storyteller around a campfire (Carey, 1992) has remained, but the story that is shared has changed: people no longer share just the actual story, but also the story of their participation in the story process. Participation is the ritual that gathers people together. Having observed this phenomenon, journalism and journalists should give the public more ways to let them build their journalism identity with, for example, the help of new technological tools such as social networking tools.

The Spot.Us donors wanted to participate in a good cause, and they donated to the common good, hoping to make a difference in society. Furthermore, the donors wanted the story to have an impact on society. This notion provokes a question about journalism's role in society. Is the role of journalism only to inform people about issues and problems? Or should journalism also give the public a chance to make a difference, to attempt to solve a problem? If the latter, maybe advocacy, cause-driven, or problem-solving journalism is more meaningful for the community than neutral, value-free journalism that provides information but not the means to solve problems.

Furthermore, if the public donates for a cause, and not for mere journalism, the pitches on crowdfunded journalistic platforms such as Spot.Us should be more aligned with the features of cause marketing, the term applied to marketing efforts by nonprofits working for social change. And if so, in the era of unraveling of old-media institutions, journalism should also have a clearer message to the readers as to why their stories matter, and how a reader can make a difference in society.

An example of problem-solving journalism is the Huffington Post Impact, where journalism is married to causes. The stories on the Huffington Post Impact report on issues like hunger at schools, or the misery of a family that lost a home in a flood. At the end of the story, the reader is given a chance to donate for a nonprofit organization that aims to alleviate the problem.

The Spot.Us donors were not eager to return to the website to follow up the story process or even read the finished story. However, they were interested in seeing the possible impact of the story. This leads into a thought: if we gave readers the possibility of seeing the impact of a story, for example changes in legislation or societal practices, readers would be more interested in following up the story process, and maybe, even more interested in paying for the story. However, journalism in its current form does not give people much prospect of following up on impact. As the readers are willing to pay to support the common good, at least in the crowdfunded production model, they should be able to see the input that the story has. Journalism takes its role as a catalyst for change often times for granted and does not help readers to see the connection between journalism and change. That is why readers do not see the value of journalism.

Crowdfunding can be seen as a crossroads for the notions of individualism, political activity, technologies, and consumerism. The decision to donate for a story is made based on one's individual values, combined with the hope that instant participation will make a change. However, even though there is a strong element of public participation in crowdfunding, according to my findings donating does not create a strong sense of engagement in the actual story process. Instead, it creates a sense of belonging to the community. It seems that donating serves as an act to create a sense of connectedness to society. However, thanks to new technologies, the act is not physically communal, and it does not require deeper involvement either—the feeling can be achieved by paying.

Based on my study of Spot.Us and observations about recent developments in journalism, a lot of weak signals<sup>4</sup> are appearing, showing that values seem to be one of the key drivers both for producers and consumers. The journalists on Spot.Us pitch stories on Spot.Us that are relevant to them valuwisely, according to their values. The public wants to express their values by participating in a cause, whether the cause involves journalism or not. On Spot.Us the values manifest themselves in donations. The public also wants to share their values, as they share beliefs with their peers by sharing the news about their participation in a cause. Journalistic organizations, for example the Huffington Post, have increased their collaboration with mission-driven nonprofit organizations. The consumers want to consume and participate in content that is aligned with their values, and gives them tools to participate. This evolvment of the importance of values can be seen as the birth of a "valuesphere", that each individual creates online when taking actions, such as donating, participating in a cause, becoming a fan of somebody on Facebook, etc. Individuals act within their unique valuespheres, and tend to navigate towards similar valuespheres. Valuesphere becomes more significant as digital identities<sup>5</sup> become smarter: information matching with one's valuesphere can be filtered to the individual.

## NOTES

1. A sustainable way to fund the maintenance and development of the site is being sought by asking the Spot.Us donors to donate a small amount of money also for the organization when they donate for a story pitch. Another revenue model for Spot.Us is

community-supported advertising in which donors can participate in a survey provided by a third-party organization on the Spot.Us site, and thus gaining credit which then can be donated to a pitch on Spot.Us.

2. The pitches on Spot.Us are filtered by Spot.Us editors, and the pitches have to match the site's criteria: that they are local and civically focused.
3. The practices are changing in this regard in journalism. In the blogosphere, it is common that the reach of the blog is initially built on one person's reputation. Even traditional news outlets are starting to brand their writers, and market the content through the personal brands of reporters.
4. Weak signal is a factor for change that is hardly perceptible at present, but will turn into a strong trend in the future. For more about weak signals see e.g. Uskali (2005).
5. For more about digital identities in journalism see Nordfors and Latar Lemelshtrich (2009).

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