This too shall pass

A study of strategic turnarounds in the Swedish media industry

Stockholm School of Economics
M.Sc in Business and Economics - Marketing and Media Management
Master Thesis 30 ECTS

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Presentation: June 8th 2011, C606, 15.15-17.00

This study examines strategic turnarounds in the Swedish media industry, with a focus on external stakeholder relations. The industry has been going through a structural change, with new technologies leading to a shift in consumption behavior. In response to this, many media companies need to conduct strategic turnarounds in order to regain or remain their competitive advantage and relevance for the market. The purpose is to identify the key factors in turnaround processes and contribute to the theoretical body on the topic and as well as providing managerial implications. The study examines the strategic turnarounds of Kanal 5, Stampen, TV11, DI and Aftonbladet in a qualitative multi-case study.

The findings are analyzed and summarized into three propositions:

• Media companies that successfully manage a strategic turnaround are selective when choosing what specific stakeholders group to center their strategy around.
• Media companies that successfully manage a strategic turnaround cement their market position through a content-driven refinement of brand and market offering.
• Media companies that successfully manage a strategic turnaround do so through an increased and systematic business focus.

Keywords: Media; Strategic Turnaround; External Stakeholder Management, Industry shift

THANK YOU Björn Axelsson for your support, guidance and inspiration. Thank you all of our interviewees for your valuable participation, input and insights.

Last but not least, thank you to our family and friends for love and support during the process.

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1. Introduction

This section will explain the background to the study, and introduce the issues that that will be investigated and lead up to the purpose of the research. After the purpose has been presented, the expected contribution is specified followed by definitions of core concepts in the study. Finally, the disposition of the remaining parts of the report is presented.

Background and problem definition

The media industry

Media is a complex industry and the challenges embedded in the industry include the continuous development of new content which is a perishable commodity; addressing a triple market offering – competing for both end consumers, advertisers and authors; and dealing with a particularly volatile market. The past decades the media industry has been going through a major transition, and the volatility of the market has been amplified by the digitization of media and distribution platforms. (Aris and Bughin, 2009) The Swedish media industry has experienced great turbulence and structural changes in the past decades and macro factors have had severe impact on the conditions of the market. Such changes include the deregulation of Television broadcasting in 1987 when state monopoly was broken, and the market opened up for market competition and commercial television, changing the conditions in the market radically. In addition, the market has been affected by economic volatility, such as the IT-bubble in 2001. The greatest challenge however has probably been the array of technological innovations that have emerged. Not only has Internet grown dramatically in importance for consumers' media consumption, inventions such as the smart phone and the e-reader have made the media market yet more fragmented and complex, and challenge the traditional media companies that need to evaluate and revamp their products, business models and market relationships in order to remain relevant for the audience.

All though the total media consumption rather has increased than decreased, the new consumption patterns threaten traditional media channels, which have to share their market with more and more competitors, and in a more and more complex market. The newspaper circulation has been decreasing steadily for decades, and in 2010 alone the circulation decreased with 4,8 percent (TNS Sifo, 2011) While the composed Television reach is increasing, the number of channels have increased dramatically. Sweden's largest cable company ComHem alone offers 140 channels. (Comhem.com) The increasing fragmentation of the television broadcasting market has put pressure on the players in the market, where more and more channels are to share the advertising money. Simultaneously both television and newspapers are struggling with finding profitably business model on the Internet.

Turnarounds

The Swedish media industry is still in the midst of the aforementioned structural changes and there are several critical challenges ahead. The changes discussed in the previous section ultimately changes consumers' demand, which, assuming status quo in the companies, leads to dwindling sales, losing market share and/or losing competitive advantage.(Pretorius, 2008)This forces companies to re-evaluate their business and craft new strategies. How can companies in such precarious situations turnaround their performance and successfully re-launch their market offering and brand? Whereas some companies keep struggling and never really manage to turnaround their performance, there are plenty of examples of companies that even after long periods of tough times, causing damage to the company and brand equity, manage to re-gain market relevance and credibility.

Choosing a strategy in a turnaround is different and even more complex than deciding upon a regular market strategy, as a mix of complex, severe and urgent preconditions governs turnaround situations. (Pretorius, 2008) The company and its brand is bound by its previous strategy, heritage, and reputation which can be both facilitating and limiting in a turnaround. As a company is not isolated from its surroundings, considering its environmental entrenchment and external relations in the turnaround is of paramount importance for the success of the turnaround. The external stakeholders who must be considered include consumers, advertisers, and distributors, as they all are vital for the success of the company. Essentially, they are the stakeholder that determines whether or not the new strategy will succeed, by rejecting or welcoming it. A vital aspect of crafting a turnaround strategy should thus be to strengthen these relationships and creating a market offering which they demand and are willing to pay for.

Purpose

This thesis will examine and analyze the turnarounds of companies who have faced distress, and have managed to remain or regain their relevancy and strength in the Swedish media market. The analysis concerns the strategy in the turnarounds, focusing solely on relations to all external stakeholders. *The purpose is to find key factors in turnaround processes*, analyzing the delicate work with remodeling the market strategy in established but distressed brands/media companies.

The following aspects of the turnaround processes will be examined: crisis identification, crisis management process and turnaround market strategy, including positioning, branding, planning measuring and tracking, communication and branding.

The purpose of the study is two-fold with both an empirical and theoretical part. The *empirical purpose* is to find the factors that impact the turnaround process of media companies in the Swedish media industry. As the current theoretical body on the topic is rather small the findings will be further analyzed and condensed and presented as a number of propositions. These propositions will function as an input in the theory in the field and serve as foundation for further research in the field. This is the *theoretical purpose* of the study. The propositions can also be of value for practitioners.

The study will investigate this in a case study where the companies will be investigated with the following research questions, which were generated after the theoretical revision.

1) Describe the external environment and the characteristics of the crisis

2) What were the key determinants in choice of strategy?

3) What did the turnaround process look like: what were the most important steps and influences/influencers in the turnaround strategy creation?

4) What were the most important tactics and tools used in the implementation of the strategy?

Delimitations

The study will research turnarounds from a strategic and market oriented point of view. Other common aspects in turnaround research include companies' choices and processes of organizational restructuring, operational restructuring, asset restructuring, financial restructuring and the impact of restructuring on form's stock performance, but these topics will not be deeply explored in this thesis. (Schiuma et al., 2008)

To minimize the macro economic effects and general trends, we chose to delimit the study to one industry: the Swedish media industry. The intention is to obtain external conditions that are as similar as possible, and if their effects are not eliminated, then at least the companies should be affected similarly since they are of similar character and business models. The media was selected since is suitable for the purposes as it is going through structural changes, and the companies in it are thus faced with the strategic challenges we seek to investigate. We deliberately chose to interview people on top managerial positions and who work with external affairs such as strategy and marketing. We have thus delimited the study from a holistic and deeper investigation of the organizations in the study.

Expected Contribution

The goal is to find generalizable insights, which can be transferable and applicable for companies that find themselves struggling in a critical situation, and for media companies that

are facing the challenges that are analyzed in the study. The insights may be valuable for professionals working with strategic issues regarding external relations, such as market relationships and consumers. These managers might for instance be marketing managers or CEOs in companies that need to re-launch their market offering and/or brand I a situation of distress. Additionally the insight may be useful for consultants and other practitioners that work with media companies.

The study is also expected to contribute to the theories on the topic of media turnarounds as the current theoretical base is thin

Definitions

A company in *distress* is defined by Pretorius (2008) as a company facing demand changes, which leads to dwindling sales, losing market share and/or losing competitive advantage.

The *turnaround* definition use in this study is the one presented by Schendel (1976): Performance decline followed by performance improvements

Disposition

In the following chapter, theory, the selected and revised theories are presented. Following this we will present the methodology, where the overall approach and the design of the study is described. The methodology chapter also contains a discussion about the reliability and validity of the study. After the methodology we present the empirical data of the study are presented along with the first analysis, the in-case analysis. The chapter is concluded with a matrix compiling all aspects of the cases and the level of relevance they had for respective turnaround. The patterns found in the in-case analysis will be analyzed further in a cross-case analysis, which is concluded with three prevailing tendencies. These three topics will finally be discussed with the support of details from the cases and theories, and the discussion will be filtered in to three propositions about the factors that influence the success.

2.Theory

In this section we will discuss the theoretical aspects of turnarounds in general and with a particular emphasis on external relations and the specific characteristics of the media industry. The selection of theories is made based on these criteria. As there is a lack of theories on the specific topic of media turnaround this section will combine broad turnaround and cries theory with the added complexity of the media industry. The selection process will be further discussed in the Methodology chapter.

Environment of crises

When building a successful turnaround strategy, a high level environmental comprehension is considered to be key. This implicates an external orientation of the organization, where the management of the firm is aware of market needs and mechanisms and the future potential. They also consider customers and the competition's behavior and strategies to ensure future growth and to facilitate the creation of the turnaround process. Internal capabilities must also be considered but focusing only on them as the of source of change is not sufficient: there must be a match between the market, the developing environment, and the firms capabilities in order for the organization succeed in a turnaround situations. (Harker, 2001)Adding another dimension to the complexity of turnarounds, media companies often rely on two different groups of external players, audience and advertisers, to drive growth and revenue (Aris and Bughin, 2009). This double or two sided nature of the industry makes the external contact and comprehension of the environment both more important and more complex. The two sides are linked to each other since the customers on each side of the platform help increase the value of the other group which creates a network effect. This phenomenon allows media companies to enjoy increasing economies of scale if the platforms are successful, the advertiser will pay more for access to a larger network of audience consumers. Traditionally the of process acquiring new customers get more difficult the larger the current audience due to diminishing returns, however in this type of market effect is reversed, since more people get attracted to the firms value proposition. (Eisenmann et.al, 2006)

External and internal origins: classifying crises

Model 1, described in the following section, is a two stage model developed by Pretorius (2008) and it is based on the concept developed by traditional turnaround research, namely that it is possible to choose strategies for a turnaround by considering the origin and characteristics of the crises environment (Schendel, 1976; Hofer, 1980). The first part of the model (1A) focuses at the origins of distress and resource munificence and presents four

potential crisis situations: *performing well*, *underperforming, distress* and *crisis*. The causes of distress are either operational or strategic. Operational causes are internal in nature, for example inefficiencies in current processes, cost/margins relationship pressure, incorrect resource applications and/or managerial deficiencies. The origins are in general clear and concrete factors with an operational connection. Strategic factors are, in general, more complex as they are caused by some type of failing relationship with the market such as changes in demands and behavior of other market players such as customers or competitors or other external disrupting factors such as technological innovations. This leads to weak or wrong positioning and/or deterioration of competitive advantage. The other dimension, resource munificence, distinguishes between situations where the company's resources are either scarce or abundant. This factor clearly affects what type of change processes the companies are able to put into place.(Pretorius, 2008)
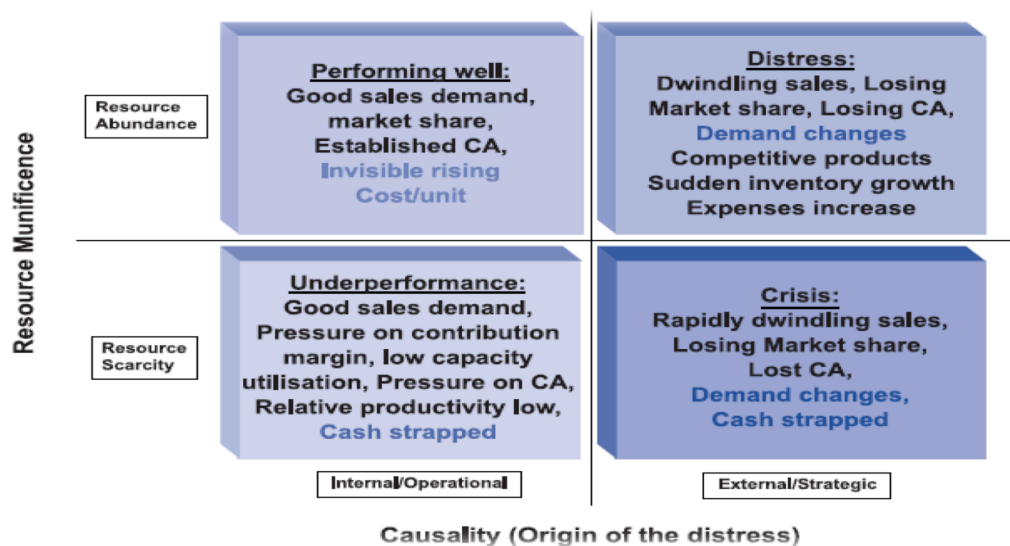
Model 1A Source: Pretorius, 2008

The second part of the model uses the same dimensions and presents possible strategic solutions to the previously defined situations. The operational strategies focus on how the organizations can use their current capabilities in a better way, doing the business right and better; on re-organization and strengthening of the current competitive advantage in order to grow. The strategic solutions focus on how the organization should manage, improve and potentially transform its relationships to different market players and finding ways to handle changes in market conditions such changes in demand and consumptions patterns. Examples on solutions are forced repositioning of the organization and finding new revenue streams

through new business opportunities: diversification, new products and services. (Pretorius, 2008)
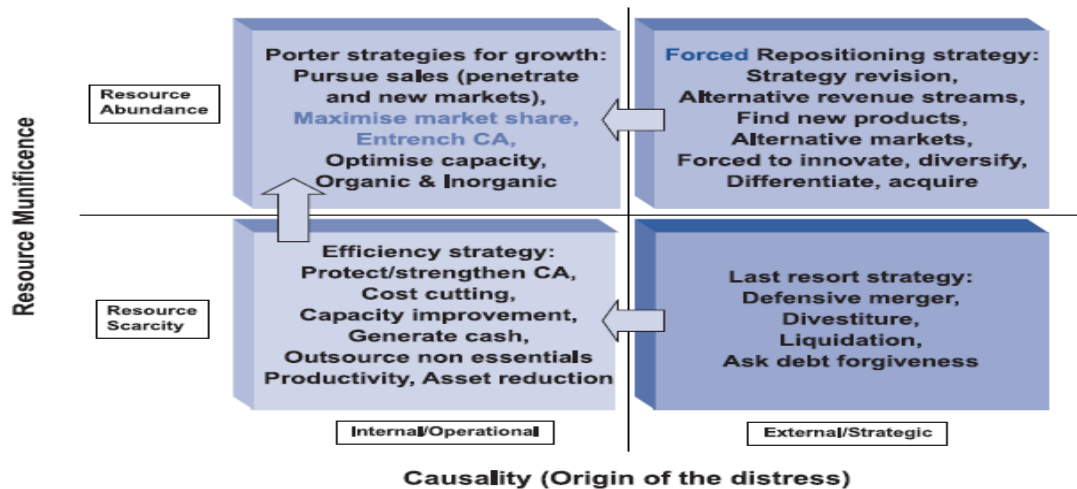
Model 1B. Source: Pretoirus, 2008

Distance of crises and tracking hidden curves

When focusing on the external or strategic aspects of crises there is one more dimension which is central in the decision making process, namely distance if crises or *situation severity* (Pearce and Robbins, 1993). Companies that face extinction will arguably act differently than companies who only detect the first signs of danger. Companies who mange to foresee problems before they are apparent to the whole industry, and before they actually pose a threat to the business, tend to do well in their turnaround process (Breene and Nunes, 2011). This concept is named *situation severity*. High level of severity forces the organization to take imitated action and purse efficiency strategies that are more operational in nature. Low level of severity gives the organization some financial cushion and allows them to purse more entrepreneurial and time demanding strategies with a more external and innovative focus.(Pearce and Robbins, 1993) One common trait is evident when looking at these types of companies: they tend to have a broader focus than the classic financial S curve when evaluating the market. This means that they do not only look to the classical theory regarding the product lifecycle when planning for the development of new products and core competencies. These types of organizations instead focus on three shorter and less visible curves: the competition curve, the capability curve and the talent curve. The first curve, the competition curve, tracks how the competition in the industry is shifting, constantly following changes in customer behavior in order to create the next basis of competition in the industry before the other market participants. The second curve focuses on the organization's

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distinctive capabilities and the fleeting nature of their competitive advantage. It tracks new investments in the development of these capabilities within the industry. The third and last curve revolves the commitment to talent creation, how organizations retain and develop serious talent, employees who can drive growth. (Breene and Nunes,2011). Monitoring these curves facilitates the turnaround process since management will foresee changes in market conditions, consumption patterns or technology use at the horizon and have both more time and resources available to handle the problems before they turn in to threats of extinction. (Kotter, 2007; Beer and Nohoria, 2000)

The turnaround process and crises distance effects

Traditional turnaround research suggests that the turnaround process is two-staged. Prior to the turnaround the organization must define the *turnaround situation,* the environment of the crises. The first step of the turnaround process is then the *retrenchment* which includes the initial measures that are taken, the "stop the bleeding actions". This stage is dependent on the earlier mentioned *situation severity*. The second step is the *recovery response* step. In this step the organization purse a suitable strategy contingent on the causes of the crises: they can either lean more towards efficiency or entrepreneurially oriented plans depending on the cause of the crisis. Between the two steps of the model, when the company has reached *stability*, this choice of strategy must be taken. (Pearce and Robbins, 1993)
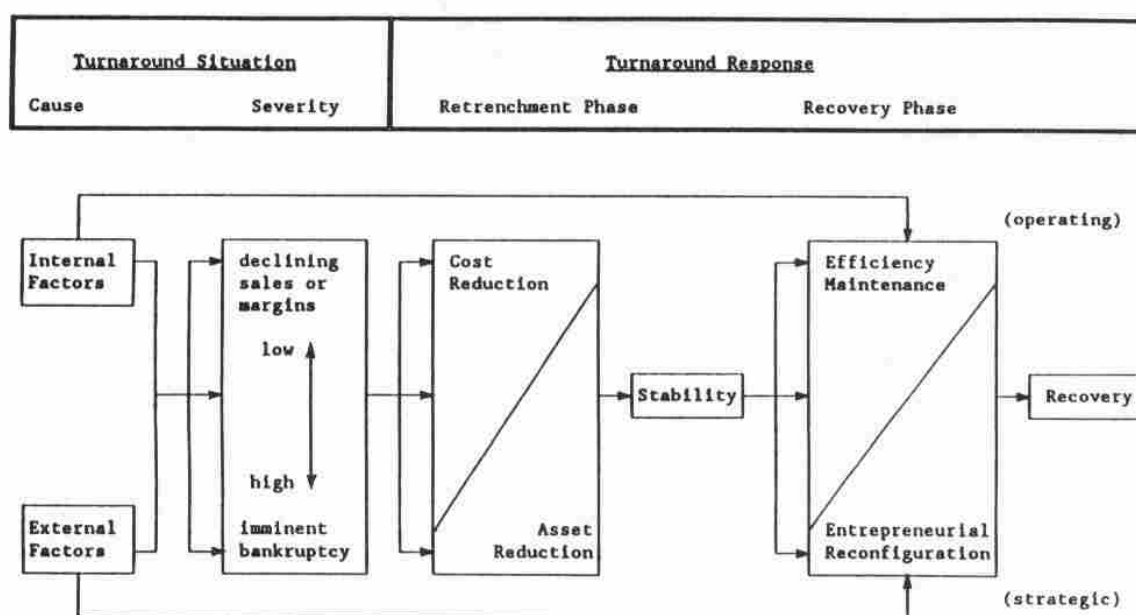
Model 2: A turnaround process (Pearce and Robbins, 1993)

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The concept of this basic model has been further developed and the Kotter (2007) turnaround process model (Model 3) has clear similarities with the turnaround response stage. Kotter's model is more practically oriented and more detailed in the process description. However, the first stage of the model is, like it predecessor, clearly focused on immediate actions: examining the market, identifying the crises and forming a team that can take the direct actions necessary at the retrenchment stage. The middle stage, vision, can easily be related to the classical model's stability stage that leads up to a choice of strategy, and in Kotter's version the communication of this strategy trough a vision is included. Furthermore, in the Kotter model the second part is clearly more strategically oriented, focusing on implementation and institutionalization of change clearly corresponding to the recovery response stage of the original model.

Establishing a sense of urgency	• Examining market and competitive realities • Indentifying and discussing crises and or potential crises
Forming a powerful guiding coalition	• Assemble a group with enough power to lead change and encourage them to work as a team
Vision	• Creating for a vision for direction. Use all possible vehicle to communicate new vision to all stakeholders, teching new .behaviours by example. • Empower others to act on it, encourage risktaking, remove obstacles
Short-Term wins	• Plan for visable performance improvements and recognizing/rewarding responsible employees
Consolidating improvments and produce still more change	• Use incresed credibility to change systems/structures that don't fit the vision . Fine tune the process • Hire, promote and devlop employees who can implement the vision.
Institutionalizing new approaches	• Articulate the connections between the new behaviours and corporate success. • Devlop means to ensure leadership devlopment and succession

Model 3: Turnaround Process (Kotter, 2007)

Regardless of the threat being in the near or far future, meaning a high or low level of situation severity, a sense of urgency is crucial for the success of the turnaround. However, the strategy for creating and communicating this thought to the organization is clearly different for the different types of crises situations. Financial signs of a crisis such as margin pressure and profit drop can therefore be beneficial during the first stage of a turnaround as it gets the attention of the whole organization, and communicates in clear way that something must change in the near future. In the other type of situation, a distant crisis or low situation

severity, the turnover or margins of the organization often does not show obvious signs of decline, and therefore management must create this sense of urgency to align employees in the turnaround vision presented. The balance between creating a high enough sense of urgency without paralyzing the organization and the market expectations is delicate and risky. The goal is to *"to make the status quo seem more dangerous than launching into the unknown"*. (Kotter, 2007) The vision in itself is another important environmental factor. The responsible management team must manage to create a vision that firstly helps directing employees in the actual process by giving them the right tools and motivation, and secondly provide a picture of the future that is easy to communicate to other external stakeholders such as customers and shareholders. (Kotter, 2007) Again, looking at crises distance and situation severity, the vision process will be affected. If there are clear and verifiable signs of danger the vision can easily be related to reality by presenting solutions that are tied to the factual problem. If the threat is a distant one this process might be more complex since it is impossible to foresee the exact development of the threat, how other players on the market will react and how it will actually effect the organization. The vision might therefore lack the edge that is needed to direct the change, by providing a clear final goal. Without a sensible vision a long-term change program can easily become too vague and confusing and process might develop in wrong directions. The external communication of the vision is also affected by its clarity: the market must understand where, why and how the organization is going to change. A strong leader or leadership team who clearly leads his/her organization can be one way to communicate a successful vision. A united workforce where all employees act as ambassadors for the vision in every interaction with the external environment from ad sales to broadcasting production is also a strong communication vehicle. (Kotter,2007)

When combining the ideas regarding the "sense of urgency" and the differences between near or distant crises, situation severity, a clear distinction can be made between what type of actions and processes that seem to be required for a near and factual urgent turnaround situation as opposed to a distant and created urgency situation. A broad distinction is that a factual situation with high severity in general needs "harder solutions" that are clearly focused on increasing shareholder value fast, so called efficiency strategies with a operational focus. Decisions such as employee layoffs and downsizing of production and other choices with a pure economic rationale needs to be made since bad results typically leave a more limited room for choice of action. In a more created/distant urgency situation, with lower severity, the organization may use more "soft solutions" based on organizational capabilities and building

corporate culture and/or more entrepreneurial and innovative strategies since there are more time and resources available for the turnaround. (Beer and Nohria, 2000;Kotter, 2007;Pearce and Robbins, 1993;Pretoirus, 2008).

However, when finalizing the strategic choice process for the turnaround the organization must clearly look beyond these noticeable internal causes and strategies and instead strive to match capabilities with the developing environment, the market they operate on. They must focus on evaluating what type of relationship the organization has to the market, and its role in the market development.

How to get there; Market strategies

After evaluating the organization's current situation on the market they must find ways to make their relationship with the market more profitable and thereby gain new revenue to the company. This can either be done by firstly increasing the number of customers on the current market, secondly sell more to existing customers or thirdly increase margins on current products and thereby make more profit on what you sell them or lastly by finding new potential market segments. (WALLACE, 2009) When the organization choose to focus on increasing sales without finding new market opportunities they chose to purse a market penetration strategy. If the strategy is based on preserving the current core competitive advantage in order gain new revenue the organization is pursing niche strategy. They may also their current competitive advantage to gain access to new markets by pursuing a diversification strategy. The last option is to pursue new potential competitive advantages and change the position of the organization through a repositioning strategy. The choice of strategy will be based on the conditions of the market and the nature of the market relationship. (Harker,2001; Breene and Nunes, 2011; Pretorius, 2008, Porter, 2008)

Lead by, or leading the market?

When developing an externally focused strategy, a company can interact with its market in two ways: they can let the market conditions set the conditions for the company's operations and strategic choices, or it can take on a more active role and partake in shaping the market. *Market manipulation* is the process when companies take an active control over the market which the company chooses to pursue, and can be an effective strategy in a turnaround. The first aspect of market manipulation is the previously mentioned concept *environmental comprehension,* companies pay zealous attention to all aspects of its environment. When crafting a market strategy in a turnaround, "sticking to the knitting" in terms of maintaining the current market position is often insufficient. The market manipulator instead pursues

product and service augmentation, and make minor but customer endorsed product changes. The organization can thereby increase total demand and demand elasticity, since they cleverly create products that the customers will demand. The demand management essentially means that since the company has partaken in creating a demand, they will be able to satisfy those needs and be better at it than their competitors. (Harker,2001) As exhaustively discussed in previous sections, the company pursuing a turnaround must have an attentive environmental comprehension (Breene and Nunes, 2011;Harker, 2001; Pretorius, 2008) Further developing this notion, companies in a turnaround strategy should supplement their traditional approaches with an "edge-centric" approach. One part of this means bringing the edge of the market to the center of the organization, which in practices means continuously scanning the periphery of the market for untapped consumer needs. The second part is about bringing the edge of the organization which faces the market and external stakeholder to the center of the organization, with the idea that this will enlighten the management in the strategy creation. (Breene and Nunes, 2011)

Resource management

A company pursuing a turnaround may need to evaluate the usage of their resources and capabilities considering that they need to pursue new endeavors. It is the strategic valuable resources that enables them to perform better than the competition and gives them a competitive advantage and knowing their strategically valuable resources including capabilities is thus of utmost importance. (Montgomery, 2008) In a turnaround, companies must not only evaluate if they have a lack or abundance of resources. (Pretorious, 2008) The company must also evaluate if the resources they have are the right ones for the strategy chosen, both during the implementation stage and after the turnaround. Resources and capabilities that have previously created their competitive advantage may become outdated if technological innovations and shifts in consumer preferences create a new market environment. Companies in need of updated resources have several options how to pursue them. One option is to acquire the required resources (Wild, 2010) The company can also update its current resources and capabilities by bringing in external expertise as well as trough partnerships, or simply recombine existing resources (Morrow, 2007). A final option, to combine old resources and capabilities with new resources and capabilities, has proved to be successful in dynamic environments such as the media industry. (Aris and Bughin, 2009; Shamsie et al, 2009)

Brands in turnarounds

In the previous sections, strategic options for turnaround process have been explored. In order to implement the chosen strategy, the company needs tools and in a marketing driven strategy the brand is one of the most important tools. (Wallace 2009) The power of brands lies in its ability to add intangible value to a product and to distinguish and differentiate a product from the competition. The ultimate goal of brand building is to develop a relationship between the brand and the consumer with the objective to obtain intense and active loyalty. (Keller, 2008) In a turnaround, branding can be a tool for strengthening the relationship with the customers such as consumers (readers/viewers) and advertisers, which is the one stakeholder group that can turn a company around in the long term. Branding can also be a potential tool in the repositioning the company if the turnaround strategy requires diversification and pursuing new consumers. (Wallace, 2009; Schiuma et. Al 2008) Brands are all the more important for media companies due to the increased fragmentation of the media market, consumers have more choices of media channels and providers than ever before. The importance of branding in the media business is further stressed by word-of-mouth's increasing influence on media consumption and the partial shift from content loyalty to media channel preference. Strong media brands differentiate themselves through a clear and relevant brand promise often building on some type of core values. These values should be based on the central strength of the company and a deep understand of what values or factors that motivate the consumers in their media choices.

Culture as a driver of change

Although important, high brand awareness is not sufficient alone. Media houses must also establish core values and ensure that the entire organization lives up to them, to create a clear, relevant and compelling brand promise which sets the brand apart from the competition. (Aris and Bughin, 2009) Media is a people business; it is created by people, for people. It is an industry which relies heavily on culture: it creates culture and all products are heavily influenced by the companies' specific in house culture. (Aris and Bughin, 2009) In companies where every employee is a content producer or company representative, there must be a culture where the employees identify with the organization as a whole and can be brand ambassadors. In addition to culture's importance for strengthening the brand, it is also crucial to have a culture which allows for and facilitates the change program. (Pascale et al. 1997)

While recognizing that corporate culture is of utmost importance, it is also important to acknowledge that it is not something that just happens: it can be created and cultivated.

Leadership, as discussed in the previous section, has a key role in cultivating a culture that will facilitate change programs. It is important to craft a communication plan that identifies and clarifies why the company is undertaking a turnaround, and how the company and its employees will gain from the efforts. (Kow, 2004) Another way to strengthen internal culture is setting by setting common corporate values and traits which the people in the organization must conform with. (Schiuma,2008) Practical ways to cultivate a specific culture is through workshops, seminars and conferences (Schiuma, 2008; Teerlink, 2000)

Planning

Looking to the more practical side of strategic market turnarounds, planning in terms of setting of different types of goals and measures and presenting a clear process and vision is crucial for success. The term *destiny development,* one aspect of the before mentioned concept *market manipulation* , describes the process of making a plan which provides this clear vision, a prioritized direction for action and how to change entrenched attitudes. The purpose is to demonstrate a positive future, the company's destiny, despite the current critical situation and to commit external and internal stakeholders to the turnaround. Ongoing communication with the external stakeholders is important since it indicates that turnaround is progressing and that the vision is followed. (Harker, 2001; Kotter, 2007).

The time span of the turnaround process depends of the type of crisis, level severity and the length of the turnaround in itself is therefore not indicator of success or failure. However the degree of short term and long-term goals are important, as well as continuous follow-ups during the process, so-called *fine-tuning*. Fine tuning is tracking and measuring goals and performance both on an internal and external basis and it allows the organization to calibrate and redefine the turnaround process continuously. In order to obtain success the process in itself must be flexible and during the different stages of the processes different aspects are important and must be managed accordingly. Firstly, there must be a clear vision both for internal and external use. The vision must be constantly monitored to ensure its relevancy. Secondly, the organization must look to the short term performance wins and use the gains to understand what parts of the process that are efficient and what parts that still needs to calibrated. The last planning phase is the process of evaluating and making connections between new behaviors and corporate success in order to institutionalize the change. (Harker, 2001;Kotter, 2007)

3. Methodology

In the following chapter the methodology for our study will be discussed. First, the overall approach is presented. Second, the design of the study is described and the steps that were taken in the research are laid out. Lastly, the methodological choices' effect on the reliability and validity of the study will be discussed.

Overall approach

Qualitative multi-case study

The purpose to investigate media turnarounds which is a contemporary and complex phenomena in a real-life context aims to unravel, investigate and describe organizational and managerial processes and decisions, and therefore a qualitative approach is appropriate (Bryman and Bell, 2007; Merriam, 1994; Yin,2009) When examining complex processes it is also efficient to conduct a case-study, and the case study approach was thus chosen. The case study is a research strategy focused on understanding dynamics in a single setting and enables the investigation and examination of complex social phenomena, since it allows for the retention of the holistic and complex characteristics of real-life events. In addition, the case study methodology is suitable researching decisions: why they were taken, how they were implemented, and with what result. (Bryman and Bell, 2007; Merriam, 1994; Yin, 2009) The definition of case studies varies and there is a vast spectrum of approaches and designs of a case study, you can also chose to do a single or multiple case study. The level of analysis ranges from the classic case study that is very deep and rich in information, to the more shallow illustrations. (Eisenhardt, 1989;Yin, 2009) This study falls between the extremes as it is conducted less in depth than the classic case studies, which can include hundreds of interviews over several years. However, this study is based on in-depth interviews and followed up with a second round of interviews, and is therefore not as shallow as illustration may be. (Eisenhardt, 1989;Yin, 2009). For this study, a holistic and multi-case approach was chosen as comparison between companies add depth to the analysis and makes the results more generalizable. The multiple-case approach also enables replication, which, along with the use of theoretical framework, adds to the external validity to the study (Yin,2009)

Merging a deductive and inductive approach

In general, qualitative research is inductive and intends to build theory rather than to test it, as opposed to deductive approaches. (Merriam,1994) The research in this study was conducted in a semi-deductive manor. In order to gain insights and understanding in the topic, and to acknowledge the current research on the topic, this study was initiated with a theory revision and aggregation. The theory thus shaped the study, by providing inspiration and guidelines for

the research questions. The aggregated theory was also used as a framework for the formulation of the purpose and used to analyze and structure the data and considering this aspect of the methodology the study was conducted with a deductive approach. However, the purpose of using a theoretical framework was not merely to test it, but to use it to facilitate the construct of new theory. The theoretical body and models were continuously updated and reviewed along the data collection and analysis, in the pursuit of new theory. (Eisenhardt, 1989) The overall methodology is thus a merge between deductive and inductive studies, and such approaches have been used for similar case studies. (Shiuma et al., 2008)

Design of the study

Literature review

The study was initiated with a review of the current theoretical body in order to explore the subject and find interesting and possible viewpoints and research questions. The goal was to acquire a solid understanding of the topic but also to find relevant models and theories to use for the structure and analysis of the study. In this way the research becomes more focused and the findings more credible and valid (Eisenhardt, 1989;Yin, 2009). The literature search was conducted through database searches (Business Source premier, Scopus, Econlit, Google scholar) using combinations of key words such as: corporate turnarounds, strategic corporate turnaround, turnaround process, change management, organizational turnaround, change, brand turnarounds, brand revitalization, media.

Since the purpose of the study is to investigate turnaround from an external strategic market perspective, focusing on the turnaround firm's external environment and relationships, we excluded theories that focused solely in financial and structural aspects of turnarounds. Therefore there is level of subjectivity in the theoretical selection process.

Choosing the Swedish media industry as our research area

In order to create boundaries for out study it was focused on companies in the same industry and the industry: Swedish media. The purpose was to reduce extraneous variation so that the case companies faces similar conditions and situations. The media industry was selected due to the change dynamics in the industry, providing an environment where many companies may encounter turnaround situations (Eisenhardt, 1989). This makes it an appropriate industry to examine for two reasons. First, it means that there are several interesting and relevant cases available to study. Secondly, the industry is in the midst of structural changes, due to new technologies, new consumer preferences and consumption patterns, and studying turnarounds

in it may lead to insights useful for the inhabiting companies currently struggling with these conditions.

Choice of case companies

The selection of case companies was based on the Pretorious' (2008) theoretical framework to classify turnaround situations. The purpose of this theoretical sampling is to choose cases that are likely to replicate or extend the current theory. (Eisenhardt, 1989t) The companies chosen for this study are those who meet the criteria for companies in *distress*, since such companies manage their turnaround with external strategic and marketing oriented programs; not primarily through financial management or internal re-structuring. Companies in distress are characterized by resource abundance and face external or strategic challenges. (Pretorius, 2008) In addition, to minimize the effects of financial constraints on the turnaround, we chose case objects which are part of large media groups, assuming that they receive financial support from their group. This allows us to focus on the various strategic choices that the companies have chosen to pursue. An appropriate number of cases are between four and ten cases (Eisenhardt, 1989) and we found five cases which meet the criteria for the purposes of this study. The case companies are:

Aftonbladet
(Schibsted)
Evening paper

Dagens Industri
(Bonnier)
Business newspaper

Kanal 5
(Pro Sieben)
Televsion channel

Stampen
(Stampen)
Newspaper group

TV11
(Bonnier)
Television channel
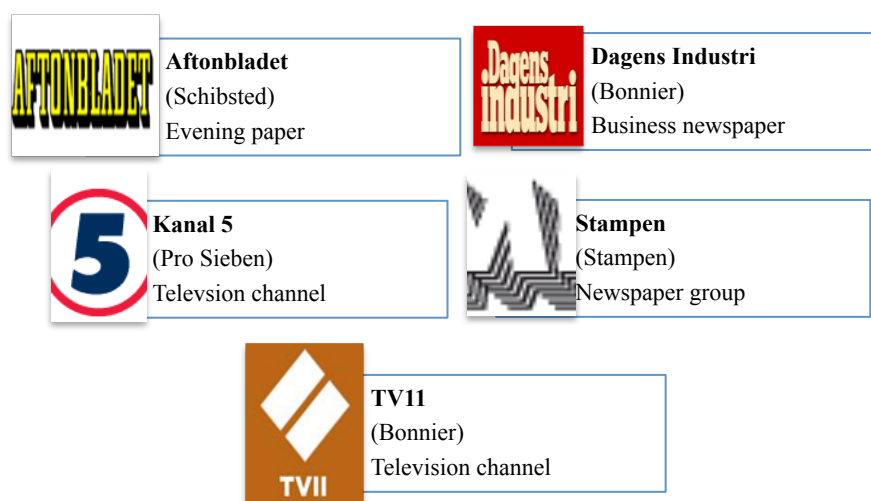
Company

(Holding group)

Line of business

Choice of people for interviews

The data was collected primarily through interviews people that had a key role in the turnaround companies and had pronounced insights into the turnaround process. The

interview objects worked with areas and tasks revolving the market and external relations in the turnaround, such as branding, planning and strategy.

Company	Position	Name	Place for interview	Date of interview
Aftonbladet	Brand director	Jonas Lyckstedt	Aftonbladet, Västra järnvägsgatan 21, Stockholm	2011-03-24
Dagens industri	CEO	Casten Almqvist	Dagens Industri, Torsgatan 21, Stockholm	2011-03-16
Dagens Industri	CEO-assistant	Marika Lundén	Dagens Industri, Torsgatan 21, Stockholm	2011-03-16
Kanal 5	Head of Marketing	Jan Loosme	Kanal 5, Rådmansgatan 42, Stockholm	2011-02-23
Stampen	Development director	Gunnar Springfeldt	Polhemsplatsen 5, Göteborg	2011-02-04 2011-04-12
Stampen	Communications director	Ann Flyning	Polhemsplatsen 5, Göteborg	2011-02-03 2011-04-08
TV400	Director of scheduling	Malte Andreasson	TV4, Tegeluddsvägen 3, Stockholm	2011-02-18
TV400	Creative director	Karin Peterson	Phone interview	2011-03-23 2011-04-27
….				

Data collection

Two interview rounds

The interviews were carried out after the first literature review and the generation of research questions. Parallel with the data collection, the theoretical frameworks were complemented and reviewed, and the first steps of the analysis were taken. Along this process, new queries emerged and a second round of interviews were therefore conducted when need in order to complete gaps in the collected data.

Semi structured interviews

The ambition for the interviews was to steer the interviewees as little as possible in order to obtain their own story of the turnaround. To get accurate and rich answers, unstructured interviews are recommended (Bryman and Bell, 2007; Yin, 2009). When conducting a multiple-case study it is advised to make interviews slightly stricter than a open approach, and the interviews in this study were therefore carried out in a semi-structured manor. Semi

structured interviews are also preferable when the overall methodology is semi-deductive, as this study is. The semi-structured interview combines the unstructured interview with a loose pattern of topics and questions that let the interviewer guide the interviewee along the topics that the interviewer wants to cover. (Bryman and Bell, 2007; Kvale, 2009) The interview guide for this study was developed from the research questions, which were broken down into more specific and simply formulated questions in order to make it easier for the interviewee to give rich answers. The questions were formulated in a descriptive manor e.g. asking "how?" in order to evoke spontaneous descriptions rather than a reflection of the interviewers thought. (Bryman and Bell, 2007;Kvale, 2009) The interview guide is available in the Appendix.

The interviews were conducted in Swedish, the native tongue of both interviewers and interviewees in order to get as accurate and rich answers as possible. The interviews were recorded to make the results more reliable, transcribed in Swedish (appendix) and summarized in English, and this material was collected into the case data base. The transcripts were sent to the informants and approved by them, to confirm their accuracy. ((Bryman and Bell, 2007; Yin, 2009)

Data analysis

There are no formulas set for analyzing qualitative data, but in order to avoid the bias of personal interpretation some structures for the analysis was set up. The structure of the analysis is relying on the theoretical propositions described in the theoretical chapter of this study. This approach was chosen since the theoretical framework was also the base for the research questions and the purpose of the study. Structuring the analysis accordingly thus appeared to be the most logical structure for the data analysis and also help build a strong chain of evidence. (Yin, 2009) The data is first summarized an condensed case description and then analyzed in an in-case analysis. The purpose is to communicate an efficient summary of the vast amounts of data gathered, and present the findings and evidence that are important for the purpose of this study. The idea of writing the summary is also to become intimately familiar with each case on a standalone basis, before the search of general patterns across the cases begun. (Eisenhardt, 1989). To summarize all the cases and provide a bridge to the cross-case-analysis, a matrix summarizing the most important theoretical aspect and their level of relevancy for the respective turnaround is presented. This matrix is the first step and an illustration of the pattern-matching: the search for within-group similarities coupled with intergroup differences (Eisenhardt, 1989, Yin, 2009). Following this first pattern-analysis, the most prominent trends in the data are further analyzed the cross case analysis. The cross case

analysis is concluded with three propositions. These propositions are discussed with support of theories and case details and filtered down to the end-propositions.

Validity and reliability

The following section will discuss the quality of the case study design, which is measured with three different aspects: construct validity, external validity and reliability. Internal validity was not considered since the study is not causal. (Yin, 2009) Validity is concerned with the integrity of the study: was the study been conducted in a scientifically correct manor. Reliability is concerned with the repeatability of the study (Bryman and Bell, 2007). The concept and the measures taken to ensure them will be further explained in the next section.

Construct validity

Construct validity concerns the accuracy of the operational measures. If a sufficient set of measurement tools are not set up, the study runs the risk of becoming subjective (Yin, 2009) To ensure the construct validity, the advised following tactics were considered and aspired: As much as possible, multiple sources of evidence were sought. Triangulation increases the validity by confirming the information from several sources. (Merriam, 1994;Yin, 2009) However, much of the data is sensitive and confidential, thus difficult to verify from additional sources. This means that some of the information in the study was not verified by additional sources. Interviews were the primary source of data, additional information was collected from internal documents provided by the interview objects, web sites, and additional sources such as for example statics from a third party source. In addition to data triangulation, theory triangulation was achieved through the use of several complementary theories for the analysis. The validity of the study is further enhanced through the investigator triangulation, which is possible as two researchers conduct the study. (Merriam, 1994;Yin, 2009) Efforts were also taken to build a strong chain of evidence, which ads further to the construct validity if the study. A chain of evidence means that the external observer; the readers, can follow the evidence and the logic of the study, from the research questions to the conclusions. We strived to be as descriptive and clear as possible in methods and report. The final measure taken to ensure the construct validity was to ask the informants to read the case report draft in order to have them verified. (Yin, 2009)

External validity

The external validity of the study has to do with the generalizability of the findings in the study. In practice, this concerns to what extent the results of the study can be applied to other situations and cases. The generalizability of a case study is traditionally questioned (Bryman

and Bell, 2007) but there are also claims that it is possible to induct theory from case studies (Eisenhardt, 1989) and there are several measures to take in order to ensure a certain amount of generalizability. The first measure taken in the pursuit of external validity was to conduct a multi-case study. The multi-case approach allows for cross-analysis of the same phenomenon in different cases, which makes the findings more robust and increases the generalizability (Herriot and Firestone, 1983;Merriam,1994;Yin,2009) The companies in our study are in the same environment: the Swedish media industry and this adds more robustness to the replication and generalizability logic, as the companies have similar structure and were faced with similar problems and challenges Finally, the study was also based on acknowledged and tested theories, which provided support our findings. (Yin, 2009)

Reliability

Reliability concerns the issue of whether the study can be repeated or not – that is, would the same results be obtained if the study was repeated by another researcher (Merriam, 1994). A reliable case study design minimizes the errors and subjective bias of the study (Yin, 2009). In order for another researcher to be able to conduct the same study, and to then obtain the same results, there must be documentation of the study. In this study all the raw data was collected in a case data base and in addition to this the case summaries are presented in the study. The database was established in order to retain all information and facilitate the search for details that are not included in the case report. In addition, interview guide was developed, summarizing the procedures for the data collection. The guide is available in Appendix. (Merriam,1994;Yin,2009)

4.Empirical data: Case study

This chapter will present our empirical data. The chapter begins with plotting the case companies into Pretorious' (2008) theoretical model in order to define the type of crises the organizations are facing. After this each case study will be presented separately and concluded with the three most important aspects of the turnaround as well as a short in case analysis. The whole chapter will be concluded with a matrix compiling all aspects of the cases and the level of relevance they had for respective turnaround.

Distress model: Pretorius

The following empirical section will plot the case companies into the model presented by Pretorius (2008) to provide an overview and clarification of the type of situations the companies were faced with before their turnarounds. The cases will then be described in detail in the following section. The model is build on the two dimensions resource munificence and origin of distress, and defines the following four types of crises:

Performing well[1]

Distress[2]

Underperformance[3]

Crisis[4]

All companies examined in this study are within the same category: "distress". The purpose was to minimize factors that are not connected to the turnaround process. The origins of crises are primarily external and/or strategic and the companies' resources are not scarce, leaving all companies in a distress type of turnaround situation. There are however nuances between the companies within the distress category, both in amount of resources and externality of distress, and a discussion will therefore made of their relative positions within the cell. This

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[1] Good sales demand, market share and established competitive advantage. Potential threat origin: Internal, cost. Expected strategy: Growth strategies, new markets or market penetration

[2] Dwindling sales demand, losing market share, losing competitive advantage and market share. Threat origin: External, demand changes. Expected strategy: Forced Re-positioning, new alternative revenue streams such as new products or markets. Forced innovation, diversify and differentiate and possible acquire.

[3] Good sales demand, marginal pressure, low capacity and pressure on competitive advantage. Threat origin: Internal, strapped for cash. Expected strategy: Efficiency strategy, protect and strengthen competitive advantage, cost cutting and productivity and capacity improvements.

[4] Rapidly dwindling sales, losing market share and lost competitive advantage. Threat origins: Demand challenges and low cash. Expected strategy: Last resort strategy, defense merger, divestiture and liquidation. Ask for debt forgiveness.

model should therefore be looked upon merely as a comparison between the different case companies within the same cell and not an analysis of the other cells.
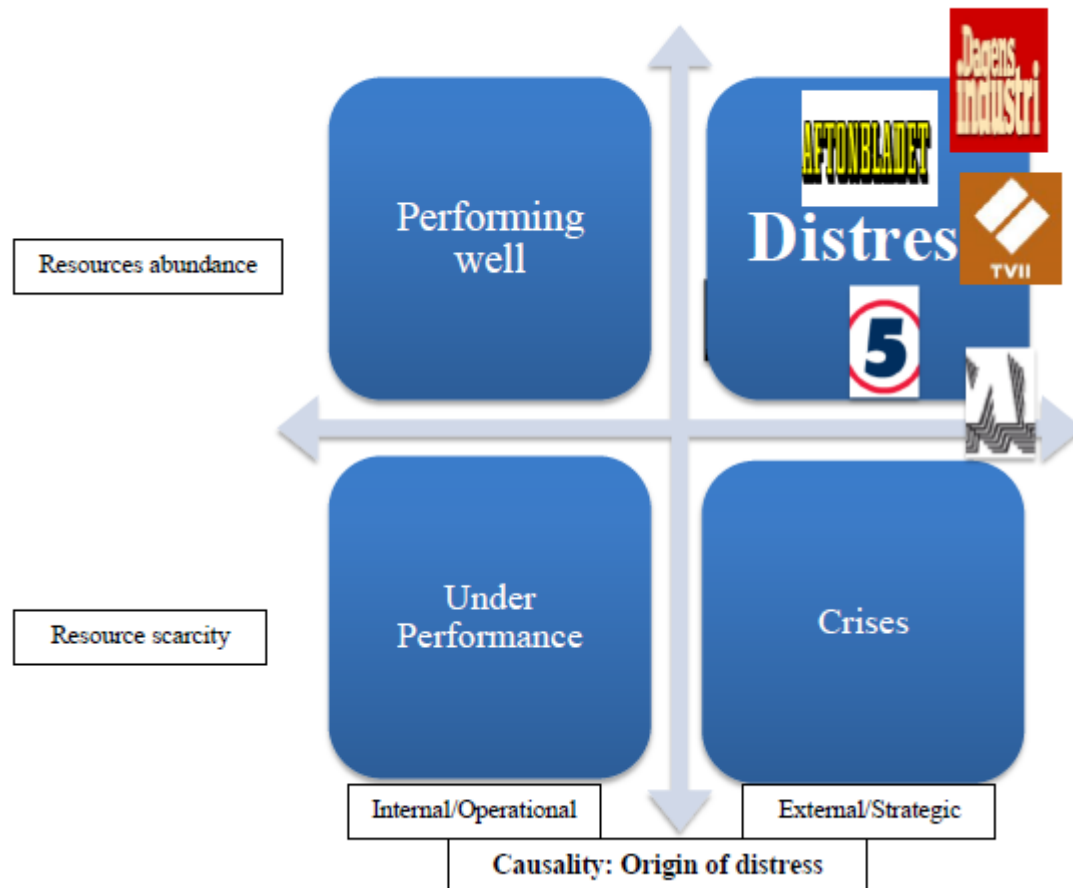
Plotting explanations:

All of the cases are in the media industry and are therefore facing the same macroeconomic changes that affect the overall structure of the business, and they were thus all faced with this external/strategic threat. However, the way that this threat is defined and the consequences of it differ slightly from company to company. Furthermore, some of the companies were facing additional external threats other than the structural change of the industry.

Case 1: Kanal 5

In this case the turnaround process was highly influenced by high required returns on investment and the budget was therefore not unlimited, and their resource scarcity was therefore relatively high. The turnaround was performed in order to maintain and strengthen market share and competitive advantaged and was therefore not only caused by the macro industry shift, the external origin are therefore medium relative the other companies.

Case 2: Stampen

In this case economic factors such as employee layoffs and lack of funds were important factors, the relative resource scarcity is therefore high. The origins of the crisis are consequences of the industry shift; the origins of the crisis are external.

Case 3: DI

DI were reaping good returns and profit, they thus enjoy the highest resource abundance of the cases. Their turnaround is caused by the structural shifts of the media industry as well as changes in their consumer behaviors' from a clear B2B focus to a mixed marker, the origins of their crisis are clearly highly external.

Case 4: TV400 to TV11

TV11 got augmented budget for their turnaround compared to its predecessor, but their cash flows are not as high as DI and their resource abundance is thus relatively lower. The turnaround of TV11 was conducted for pure strategic reasons as its predecessor was functioning well in terms of profit. The origin of their crisis is therefore highly external/strategic relative the other cases.

Case 5: Aftonbladet

Aftonbladet did not have financial constraints, their relative resource abundance is high, but slightly lower than DI especially in terms of profit and margins. Their turnaround was first and foremost sparked by a drop in the readers' liking and preference for the newspaper There was also a simultaneous industry shift adding external aspects but, the company's crisis relatively the most internally originated crisis

Case Descriptions

Kanal 5 *From troubled joker to best practice entertainment*

Crisis environment:

After the Television channel Kanal 5 was founded in 1989, the channel went through a turbulent development in terms of different owners, names and content. In the development leading up to the turnaround in the beginning of 21st century, the channel had begun to find its form and its audience: they started to broadcast American humor Television-shows with great success, and their market share in terms of viewers was growing. However, the advertising sales market was declining simultaneously, which posed a threat to the industry as a whole. Kanal 5 was therefore faced with a decision regarding the direction of their future

existence, in order to maximize growth. They could either try to compete with the big mainstream channels with broad product offerings, broadcasting everything from news, and social/political programs to sports and entertainment, which would mean investments in new business areas. The other option was to pursue a niche profile strategy and build on their current focus on entertainment as their core competence.

"..the cross road was, should Kanal 5 become a "real" channel?"

Jan Loosme, Head of Marketing Kanal 5

Turnaround process

The process was initiated when the top management group of Kanal 5 hired the consultancy firm Tank to develop the strategy for the turnaround. As the crises situation was not evident, the first step of the process was a scenario workshop were Tank challenged Kanal 5's management group with a number of possible scenarios for the future of the channel, to which they had to find origins and solutions. Secondly, a situation analysis of the market was conducted. The analysis took a look at the big competitors within the industry and their content categories, evaluating potential growth opportunities. All other channels in the "top 5" had presence in all content categories and Kanal 5 was only present in one content category, entertainment.   The decision was therefore made to purse a niche market strategy to strengthen their presence in this category and the concept of "Roligare TV" –Funnier TV was created. Kanal 5 became the first Swedish niche channel (within the top 5) focused only on entrainment. By providing a clear direction and a sharper product offering the turnaround strategy aimed at shaping the entertainment TV market and to create a specific need for Funnier TV among consumers and advertising customers. The base of this new direction was the creation of the Kanal 5 personality and the Kanal 5 definition of what "Funnier TV" truly meant. The channel wanted to build a strong correlation between their brand and the word and the feeling "fun". Here are some examples of how they defined the channel personality and "Funnier TV.

"Kanal 5 is the person you want to sit next to during a long dinner"

Kanal 5 is the person you marry because it he has the most important quality, humor"

"Kanal 5 fun is the feeling you have after two beers but not after twelve"

"Funnier does not have to mean Robert Gustavsson, it can be the feeling you get when you pull up your curtain and feel the sun in your face"

The channel also updated their segmentation to further separate them from the other channels. To further sharpen the strategy direction, Kanal 5 chose to purse a double segmentation strategy where they used both hard demographic factors such as age 15-44 to attract advertising sales, and soft values to define their viewers. Their viewers were defined as open minded people, urban people not geographically but spiritually, and people who use TV not as a way to keep updated about the world but uses it to avoid being "updated". The situation severity for Kanal 5 was low as it was choice of strategy that was meant to ensure long term growth not a rescue strategy.

Tools and tactics for implementation of the strategy

In the Kanal 5 turnaround process cultural branding was an important factor, used both as a driver of change, product offering filter and external interface to consumers.

Product offerings:

"We can say that we do funnier TV all we want, and do catchy trailers and slogans. But if the program schedule isn't fun, if it is not built on the platform there will be gap and that will cause a problem with the confidence of the viewers"

Two main aspects are relevant in the development of the product offering during the turnaround. First there is the cultural filer created with the "Funnier TV" culture: every production broadcasted must fit into the , both internally produced and purchases the Kanal 5 filter for Funnier TV, using the established and created culture as a guide . This filter was also used as a bench mark against other channels, making sure that Kanal 5 version of any type of program such as home improvement or cooking shows was defined as Funnier TV. This was important since a channel profile cannot be built solely on branded purchases. The second key factor is the leverage on strong sub-brands: foreign Television-shows with a brand of its own. Kanal 5 used a number, strong-branded Television-shows such as Grey's anatomy, CSI and Desperate Housewives with a loyal viewer fan base. Kanal 5 found it important to create a common external interface and put great effort into integrating these purchases with the channel's own profile and in-house productions.

Internal communication:

As previously mentioned the corporate culture was highly emphasized as a key factor in the strategy. A rigorous internal anchoring program was conducted during the six months following the strategic decisions. It was carried out internally, with tools provided by Tank, the external consultants. All employees, both on the production and sales side were included

and the projected was concluded with an intense four-day workshop. The processes was characterized by repetition and "missioning"

"After four days it should be tattooed to their forehead, so that every morning when they wake up they can read: Funnier TV. That was the goal"

The culture creation process is continuous: all new employees are "brain-washed" into the idea of funnier TV when they enter the organization. When hiring new employees Kanal 5 also emphasizes that it is important to find the right people to the right place, in order to strengthening the culture. Furthermore, the consultancy firm created internal pitches imprinting/establishing the type of mindset Kanal 5's employees should have when communicating with viewers and advertisers.

External communication: During the turnaround process most of the external communication was aimed at conveying the message of Funnier TV, and the internal culture. Kanal 5 created a communication plan towards external shareholders based on the internally established viewer and ad sales mindset.   It was important to create a synergy effect between the Kanal 5 brand and the strong external brands, which the Funnier TV concept largely built on. This was done mostly using traditional marketing communication: short films and advertising that embodied the Funnier TV concept. Some of them combined the Kanal 5 brand with strong external brands such as CSI, in order to create a feeling that they belonged together and borrow the brand equity and associations of those brands to build Kanal 5's brand. Together with in-house productions such as Roomservice and Filip and Fredrik they created Roligare TV

Planning, tracking and measuring: Kanal 5 used a high level of soft data tracking, consumers associations and attitudes are monitored closely to make sure that the channel maintains its edge and competitive advantage within the entertainment category. They also measure hard data such as number of viewers and reach.

How Kanal 5 is handling the emerging technologies5? Kanal 5 is currently using their play services online in a number of different ways. The channel wants to deliver Funnier TV no matter the platform and consider the development of new media channels as essential for the

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[5] As the Kanal 5 turnaround took place before internet radically changed media use by streaming and downloading services and before technological inventions such as Smartphone's and e-readers increased the numbers of channels available for media consumption and advertising we decided that it was relevant to discuss these topics and how Kanal 5 deal with these new opportunities or treats when maintaining their strategy.

development of the channel. Having developed a business model online were they are actually making money makes it even more interesting. Their play service is currently used both as a development platform for new ideas, and retirement center for shows that no longer flourish on TV. However, Kanal 5 is still trying to develop it further and find new usage areas.

In-case analysis

In this case Kanal 5 show a high level of environmental comprehension, the initial situation analysis was focused on the competition within the industry, as Kanal 5 was seeking to indentify the potential of the market rather than just push out a product. The choice of a niche strategy shows that they combined internal knowledge and capabilities with the gap or opportunity they saw in the industry in order to maximize success. However it is clear that the potential of market does not include consumer needs as the base of strategy did not include any type of data collection/surveys on this area.

It was important to be able break out of the solstice of the bigger channels and not get stuck in a general position, the "gegg"..The solution was to refine, 100percent entertainment and focus on the soft aspects of the target group

The planning and measuring of consumers attitude is however visible later in the process as Kanal 5 measure and track attitudes, associations and other soft consumer data. This data is used to make sure that the channel is on the right direction and as a refining and fine tuning tool when needed.

"Something interesting happened this fall when we broadcasted Kungarna av Tylösand..it was not a cool hit..but the interesting thing was reading the comments: Stop it, don't do this you are a cool channel. And I thought that reaction was interesting as it came both from viewers and the industry. We have been successful in terms of building a position and this was clearly outside that"

Clearly the channel strived to drive the market by sharpening their product offering and shape the consumers expectation of what funnier TV means.

The brand and culture were crucial factors in the turnaround. The culture that was created around the Funnier TV strategy has helped to create an alignment of the work force in the turnaround and it has created a clear idea of the core values within the organization. Evidently, Kanal 5 has put a lot of emphasize on the personnel as they have won an award as best employer two years in a row. The cultural filter used in the production process uses this

strong internal tool to create a competitive external profile. Another aspect in process is the influence of hard monetary goals. Kanal 5 was at the time of the turnaround, and is still is, owned by risk capitalists and where expected to yield high margins (20-30percent) and a niche strategy offered lower cost than the alternative diversification strategy, and a lower cost would make it easier for Kanal 5 to reach the high required ROI. Furthermore, these economic demands restrain the risk taking and to certain degree long term planning in the turnaround process since the channel must deliver profit in the short run. This decreased risk taking is shown in a rather safe purchase strategy focusing on big Hollywood production rather than small eccentric productions. They also avoid local productions such as "Let's dance" and "Idol" as they are expensive to produce.
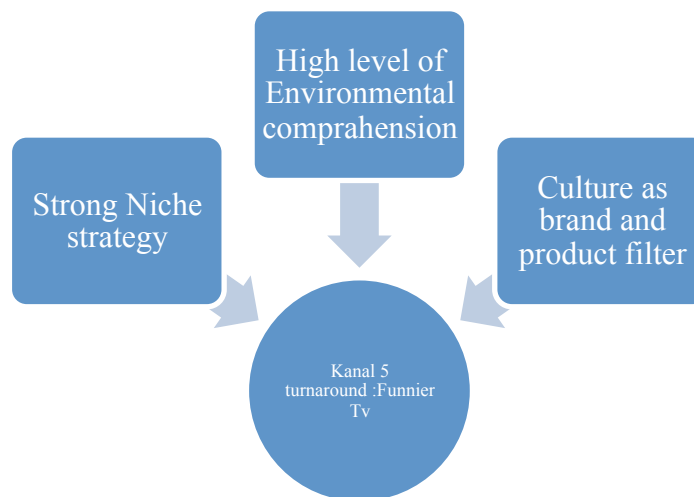
Stampen – *from local newspaper to multi-media conglomerate*

Environment of crisis

The foundation of Stampen-gruppen is in essence the outcome of the turnaround of Göteborgs-Posten, which was initiated in the beginning of the 2000's. Despite its position as Sweden's second largest newspaper the circulation of Göteborgs-Posten had been declining since the mid 1970's. Moreover, in the fall of 2001, the New York stock exchange fell after the terrorist attack on World Trade Center, which caused a global financial contraction. The crisis hit Sweden in shape of the IT-bubble, which hit the newspaper industry hard. Under these given circumstances, Göteborgs-Posten was forced to fire people for the first time in modern history. What made the cut down worse was that it was the young and vital employees that had to go due to the last in first out- principle of Swedish labor legislation.

"It is a terribly awful to have to cut down staff, but more crucial is, that when *you are in decline you cannot focus on development, you only focus on fixing the bleed".*

Gunnar Springfeldt, Development Director Stampen

Simultaneously, the management recognized another threat in the shape of the array of new media channels and services brought by the Internet, which would radically alter the media landscape and the newspapers' competitive landscape. The new services such as the search engines and yet-to-come social media would be a competitive force to count with. In addition to bringing additional competition, the new actors would also lead to a shift in consumer behavior.

Turnaround process

Tidningsaktiebolaget Stampen, the holding company of Göteborgs-Posten found themselves in a critical situation and realized that they had make a structural change in response to the crisis and the changing conditions in the media industry. The management gathered a *growth council* to set up a *growth strategy.* The council gathered industry insiders from various parts of the business who had both the knowledge and vision required for the turnaround strategy. Amongst the people in the council was the founder of Lunarstorm, Sweden's at the time largest website, the former CEO and chairman of Sveriges Radio and one of the founders of the advertising agency Forsman and Bodenfors. The strategy that the coalition came up was a diversification strategy and in practice it meant heavy investments in both local newspapers and other media companies. The first acquisition was of Centertidningar, a group of small local newspapers at the time owned by the political part Centerpartiet. Stampen then went on to purchase printing companies and digital media. Further acquisitions include social media sites and forums such as *Svenska fans* and *Familjeliv.* Stampen has also invested in e-commerce sites and mobile advertising.

Gunnar Springfeldt about the strategy to invest in new media:

"There is no point in rearranging the deckchairs on Titanic. What is the point in lining up the chairs when the ship is about to sink".

In 2005 the corporate structure was remodeled and the Tidningsaktiebolaget Stampen which before consisted of only Göteborgs-Posten , was re-structured into the Stampen group which would be the mother company of wide array of brands and three business areas: Newspapers, Printing houses and Digital media divided into six business units: *GISAB* (free newspapers and distribution)*, Göteborgs-Posten* (One of Sweden's largest newspaper)*, Mediabolaget Västkusten* (five local/west coast based media houses)*, Promedia* (local newspapers, distribution and digital communication in Mälardalen and Bergslagen)*, Stampen Media Partner* (leading the development of social media, corporate media and mobile media) and *V-TAB* (printing conglomerate, printing newspapers, magazine, books ,advertising). The new business model focuses on the business to business side and while the diversification strategy is vast it has a common team: localness.

Tactics and tools for implementation of strategy

*Product offering***:** An important aspect of B2B-strategy is to act as an attractive partner rather than a transactional business partner. One example is the new advertising-model which goes beyond merely selling spaces in their media vehicles. Instead, Stampen leverages on the vast portfolio and customize advertising solutions for their clients. The goals for the campaign is set jointly between Stampen and its client, and Stampen regards and treats them more as partner than customers. On the audience side, Stampen heavily increased its amount of products but were not as innovative in the development and were rather tracing the demands closely than developing them.

*Internal Communication***:** The internal communication within Stampen is managed through documents and an intranet and regular employee-talks where their attitude towards Stampen and such matters are discussed and evaluated. There are also management "road-shows" where the CEO visits the small local parts of the organization to communicate Stampen's values and activities, and try to unite them under Stampen.

External communication: Stampen strives to be an attractive partner and to create relationships with actors its surroundings. These relationships are built through business models that are shaped more like partnerships than financial transactions, such as the advertising models where common goals and strategies are set between advertisers and Stampen. Along the same lines, Stampen strives to build a strong business-to-business brand: the strategy was much based on developing the business side of the two sided market where Stampen would be a strong brand in the media business network and attract partners, but should never be visible where it does not add value; towards the audience. To the audience, the local original brands are remained and Stampen is kept completely anonymous, and traditional mass marketing communication tools are therefore not used by Stampen.

Planning tracking and measuring: During the turnaround, Stampen has kept its focus on several strategic and hard goals. These goals include the balance of revenue streams and the purpose strategy and tactics is, at the bottom line, to secure revenue streams and economic growth.

In-case analysis

In this case the turnaround strategy focused on growth for two main reasons: to tackle the decreasing economies of scale, and to balance old stagnating media with new growing media.

Stampen's turnaorund strategy was fundamentally a diversification strategy, where the different media would be tied together with one common aspect: *localness*. Stampen's products should be local in the sense that they are close to the audience.

> *"We still strive to be, an still are, the church hill where people meet, gather, talk, express their opinions, their ideas"*

> - Ann Flyning, communications director, Stampen AB.

The diversification brought new revenue streams balancing the declining business, and by increasing the concentration of its newspaper and printing business, they managed to reap economies of scale/reverse the decreasing economies of scale. Further synergies includes the learning synergies, which help Stampen pursue the modern media landscape with different communication platforms such as social media sites and mobile advertising.

The heavy diversification was possible through an aggressive acquisition strategy and through partnerships. Companies deemed to be leading in the field Stampen wanted to expand in to were pursued and acquired or partnered with. Acquisitions were made firstly because

opportunities appeared, such as the case of the first acquisitions of the local newspapers Center tidningar. Some attempts were later made to develop new media internally, but if was found to be too expensive and too risky. In addition, the acquisition strategy was a way for Stampen to acquire the knowledge and know how needed to pursue the new media. Through close collaboration between Stampen's management and the entrepreneurs, the leaders of Stampen get the entrepreneurs market insights, knowledge and know-how, and the entrepreneurs get support in corporate structures and processes.

The main purpose of the acquisition strategy was to balance the old and stagnating media with new and growing media, and the bases of the strategy was thus basically financial. There are strategic directions for these purchases but there is not a distinct depiction of the final goal of the purchases which sometimes appear to be more ad-hoc. Stampen's vision is to act as a good citizen, but a distinct vision about where the business is going is lacking.

Stampen found them selves in an urgent and were forces to make some "hard" actions such as lying off staff. However, they realized that they had yet more challenges ahead and through a strong environmental comprehension they managed exert a certain degree of market manipulation. They re-defined the boundaries of a traditional newspaper and particularly developed the customers' demand on the B2B-side of their business. While putting great effort into developing the demands of the advertisers and relationships with them, the audience was treated in a more ignorant manor. While tracing the new consumer behavior by acquiring companies and services in those areas, closer attention to the audience on more was not present. Consumer insights were based on gut feeling rather than surveys and tangible consumer insights, and demands tracked rather than developed. Market manipulation on the customer side was low.

External sourcing of resouurces and capabilities an: acquisition, partnerships, netwokring

Diversification with localness

B2B emphasis

Stampen's turnaround
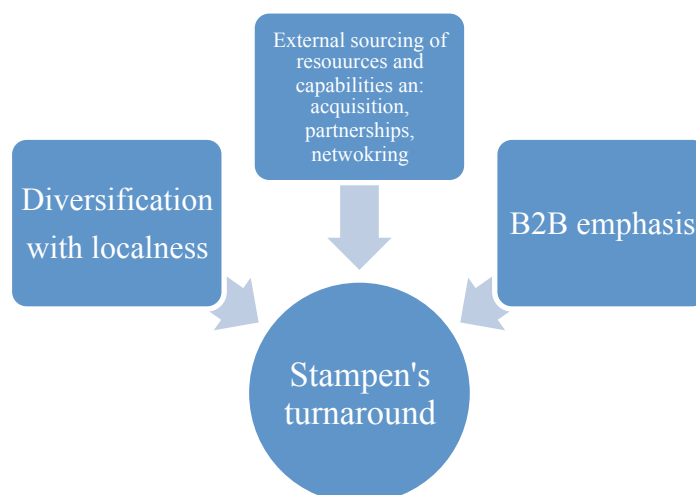
Dagens Industri: *From Business to Business professional to progressive business diversifier*

Crises environment:

Dagens Industri faced two major shifts in their external environment, the first one being a shift of the market redefinition of the concept of Business to Business communication, from clearly separated business-to-business and business-to-consumers markets to a more mixed market. The center of DI business model was from the start of the newspaper the idea of utility for the readers. That the consumers would be able to use the newspaper in their

"Our organization is build on[the idea], made by professionals for professionals".

Casten Almquist CEO of Dagens Industri

This focus made it natural for Business to Business advertisers to be the primary customer group for DI and also that employers would pay for their employees' subscriptions. The market shift changed the way organizations bought advertising as it was no longer two different communication groups. It also made it clear for DI that they had to develop in order to maintain their competitive advantage in utility. The competitive landscape also changed, other media types such as TV, that were not traditionally B2B channels, became bigger threats to DI.

"Our competitors have changed from being Svenska Dagbladet and E24 to TV4 and DN, more mainstream media. Customers that could come to us are in greater extent going to them, compared to ten years ago"

The second major shift was the technological shift, Internet, that radically changed the consumption patterns most notably the willingness to pay for the product, the content that the magazine produced.

"We and everybody else got caught in the internet frenzy and started making homepages..but eventually we asked ourselves, and we were particularly early with this, the question, why? How can we make money on this? Most of the others.. continued to publish in the same way as they did in print, namely: as many readers as possible is great, big issues/editions are great. With the slight difference that a big edition in print pays off both in terms if payment for the news paper and an augmented advertising sales. Here [online] you don't get anything for the subscription and can only hope that advertisers find the traffic."

Turnaround process

In this case the threat/crises origins were quite clear but the consequences for the organization and the market were quite uncertain, making the crises a distant and complex one, with medium situation severity as it is essential to handle these consequences but it is not a direct threat to current profitability. The turnaround process was conducted internally, and the main focus of the strategy was finding new revenue streams outside just advertising and subscriptions. This was done by setting up a process to find new ways of using the current core competencies such as the utility focus, a strong target group and brand as well as finding new competencies. The technological development was also in an early stage highlighted by the new Bonnier group chief, Jonas Bonnier, increasing their importance in the organization. A strong emphasis was therefore put on finding new business models for new media channels such as smartphones and iPads and other technological opportunities. One person was internally appointed to work sole with DI business development, for the first time in DI's history. DI also worked with developing a number of brand extensions working with partners that might help them develop products for their current target group. Two examples are conference operations and a wine club. Furthermore, an extension of DI was developed. DI weekend included more featured materiel and therefore broaden the focus of DI from just hard data such as exchange listings and corporate news.

Tactics and tools for implementing the strategy

Product offerings: In this case the development of new product offering was an important factor. Firstly the shift of the market to a more mixed communication landscape had effects on the papers content. In order to fulfill the new needs DI added more feature material and personal, not directly "utility focused" material to the content. They created the weekend edition of DI called simply DI Weekend.

> *"Simply put: during the week the newspaper focus more or less only on how to make money, both as an individual and as a company, but during the weekend you can let it go a little. So on Fridays we have [DI] Weekend and then it is the opposite, how do you spend your money as a consumer"*

Secondly, as previously mentioned the goal of the turnaround process was finding new revenue streams besides just traditional subscriptions and advertising. These efforts can broadly be divided in to two main directions of the product offerings: development of new software/hardware and selling the brand/target group trough partnerships. The technological

development was and still is focused on finding and developing new business opportunities for new media possibilities, such as smartphones and iPads. A new advertising platform called Brink has been developed within Bonnier and for iPads a whole new edition of the DI, DI plus, have been developed together with a new type of subscription payment model.

"We want to start with a fully priced product and not look at it [the Ipad version] as a marginal profit business..because in a 100 years there might be no interest in paper and if we have built a business/product that no one is paying for, then we are smoked. We want to establish the idea of cost."

The brand extensions project were ways of using the brand equity DI has in other situations that would work with their distinct target group such as wine clubs and convention/ conference operations.   Their unique and well-defined target group have high value for potential partners.

Internal communication: The internal culture at DI was described as entrepreneurial and economical and was not something that was created during the turnaround process. Due to the nature of the business of journalism, all employees were and are eager to always be faster and better and the organization is always on their toes for quick change.
"It is extreme, you know if you peel an orange in a room here everyone will smell it within ten seconds"

However it is emphasized within the organization that change must take time. Furthermore, the right mix of people, journalists, business people, sales people as well as the right mindset is important to maintain the unique DI atmosphere.

External communication: The utility aspect of DI is highly emphasized in all external relationships. The double sided business model is build on the appeal of big subscription employers that wants their employees to use DI in their work and these big organizations attract big advertiser as their employees are the right target group both as B2B and B2C consumers. DI uses the two sides to attract each other, more readers/subscribers means more advertising. DI also works hard to create a value adding community around their target group, a feeling of importance, VIP and membership with special offers for subscribers, give a little more in order to build loyalty.

Planning, tracking and measuring:
"I want us to maintain the "economical, sales culture and the strong editorial culture that we have and not disturb it. But at the same time I see that if we would only do that we might be lost in the long run as we would have no plans for the long term perspective."

DI have a very long term focus in the turnaround process and wants to avoid big changes of the organization both due to previous failed attempts such as a TV channel and because they simply want to keep cost as low as possible. The organization emphasizes the importance of an active response, being on their toes for changes in both consumer and industry behavior and therefore planning and tracking is key to their strategy. If small changes are made in time, there will be no need for big ones, even in the long term. DI therefore measures "everything". However, in certain part of the turnaround, the technological side, the process was conducted in a inside out approach, focusing on capabilities and internal processes more than market process, as there are not as evolved as DI's internal processes.
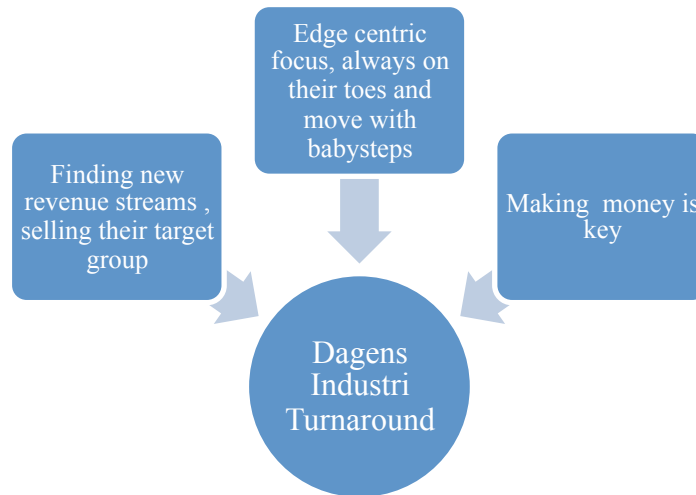
In-case analysis

In the case of DI the primary driver of the turnaround is making more money, partly by developing a new business model that ensures that DI will be able to charge for their content, not repeating the mistakes made when entering the online market. And partly by using their current strongest asset, their brand and their unique target group through brand extensions. Looking at the turnaround process from a two sided market perspective, the organization have kept a clear focus on continuing the balance between the two different customer groups and it is highly present in all external communication. The utility focus that attracts employers as subscribers rather than individuals is something that is highly connected to the newspapers appeal to advertisers. This is never neglected in the change process, but the needs of the advertisers (and potential big employer subscribers) can be considered as slightly more of a driving force. This can be seen in the development of Brink and new subscriptions, as well as

the development of DI Weekend, in order to create a new and different advertising medium that better suited the new mixed advertising market. However the unique features of their consumers and the overall of strength of their target group was definitely consider when developing the brand extensions. DI clearly shows a high level of environmental comprehension in all their change efforts, always looking at both their own capabilities and the need and potential of the market. Despite changes in the media landscape and the competition DI always focused on creating their own product, to create and lead the market rather than react to others actions. DI also shows a high level of market manipulation, creating a need for their unique product/solution and clearly defining what they are and what the others are not. DI is thereby clearing and reestablishing the boundaries that have been blurred between them and the rest of the media market, focusing on taking back market shares. Another important aspect is the change of cultural attitude, appointing a person to work with business development despite the fact the internal cultural of DI had considered this as something to corporate and not in line with their core values.

"We have a economical and entrepreneurial culture here that is almost frown upon business development and considered it as silly"

 The DI culture is something that was not created in the turnaround process but rather something that has been build over time by the employees themselves, unaffected by the external changes. And this culture could have been a difficult opposition in the change process, but the reality was quite the opposite, the person who was responsible for the development and strategy work was quickly accepted and people were interested in his work. One reason could be that the person was not brought in externally but was someone who already worked in the organization. The highly competitive atmosphere of DI was also credited for decreasing resistance to change as people wanted to be better and again make more money. Having the right type of people, who are motivated by this type of environment, is therefore key for success. The environmental comprehension was once again shown in DIs planning strategy with a strong emphasis on fine-tuning and small changes. Learning from past mistakes and maintaining a strict low cost view. One indicator of the high relevance of fine-tuning is the fact that there was no clear vision or end destination set up in the beginning of the process. This is clearly also connected to the ambiguity of the crises situation as it is a low severity situation without a clear problem to solve.

However it is important to note that DI also understands the importance of a having long term perspective in the process and despite the fact that they still consider the print version the heart of the business and put most of the investments there they know that if they don't plan further they might lose the future all together

Edge centric focus, always on their toes and move with babysteps

Finding new revenue streams , selling their target group

Making money is key

Dagens Industri Turnaround

TV11: *From vague pilot project to revamped strategic challenger*

Environment of crises

TV 11 was developed by the TV4 group (Bonnier) as the outcome of the turnaround of the channel TV400 which had failed one of its strategic purposes. So in order to understand how and why TV 11 was developed the starting point of the case must therefore be to look at the failure of TV400. TV400 was developed with two main strategic purposes: firstly to strengthen the purchase potential of the TV4 group when negotiating for Hollywood contracts and secondly to offer advertisers an alternative way to buy advertising space. TV400 would allow advertisers to buy RSV advertising (numbers of viewers) as on Kanal 5 and TV3, rather than specifics (slot times) as TV 4 traditionally do, and thereby go in direct competition with the other channels both in terms of advertising sales but also viewers.

"This is the advertising market [initially], here we have TV 4 alone on their specifics' side of the field, and here we have femman and trean on the other side. And it is really different customers. What seemed like a razor-sharp competition situation was really a quite separated market…The process that started in 2002 that we [TV4] was partially driving lead to TV3 Kanal 5 getting crowed. In this segment TV4plus, TV400, TV6 and Discovery appeared, they were far from alone in their segment. And their answer was to enter our side of the market and try to carve out a piece of that by offering more advanced advertisings products"

Malte Andreasson, Scheduling *director, TV4*

TV400 was profitable within the first year and gave TV4 the increased purchasing power they were seeking. However, the channel did not fulfill the expected strategic mission in terms of advertising sales.

"It [Tv400] did not do the strategic job, it didn't leave as much as a dent in Kanal 5 and TV 3.But at the same time, we had created something that both solved a problem and made money"

A second environmental aspect triggering the turnaround was the re-vitalization of the MTG channel Kanal 8, which was revamped with new content and a slightly older target group compared to the rest of the competition. The channel was successfully threatening TV4 by attracting a similar target group and by providing a RVS advertising model. Kanal 8 was effectively doing the strategic work for TV3 that Tv400 was intended to do for TV4: establishing a position on the other side of the advertising market.

Both of these crisis origins where external in nature and with a low situation severity since it was driven more by opportunity then threat and no real threat to profitability yet.

Turnaround process

The turnaround process was initiated with the opportunity of an extended partnership with the Television network distributor COMHEM. The partnership gave the channel access to 2,8 million viewers, nearly 70 percent of all Swedish household, almost double the previous reach of 38 percent. A cross-functional internal project group was formed with members from the four pillars of the TV4 organization; scheduling, purchase, program and communication. Their task was to create the profile for the new channel. The small project group was rather isolated in their development process and the final product was presented to the rest of the organization in a top down manner. The new channel concept was to purse a narrower niche strategy than TV400, with a lessened target group in terms of age. But a more unisex profile as TV400 had become too feminine in their image. The next step in the process was to build a strong product offering, which was built both on programs currently within the TV 4 group and new purchases to strengthen the new profile. At this stage a large customer study including both focus groups and surveys was sent out to two different ages groups. The purpose of this research was to present the concept and the product offering intended. Another important aspect in the turnaround process was the external communication process. The channel was given a new name, new profile, new segmentation and a updated content. It was a turnaround in the same category as ZTV and TV 6, a logotype transformation.

> *"It [TV11] is TV400but with new distribution, a new graphic profile, a new voice, a bigger marketing budget and then Big Brother"*

Tactics and tools for implantation of the strategy

The focus of the implantation and branding was to create a profile that clearly communicated the new channel profile and effectively separated TV11 from its predecessor TV400 and the rest of the channel group.

Product offering: The product offering was a mix of programs from the TV 4 group such as Glee and American Idol and new purchases, most importantly Big Brother. Big Brother was a strategic purchase intended to drive viewers to the channel and to build recognition. Another important aspect of the updated product offering was making the channel more of a real channel with people and personality rather than the "tape-recorded" feel of Tv400. A further new process aspect was that the channel started using certain filtering values from the brand

map, such as provoking and different when purchasing new program in order to streamline the product.

Internal Communication: The internal work was primarily conducted by a smaller cross functional group. The core of the message to them was: a bigger budget for marketing and purchasing and a new lager audience due the new distribution partnership. The concept was developed internally within this group and later communicated out to the employees when it was already done.

*External communication***:** The project group developed a brand map using value words such as provoking and different to explain the channels new niche approach, primarily to advertiser. As mentioned before the focuses of the external communications to consumers was on separating the channel from its predecessor and make it more specific and edgy. The name, TV11, was chosen for two reasons namely, separating the channel from TV4 and the its "sister channels" by eliminating the 4 and to indicate the placement in the program table. A great deal of of external communication was also made for the show Big Brother that was intended as the main attraction at the channel launch. They used classic marketing communication tools such as: billboards, print and TV advertising.

*Planning, measuring and tracking***:** Already from an early stage in the turnaround process there was a clear vision where the channel was going, both long term and in a more short term goals. The two short terms goals were to double TV400 's number of viewers before the end of March, the channel was launch mid January. The other was to pass the number of viewers of the newly launched MTG channel TV10. Both of these goals were fulfilled the first day. The long-term goal was maintain a two percent average market share in the target group 15-39, trough out the year. This goal is currently fulfilled but might be a challenge this fall without the main attraction Big Brother.

In-case analysis

In this case there was a clear strategic purpose of the turnaround, namely to disturb the competition and gain market share on their side of the advertising market. Since the channel, or its predecessor, was profitable on a very early stage it indicates that the driver if the turnaround was not only profit or revenue but it was rather finding a more attractive product offering in order to gain market share.

Looking at the external relationship and the product offering development it is clear that the this market share strategic focus is key in the development if the turnaround strategy, the goal

is to have a more defined profile, and that is highly relevant to the Aris and Bughin (2009) idea that media companies must have a strong brand and a clear market position in order to be successful. However, the second part of the Aris and Bughin claim namely that the brand must be supported by corporate values and an internal culture is largely ignored in this case, as there is no internal TV11 culture and/or values. The channel have created a brand map with value words but it is a retrospect creation in terms of finding ways of describing what they have (shows, movies etc.) rather than using the brand in the initial development of the product offering. The brand map is also mostly used externally to describe the product and internally it is only partly used in new purchases and never in internal culture building. This might be a problem in the long term success of the channel as it might find it hard maintain a strong and well defined position if it is not anchored internally,

Another stakeholder group that is considered in the strategic planning process is advertisers. Despite the fact that extensive customer research was done it was largely ignored in the development process, their name suggestions were disregarded and their needs/wants was never really evaluated or put into the development. Clearly, the channel find it most important to adapt to the needs of the advertisers, in order to gain market share from the competition TV11 must make sure that their product offering offers the type of benefit the advertisers are looking for, as TV400 product clearly did not.
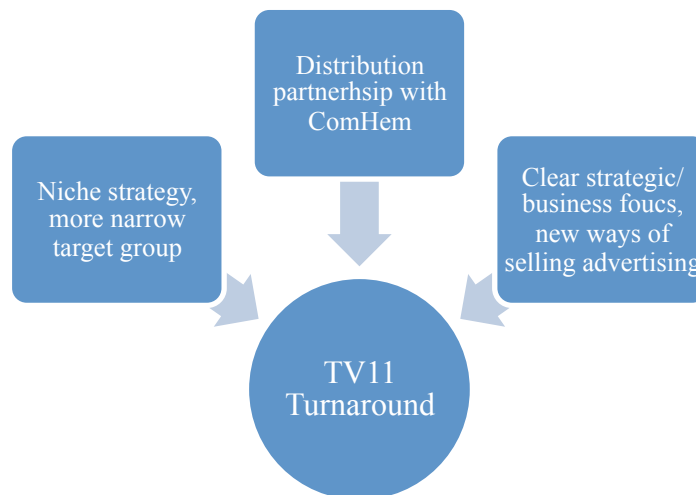
TV11 used a high level of industry tracking in strategic decision making process. The initial phase was highly dependent on competitors' behaviors such as the refinement of Kanal 8. They also used competitor tracking identifying the main competitors as Kanal 5 and TV3 and by tracking their behaviors they found a perceived gap in the market as Kanal 5 and TV3 had lost some of their distinctiveness in their market strategy.

TV 11 show a low level of market creation/manipulation aspiration, following the footsteps of Kanal 5 and TV3, clearly stating that the aim was to gain the market share they lost. The organization also lack edge centric focus as the channel strategy is created by a small group without consideration of the knowledge that exist in order parts of the organization   One indicator of the low market manipulations aspirations is the non existing technology use in the brand building. On the current website is under developed and there is very little content on the play service despite the fact that the Big Brother homepage drives more streams than all other TV4 channels together. This untapped potential of online presence is not something that is considered as a asset in the future strategy development, it is just ignored.

"If we have 50 million we would rather spend it on TV rights than Internet rights"

Furthermore, looking at resource management of the turnaround it is obvious that the extended partnership with the distributor COM HEM was key to the process, as the potential audience was almost doubled which increased the value both internally in terms of a bigger program and marketing budgets and externally in terms of advertising potential. The actual product offering of TV400 was not of bad quality but people did not find the channel and the turnaround was therefore focused on making it more visible by giving it a stronger profile.

It is important to point at that it is difficult to evaluate the long-term channel success as BB is such a big part of the current success and it is difficult to build a lasting channel profile only on this type of external brand. The high level of external brands in the product offerings and the external communication and low level of internal TV11 culture is definitely a risk factor. However, they have fulfilled all of their short terms goals, in terms of viewing faster, than expected, and gained a considerable audience in their target group, in direct competition with Kanal 5 and TV3. The highly emphasized strategic goal of gaining advertiser and winning market share is difficult to evaluate at this early stage but the advertising sales are already slightly augmented and the outlook is positive.

Niche strategy, more narrow target group

Distribution partnerhsip with ComHem

Clear strategic/ business foucs, new ways of selling advertising

TV11 Turnaround

Aftonbladet: *From Mellanmjölk[6] to Driftiga Dan*

Environment of crises

The newspaper industry has been going through a structural change the past decades, and as a consequence print newspapers have suffered in terms of decreasing circulation, as the readers abandon buying print newspapers in favor for free online content. This environmental force had great impact on Aftonbladet, which belongs to the evening newspaper category, a category that used to be particularly associated with the paper version. Around the time of and after the IT-bubble, Aftonbladet managed to position itself in the online-segment by investing in their online version and continuously develop online solutions, even in the great decline after the IT-bubble burst. However, the online paper still turned out to be a part of Aftonbladet's crisis and trigger of their turnaround. Although they had won great market share and traffic to their online paper, Aftonbladet experienced a drop in liking and preference. The other source of the crisis was that the organization felt that their positioning was too vague in terms of target audience. While trying to reach the "everyone" they lost a distinct target group focus, and ending up reaching the "Alvesta family", the most average of all Swedish families, instead of reaching more dynamic and profitable segments.

"We are very mellanmjölk[7], in many ways, we are not that extremely target group oriented"

Jonas Lyckstedt, Brand Director Aftonbladet

Turnaround process

The origins of Aftonbladet's turnaround were diverse in nature. On one hand, a drop in liking and preference amongst the readers drove it and the threat thus had a near and factual side to it, giving a high situation severity for the organization. However, the turnaround was also driven by the sense that Aftonbladet could become more target group oriented and distinct in its product offering, and by the overall development and decline of the industry, with uncertain consequences, and the crisis was thus also partly a distant originated crisis, with low severity. The crisis overall had a medium situation severity.

The turnaround process was initiated with Aftonbladet hiring the brand management consultants Lynxeye who developed the turnaround strategy with support from the project group. This project group and a supervising decision-making group led the turnaround. The

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[6] Mellanmjölk is semi-skimmed milk, and is used as an expression for something that is a bland in-between, the opposite of something that is cutting-edge.

latter consisted of selected parts of Aftonbladet's management team. Aftonbladet's brand director led the project group, which conducted the work with the turnaround strategy and prepared the governing group, who took the final decisions The first step was to conduct focus groups, in which a large set of quantifiable questions about issues like the readers values, motivations, reading habits and demographics were generated. In a second step, these questions were distributed widely amongst Aftonbladet's readers and the results generated eight segments, which basically could represent the entire Swedish population. To become more target group oriented, five of the eight generated segments were chosen as Aftonbladet's target audience. The choice was partly based on the profit potential of the different groups. The final choice was the target groups: Ambitious *Mingel-Madde*, *Sport-Sebastian* and *Entertainment -Natalie*, *Driven Dan* and *Debating Dahlgrens*. Aftonbladet stressed that it was crucial for them not to be afraid of excluding some customer segments, in order to be able to deliver a sharper product for the selected target groups. Amongst these consumers one common target customer insight was found, which was chosen as Aftonbladets's customer proposition; *to be an engaging news source and a meeting place for everyone who likes to be up-to-date*.

To fulfill their customer proposition, Aftonbladet focused on becoming a communication platform: the fastest and most engaging news source. An important aspect in the creation of this communication platform was to the vision: *to be an irresistible news source for every other Swede,* and the defined brand values. While maintaining the more strictly defined consumer proposition and making the brand more distinct and specific, Aftonbladet simultaneously pursued diversification of its product portfolio. They worked with streamlining their content with their services such as a online shop, health club and a live-stream service for concerts.

Tactics and tools for implanting the strategy
Product offering:

A key tool in the new strategy is to base all products on the target group insights. For instance, there must be something for each of the target groups in the paper everyday. Having the target groups present at all times, as will be described in the internal communication section, would facilitate this mentality by constantly reminding the staff about the target groups and thus create a product filter based on the set target groups' demands.

Organizationally, the print and online part of the paper had previously been separate but were now integrated both organizationally and physically. Efforts were also made to integrate and streamline the brand portfolio to create synergies. These synergies are found between content and products that have something in common, but deliver different functions. One example is the health club *Viktklubb,* which may gain members from people reading other health features in Aftonbladet. While working on creating more synergies between the different brands. All new products should still deliver on the brand promise, to be an engaging news source and meeting place for people who like to stay up-to-date. The turnaround strategy of Aftonbladet is based on consumer insights, about the readers' underlying motivations and values. Since the technology was considered a mere vehicle to deliver the customer proposition, it was therefore not seen as a potential value creator

Internal communication:

Throughout the implementation of the strategy, numerous workshops were held with all employees from the content part of the organization. There were workshops with the governing group, in order form them to always be involved in the decision making regarding the implementation of the strategy. This was made to anchor the new strategy and make sure that all employees truly understood the new approach and were motivated to work in the new manor: to create a newspaper for the specific target groups. The target groups were made visible everywhere: on the walls in Aftonbladet's facilities, in notebooks that the editorial team used, an in Aftonbladet's brand navigator app. These tactics work as a filter in all production and the brand idea is pushed into every aspect of the new paper.

External communication: Aftonbladet's new target group concept and insights are used in the advertising sales in the sense that there is some matching between the advertisers' target group and the primary topics that interest these target groups. However, the specific target groups was not implemented in the whole organization as it was not used in the advertising sales, this means that turnaround stagey was not completely communicated to business customers such as advertisers.

Tracking planning and measuring:

Aftonbladet monitors the soft values which they want to represent in the minds of the consumers, in addition to the traditional media measures such as circulation and reach. Since Aftonbladet's products are split in two in the sense that the readers and advertisers are treated

separately, since the brand and target groups are not "sold" to the advertisers, the measuring of the two also becomes separate, and the measure of Aftonbladet's success scattered. In measuring the success of Aftonbladet, the emphasis is on soft values as those were the base of the turnaround was based on.

In-case analysis

Aftonbladet's turnaround was led by a rather big coalition, consisting of three major groups: the project team, the governing team and the brand consultants who were leading the early stages of the turnaround and provide tools for implementation workshops. The rest of the company was led not only by a strong vision but also by involving them in the implementation, and making them a part of the turnaround. Aftonbladet thereby showed a high level of edge centricity, through the workshops allowing the most external employees and their market insights to be a part of the strategy. Aftonbladet does not have a strong specific culture to facilitate the change, but these workshops had the same ultimate purpose: to set a specific mindset and climate and in this sense the workshops were ever so slightly shaping a specific culture.

While the strategy was thoroughly anchored internally, the turnaround was ultimately conducted in an outside-in approach. It was built by consultants, on target group insights found in customer research, rather than being constructed by internal employees and built on the current capabilities of the organization. This contrasted with the previous approach of the organization, which was more of an inside-out strategy, where the brand values were kept internally and separate between the then newspaper and new media part of the organization.

When looking at external stakeholder group influent, the core of Aftonbladet's turnaround is the generation of specific target groups and adjusting the brands and products to satisfy those target groups demands. The target groups were distilled by thorough research about the underlying motivations for their media consumption, which was tracked closely. The turnaround is thus fundamentally based on part of Aftonbladet's customers: the readers. While this side of the business was radically changed, the other customer side, the advertisers, were kept separate form the development of audience segments. Even though Aftonbladet's organization was changed according to the new target group focused strategy, advertising sales is still conducted as before the turnaround. The reason that advertiser need was not considered in the strategy is simply because they were not a part of the turnaround.

Aftonbladet's turnaround was indeed very dependent on branding. With an increased target customer focus would make the brand more specific and more relevant. While having this more distinct brand, led by a distinct vision and clear stated target groups, Aftonbladet simultaneously searched for new revenue streams. This strategy generates synergy effects both in terms of brand equity and economic return, and provides Aftonbladet with additional sources of revenue. In addition, Aftonbladet is moving towards a branded house rather than a house of brand, which would increase the synergy effects between the products in the portfolio. In conclusion, throughout the turnaround Aftonbladet specified the meaning and values of the brand to establish a more distinct position in the market, and broadened the business in terms of products and services.

While being rather progressive in the consumer tracking, Aftonbladet did not consider the new media channel brought by the technological shift as strategy changing. They do partake in the development an example being the launch of their entertainment magazine Klick in an Ipad version, however they believe that technology does not change the underlying motivation of the target group in terms why they consume Aftonabladet and therefore it does not affect the strategy

Finally, Aftonbladet changed its relationship with a another external stakeholder: the competitors. While ultimately seeing themselves as an evening newspaper, and still looking to other evening newspapers for their benchmarking, Aftonbladet are starting to recognize other actors such as Facebook as competition. This is particularly relevant since Aftonbladet strives to be a communication platform, rather than merely a newspaper, and shows that they have the environmental comprehension that facilitates turnarounds.
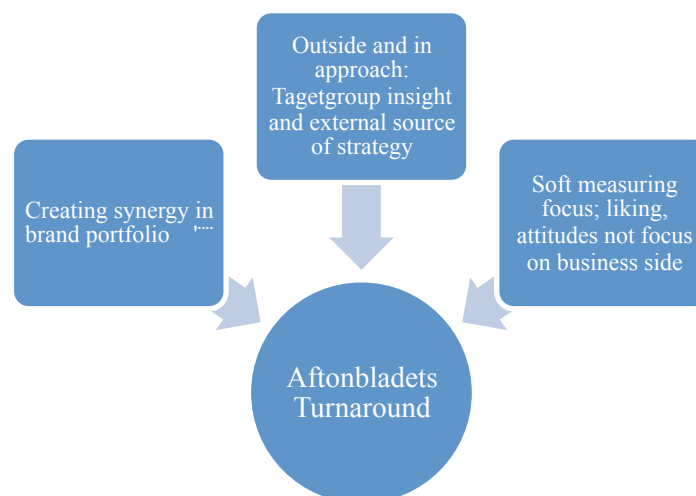
Empirical summary

In this matrix the theoretical concept presented in the theory chapter are summarized and evaluated on their level of importance for success during the respective turnaround.

Companies:	Environment of crises		Tracking of market during Turnaround		Turnaround process		
	Market need focus	*Firm capability focus*	*Industry and competition tracking*	*Consumer behavior tracking*	*Clear outspoken vision*	*Near/factual urgency*	*Distant/created urgency*
Kanal 5	*Low*	*High*	High	Low	Medium	Low	High
Stampen	*Medium*	*Low*	High	Medium	Low	High	Low
DI	*Medium*	*High*	High	High	Medium	Low	Medium
Tv 11	*Low*	*High*	High	Medium	Low	Medium	Medium
Aftonbladet	*Medium*	*Medium*	Low	High	High	Medium	Low

Companies:	Market Strategy		Market Control		Planning		
	Niche	*Diversification/New revenue steams*	*Market Manipulation*	*Edge centric focus*	*Tracking used in strategy/"Fine tuning"*	*Level of Soft goals Attitudes, liking, preference*	*Levels of hard goals ROI/ROE, market share, numbers of readers/viewers*
Kanal 5	*High*	*Low*	Medium	Low	Medium	High	High
Stampen	*Low*	*High*	Medium	Medium	Low	Low	High
DI	*Medium*	*Medium*	Medium	High	High	Medium	High
Tv 11	*High*	*Low*	Low	Low	Low	Low	High
Aftonbladet	*Medium*	*Medium*	Low	Medium	Low	High	Low

Companies:	Source of strategy		Branding		Culture in turnaround		
	Internal	*External*	*Importance of brand*	*Level of brand change*	*Culture as driver of change*	*Cultural Filter in product offerings*	*Culture used as brand, create a common external interface*
Kanal 5	*Low*	*High*	High	Medium	High	High	High
Stampen	*High*	*Medium*	Low	High	Low	Low	Low
DI	*High*	*Low*	High	Low	High	Medium	High
Tv 11	*High*	*Low*	Low	High	Low	Medium	Low
Aftonbladet	*Medium*	*High*	High	Low	Medium	Medium	Low

Companies:	Two sided market		Resource management		
	Customer focus in development	*Sales focus in development*	*Partnership strategy*	*Recombining current capabilities/resources*	*Purchase strategy*
Kanal 5	Low	Low	Low	High	Medium
Stampen	Low	High	High	Low	High
DI	High	High	Medium	Medium	Low
Tv 11	Low	High	High	Medium	Medium
Aftonbladet	High	Low	Low	High	Medium

5.Analysis

Cross case analysis

The next section will present the cross-case analysis. The analysis presents the patterns found through the pattern matching between the data and the in-case analyses. The cross-case analysis will be concluded with a condensation of the themes discussed and a presentation of the main tendencies that were found. These topics will be further discussed and analyzed in the following chapter and lead to final propositions.

Distance of cries, goal setting and turnaround process

The companies in the study all have external and strategic challenges with different levels of situation severity causing the need for a turnaround. The nature, or distance, of the crisis differs from quite near and urgent such as drop in preference and liking, losing market share, not fulfilling strategic purpose, to the more distant threats, such as new consumptions patterns, new technology and changes in the competitive landscape. In general, the more distant the accumulated crisis was, the more goal-focused the turnaround, in the sense that there is a higher average level of goals, hard as well as soft ones. This may be because they have the time and resources to set and calibrate on goals, while those that have a more urgent crisis with higher severity need to focus more on the specific crisis at hand. In addition, it is important for those with less evident crises and challenges ahead to establish a sense of urgency, which can be done by setting and communicating goals. The levels of hard goals are generally higher in all cases in relation to the level of soft goals. While the vision and tactics often is soft in nature, such as branding and market value offering, the most influential goals were in fact hard in nature such as required returns, market share and reach. These types of measures were used in high extent in the important process of fine-tuning and calibrating the turnaround process. A strategic initiative was considered successful if yielded economic value trough these hard measures. A monetary focus was key in the examined turnarounds, followed by more general but hard strategic goals. In essence, the turnarounds were managed by adding more business-logic to the companies.

Stakeholder management

In all cases that we have worked with the external stakeholder relationships have been crucial. The stakeholders that influenced the turnaround process were mainly three different groups: media consumers/users such as viewers or readers, advertising customers and competitors. What is interesting is how selective the companies were in which of the external stakeholders they acknowledged in their turnaround strategy. Despite the fact that the industry is very complex with a net of these external stakeholders and is a two sided market where they should

try to balance stakeholder groups to increase value the companies examined in this study tended to have a bias focus on one or two stakeholder groups when crafting and implementing their turnaround. In our analysis there are clear differences between the two media types. The two television channels focused their attention to their competitors' actions and position on the market rather than that viewers demand or needs when crafting the strategy. They both chose to pursue a niche strategy, performing high levels of industry tracking in the strategic process. Both of the channels had very clear ideas of their competitors positions and strategies, and this was highly relevant in their own process as it demined the potential of the market and the boarders of their own strategy. The product offering was developed based on the capabilities of the channels, Kanal 5 chose to pursue and strengthen their competitive advantage in entertainment TV and TV11 used in-house knowledge both from the mother channel TV4 and with their previous experience with TV400 as well as using the current TV4 TV-show "stock" with shows such as Glee and American Idol to build their product offering. Market needs through consumer input was largely ignored, TV11 performed a customer survey but the base of it was testing out what they had rather than to get input in the strategic process and the product offering development, no customer input was used in the Kanal 5 turnaround. Looking at the other media type: print media, the turnarounds were much more market focused, the industry and competition tracking was still high but not as central in the initial phase of the turnaround strategy. All the print media cases pursued different types of diversification strategies, trying to find new revenue streams. In this process media consumer (readers) and customers (advertisers) were considered. This is particularly true for Aftonbladet who based their strategy on consumer insights, finding their core target group and their motivation. Stampen closely considers one side of their customer-base, namely advertiser, whereas DI strives hard to profit from the two consumer group: advertisers and readers. However, looking more closely at this market tracking it appears that the despite the fact that users (readers) are considered their needs/behaviors were not focal in the development of a successful turnaround strategy, Aftonbladet being the only exception. However it is worth pointing out that despite the fact that the Aftonbladet turnaround was a response to changes in consumer preferences/liking the strategy was not implemented in the whole organization unlike the other cases. This indicates that even though the readers were the base of the editorial turnaround their needs did not have enough impact to change the business side of the organization and advertising sales was therefore not included in the new strategy. In general, the case companies focused their attention to the more profitable customer side, advertisers. A lot of effort was put into finding and developing products that

attract advertisers, one example is the development of a new advertising platform Brink that was developed by Bonnier for DI and how Stampen conducted regular meetings with advertiser to better understand their needs. Consumers were important in the sense that they were an acknowledged as an important asset to the organization, successfully increasing the value of the products. The consumer market offering was often developed in an inside out approach where the product is developed internally without any research of the consumers and pushed out, which may in part be connected to the complexity of the products and the difficulty in asking consumers what they demand, they might not be able to verbalize the type of change that the company was looking for.

An effect of the media companies attention to only one type of stakeholder group, in TV competitive players and in print advertising/sales, is a minimization of the potential effects of having a full market picture. The environmental comprehension is not complete, as all parts of the market are not evaluated. This is especially true for the TV industry mimicking other player's actions such as using the same type of program ideas makes the competition all about current market share and the market manipulation idea of creating new needs and thereby increase the market is largely ignored. However, it is clear that all these companies are successful in their strategies, which question the relevance of tracking customers. It is clear that it is more important for these companies to evaluate the potential of the market in terms of available strategic moves, such as opportunity gaps and feasible partnerships in order to be successful.

External input

There is one evident pattern when observing the case studies: at some point during the turnaround they all took in external resources of some kind when developing or implementing the turnaround strategy. There can also be a clear division between two ways of bringing in external resources: in the initial creation phase and during the implementation. Kanal 5 and Aftonbladet both took in external consultants in the strategy creation in order to gain new insights of the cries and potential solutions. After the creation phase they continued their relationship as the consultants provided the organization with implementation tools. The other three case companies conduced all their strategy creation internally but need external support in the implementation phase in terms of more tangible resources such as distribution networks brands to build product offering or company partnerships. In conclusion, of the creation of the strategy was external (external input in initial phase) the rest of the process was focused on

recombining current capabilities whereas if the strategy was generated internally the external input came later in the process.

Defining a clear market position

Amongst the cases there are two television broadcasters: Kanal 5 and TV11, and three newspaper companies: Aftonbladet, Stampen and DI. In their turnarounds, the two groups have one distinct intra group-similarity that is also an inter-group difference. The television channels both pursued a stronger niche strategy and the newspapers, although very different in character, all pursued diversification strategies. Worth noting is that they pursued diversification in different ways, and for different reasons. While Stampen had financial motives for their diversification, to balance revenue streams and reap economies of scale through acquisitions. Aftonbladet also used diversification to reinforce the brand and leverage on synergies in the brand portfolio, where the content and brand/products are interrelated and linked to each other and support each other by driving traffic. DI pursued diversification with the goal to leverage on their brand. They strengthen the DI value proposition by creating DI weekend and thereby increased the experience of consuming DI, focusing not only on the utility of how to make money but how to spend it too. DI thus managed to simultaneously leverage on their brand and strengthen it.

Returning to the Television channels, they both pursued quite similar strategies going for a similar viewer segment, TV11 even stated that they wanted to pursue Kanal 5's original Funnier TV position. While Kanal 5 and TV11 had different motives for their niche strategies and had different conditions to act on, pursuing a niche strategy proved to be efficient for both of them. Kanal 5 pursued the niche strategy as they could not compete as well with the other big channels, and were better equipped to pursue a niche strategy build on their core competence. TV11 on the other hand, was launched by a TV4 group, one of the strongest TV channels in Sweden in order to compete with Kanal 5 and the other niche channels on the advertising market and thereby do an important strategic work for TV4. What they all have in common, regardless of niche strategy or diversification, is a strong emphasis on defining their market position and brand meaning more precisely. However, the market position and essences of the brands were not changed. Instead, they were refined and strengthened, and in this sense the companies cemented their position in the competitive landscape. The strongest example is Kanal 5, the organization decided to focus sole on the word and feeling Fun, basing their whole product offering and communication on Funnier TV. This is not a big change from their previous tagline "We take entertainment seriously" (Vi tar underhållning på

allvar) but it clearly shows the market position refinement and cementing process. In sum, the strategies show a careful evaluation and redefinition of the boundaries and external interface of the companies. As previously mentioned, a crucial part of the market offering and position definition, was branding. And vital for the branding, and an insight which drove the turnarounds, was the recognition that the branding must be supported by the content that the companies provide. All companies realized the importance of "walking-the-talk" of the brand proposition. The tool companies used, in different ways, to produce content that would create the aspired brand meaning was establishing *filters*. The filters varied in character, from filter entrenched in and created by a specific culture and employee attitudes, to more cognitive filters such as Aftonbladet's explicit target groups. These filters work in the interface between the company and the external environment, from the inside and out, ensuring that the content produced by the company is in line with, and strengthens, the brand. During the turnarounds, these filters were implemented in various aspects of the content production.

It seems that the companies used their brand to strengthen the relationship with their customers and increase the sales to them rather than finding new customers. Companies find new ways of offering more of their products and new ways to consume the brand and thus create alternative revenue streams through brand extensions and diversification. An additional note on the branding is the relationship between the importance of the brand for the turnaround, and the level of brand change during the turnaround. The companies, whose brand had a high importance in turnaround, also had a low level of brand change. On the contrary, in the cases where the brand did not have a high impact on the turnaround, the level of change was high. This indicates that brands are difficult to create especially in a short amount of time but they are important change drivers if they are in place before the turnaround.

Technology

One of the key drivers of the structural change of the media industry which cause the uncertain business landscape is the technological innovations that changes the media consumption patterns. How the companies handled the threat or opportunity was rather different and can be linked to their overall approach to development. While none of the companies have figured of "the formula" for how to succeed with the technology, there is a clear difference between those that see it as an opportunity or threat and experiment with finding functional and profitable solutions to the technological shift, and those that are less concerned and progressive. Part or the ignorance towards the technological shift may stem

from the overall conservativeness of the industry, but it is not connected to media type. There is also a clear link between the approach to the new technologies and the overall approach to the market manipulation. The companies that have a more market controlling and market developing approach - that perform market manipulation are also those that develop and experiment with technologies, whereas the companies that have a less pro-active approach to the market also are more ignorant towards new technologies. Thus, it seems, that technology is not experienced differently than other threats or opportunities, and perhaps surprisingly it is only the company that are the most progressive, DI, who also have the resources that work actively with developing solutions for the utilization of the new technologies. A general perception is that the companies consider technology to merely be another channel and media vehicle, and not something that creates value in itself.

Summing up the cross case- analysis

As seen in the cross-case analyses there are some patterns that are more evident and more directly influential on the turnaround strategies. Firstly, when looking at stakeholder management certain tendencies are evident. It seems the companies have a clear, and sometimes unexpected, approach to stakeholder management. The companies are selective of which of the external stakeholder groups that are influential in the turnaround strategy, and how their needs and consumption behavior influence the strategic decision. This theme is called *external stakeholder selectiveness*. The second distinguished tendency is *walk-the-talk market positioning.* The companies refine their market position and brand and do so through cultural or company value-driven filters, created brand value filters and company vision based filters, which are put in place to make sure that the content is filtered and builds a products offering that supports and strengthens brand values and market position. The third and final evident tendency is the *business focus and hard goals*. While media is a people business, the companies in this study managed to turnaround their companies with an increased attention to the business purposes of the organization.

6.Analysis and Discussion

This section will examine and discuss the themes presented in the previous chapter and will be concluded with three propositions for further research.

Proposition Theme 1: External stakeholder selectiveness.

Media is supposedly a prime example of the *two-sided market,* where two consumer groups, the audience and the advertisers, increase the value of each other. (Eisenmann et al, 2006; Aris and Bughin, 2009). Media turnaround strategies could therefore be expected to acknowledge both these groups. However, there are clears signs that at least one of the groups is ignored in the strategy creation, for both media types and all the companies. Instead a third stakeholder group appears to be very relevant and have high impact on all types of strategy creation, namely competitors. In general, in all industries the first step of a strategy creation is a competitive analysis. But in these cases it seems that the competition is not merely one aspect in the strategy creation but arguably the most important stakeholder group. This is particularly true for Television. When Kanal 5 set their strategic direction, and made a choice of strategy, the most influential factor was the competitive analysis. In that Kanal 5 looked at the content categories of the competitors and found that the organization were only present in one, entertainment, whereas their main competitors (SVT1, SVT2,TV3 and TV4) were present in all such as sports, news and entertainment. What seems to be the critical factor in the decision was the drive to go for the least crowded position in the competitive market where there would be opportunity for Kanal 5 to develop what they already focused on, rather than looking to the needs or demands of the market and build a new position. Competitors also spurred the turnaround of TV400/TV11. The turnaround was conducted because the predecessor TV400 did not fulfill the strategic purpose to disturb and take market share from the two major players in the RVS advertising market: Kanal 5 and TV3. TV400 was both profitable and fulfilled its other strategic purposes, but evidently this was not as important as disturbing the competition. While the Television companies put their competitors as the main determiner of strategy in their turnarounds, the print companies leaned towards one of the customer groups: advertisers. Stampen's strategy has a strong B2B-focus, where a key feature is developing solutions for advertisers and creating close partnerships with them, rather than having a pure transactional connection. Aftonbladet on the other hand did focus on consumer preferences in their turnaround, but did not implement this change in the entire organization and change the business side accordingly, which suggests that the need and motivation of the consumers did not have a strong enough of en profit driving impact to affect

all parts of the Aftonbladet organization. DI did acknowledge needs of the individual reader but they do not really investigate them and instead assume the needs and provide them with products in a precautious trial-and-error approach. Instead, their main focus is on the consumer groups who have higher potential to drive revenue to DI; advertisers and the subscription/B2B-consumers that purchase DI for their company and employees. One sign of this focus is the development of DI weekend with more featured material and leisure focus which was developed to meet the shift in the advertisings market, from clearly defined B2B and B2C communication to a more mixed market where the advertisers wanted to reach the consumers both at work and at home. These findings indicate that one stakeholder group always is the least prioritized: although consumers are not neglected they are seldom top-of-mind in the strategy creation. It seems that there are three main reasons for this. Firstly, looking at the TV industry the conservatism of the industry seems to be the biggest barrier to consumer input. The strategy creation seems to focus on find gaps or opportunities and reinvent or reuse previously used concept and there is simply no room for the risk it would mean to be lead by consumer input. Secondly, there is an overall focus on the most profitable sides. As described above, the advertiser customer group is more influential in the turnaround strategies. The consumers' willingness to pay is getting lower with the freebie-mentality which has been established after years of free content available through the Internet. This freebie-mentality also means that it is difficult to ask the consumers what they want because they will demand free products and services, whereas the companies need to develop solutions they can charge for. In addition, companies found to difficult or even impossible to get ask consumer about their preferences in general. It is expensive and time consuming to maintain a relationship with the consumers, and consumers might not always grasp fully what they demand, in particular regarding products with the new technologies. For instance, DI talks about their trial-and-error approach where products are presented to the consumer and "tested". TV11 had a similar approach, where they presented different potential aspect of the new channel and asked the consumers to choose which option they preferred to see if these results confirmed their own choices. Kanal 5 did just not put any effort in to it until the final phase of the turnaround when they wanted to confirm that the brand that they had created would work with the audience. Stampen's turnaround is based on the purpose to balance their product portfolio consisting of traditional (and declining) media with new (growing) media in order to balance their revenue streams. The way in which they pursued the diversification into new media was based on a more shallow analysis of where consumers were going, and the

diversification was conducted in an ad-hoc manor without efforts to explore consumer preferences deeper.

The ideas that using tracking and find tuning of hidden industry curves as a mean to foresee crises and facilitate action, are both supported and questioned (Breene and Nunes, 2011). There is a traditional focus on the financial value and the product life cycle but the companies also had a wider focus and stayed ahead by tracing the hidden S-curves. The companies traced the hidden competition curve but in a slightly different sense than Nunes and Breene defines is. Whereas the authors express that tracing the competition curve essentially is about tracking the consumers needs to find the new bases of competition. However, the companies in this study focus more on the actual competitors and one part of the customers groups: advertisers when they try to find it. In addition, the companies in the study all tracked the, the capability curve. Tracing this curve means that the company is conscious about their competitive advantage and its fleeing nature. The companies in this study are aware of it, and strive to continuously reinvent themselves as they are very aware of the industry shift and how that leads to a deterioration of their competitive advantage. The print companies in this study are particularly aware, and all strive to update their skills and presence in but the two Television channels also work to remain relevant by adding services such as Play-TV to update their competitive advantage. However, when the companies trace this curve they do not change their positioning but rather cement their as this leads to a deeper comprehension of their own competitive advantage. They must be aware of what they do well but also remain updated to maintain their competitive advantage. Stampen for instance have diversified from print into new media but strives to maintain the *localness* of their media as it is their competitive advantage. DI also maintains their competitive advantage as a utility business service by using it in all content and production updates.

It seems that tracking completion and capability curves serves as a satisfying substitute for a closer relationship with the consumers, since the companies did manage to regain and remain their consumer relevancy in spite of their lack of a closer and more direct contact.

Proposition 1: Media companies that successfully manage a strategic turnaround are selective when choosing what specific stakeholders group to center their strategy around.

Proposition Theme 2: Walk-the-talk market positioning

According to the Pretorius model (2008) companies in distress are forced to pursue a repositioning due to their preconditions: resource abundance and declining sales due to loss of competitive advantage and market share under pressure, probably due to increased demand for competing products or substitutes. The companies in this study have the same pre-conditions, in particular increased competition in the shape of substitutes, losing market share, we found that they reacted quite the opposite. They focused a lot of attention and invested in reinforcing and refining their market position. It is interesting to see that this was the case not just for the companies pursuing a niche strategy, for whom it may be expected, but also for the companies pursuing a diversification strategy. Even as they pursue a product diversification they do so by strengthening a certain position in the market and their brand. A vital aspect of the process of reinforcing the market position for the companies was to establish and use content filters, driven by the notion that the content makes the brand. The purpose is to streamline the product offering through specific values, and support who you are with what you do, and in that way strengthen the current position. Below is a description of the filters as they all are unique and worth explaining individually.

- DI has the utility filter: all their products should provide utility for business people, which drives both the advertising and the subscribers. The utility is education for the employees and for the employees to feel they are part of the business community.
- Kanal 5's filter is their Funnier TV concept, which permeates the whole organization through a "funnier" corporate culture, and which imprints all product offerings and communication.
- Aftonbladet's filter is their set target groups. They literally printed on the walls at the Aftonbladet office and all production must be filtered to through them.
- TV11 established a filter by setting a brand map which filters both content selection and external communication. It consists of brand value words such as provoking and fun.
- Stampen is the exception and does not have a filter in the same sense as the other companies in the study. As their strategy ultimately is a B2B strategy they are not building a brand and connected with the end consumer and therefore they choose not to filter their content and communication.

The creation of filter is something that was introduced or strengthened during the turnarounds. An effect of the filters is a greater emphasis on the content creation: it must not only be god but also fit the company and the brand. The filters are enforced and internal anchored to varying degree, from the Kanal 5 culture creation, which turns the entire organization into a filter, including aspects ranging from purchasing to graphic fonts used in communication, to the much more cognitive and shallow version at TV11. The creation of filters can be likened with the *institutionalizing* step in Kotter's (Kotter, 2007) turnaround process. The new approaches, created in the turnaround, are institutionalized through the established filters that function as systems and processes that will enforce and maintain the new approach in the organization. The idea and concept of the filters show that there is an awareness of the needs to institutionalize the change through a culture or more cognitive and fabricated systems such as TV11's brand map, in order to maintain the competitive advantage and brand. A final note on the filter concept is emphasizing that all case companies acknowledged the paramount importance of providing content that is streamlined with the brand value proposition. The filters are thus not merely tools for external communication and brand building activities: every aspect of the company should pass thorough the filter, especially the products or content. In this sense, the establishment of filters shows that the companies increasingly walked-the talk of their value proposition.

While branding was a part of the turnaround in all cases, there was a difference of importance for the turnaround and level of change, and these two factors were also interlinked. The companies whose strong brands were a major impact on the turnaround changed their brand little, for example DI, whereas the companies whose brand had little power in the turnaround conducted greater change to it. TV11 for instance created a whole new brand and packaging that would deepen the meaning of the brand and define the content more, and separate the channel from TV4, choose to be even more provoking. Instead of leveraging on the old brand, a new one was created that would package the channel in a more compelling way.

 Further strengthen the idea of the importance of a well-defined market position in the media turnaround, it is companies that refine and strengthen their current position in the market that succeed. This challenges Pretorius (2008) model which claims that companies in distress are facing a forced re-position when pursuing a turnaround. In this study however, the companies develop a more distinct brand meaning, without changing the essence, and define their market position by more clearly communicating who they are, what values they represent and what

they do rather than change their brand. The change in the turnaround was about making more of what the organization had rather than trying to do something new. The interesting point is that this is true both for the companies that pursue niche and diversification strategies. The companies that strive to find new revenue streams manage to hold them together with a distinct brand and brand values. Using the content as brand meaning creator, it allows them to use the brand to new products as long as the content reflects the original brand values. This is in line with Pretorius suggestion that companies in distress pursue diversification. It is also important to note that the brand values are not fabricated, TV 11 being the exception, but based on the organizations' core capabilities such as entertainment TV for Kanal 5 and DI's utility and business savviness. This indicates that the organization have a clear idea of what they really know and do best and utilize it in every way possible to turn around their company. An important point to make is that the fact that the organizations maintain their positioning does not conflict with them pursuing an active role in the market creation Considering the results in this study, it seems that it is possible to develop and control a market even when sticking-to-the-knitting, in terms of the market position By continuously improving products and having a sensitivity to the market changes, it is possible to update and strengthen the current market position and challenge the market, thus conducting market manipulation, This challenges the traditional market manipulation idea which speaks of a more aggressive progressiveness needed to manipulate the market. (Harker, 2001). DI is the prime example. They manage to stay on the front of the market with a balance of receptiveness for trends and a drive to develop both content and media channels, combined with a cautiousness towards development and emphasis on the original core of the business, the print version .

Proposition 2: Media companies that successfully manage a strategic turnaround cement their market position through a content-driven refinement of brand and market offering

Proposition Theme 3: Business focus

As previously discussed, media is a peoples' business. Media production is strongly interlinked with people and the products are an important part of people's everyday lives. This characterizes the business and its companies, as they are the carriers of culture and cultural values, politics and debate et cetera and content and business should reflect these values and the brand (Aris and Bughin, 2009) That side of the business was indeed evident in the companies, but the findings in this study indicate that what was the main driver in the media companies' turnarounds was not a focus on this more soft conceptual and editorial side

of the organization, but rather on the business side of the companies. The companies in this study managed to turn their companies around through an increased emphasis on the business side and its economic values, such as revenue streams and market share. It important to emphasize that this does not imply that the focus was on financial restructuring and similar measures, but brining a focus profitability and economic value into every aspect of strategy. The turnaround strategies in this study included a sharp business mindedness in the sense that profitability and financial goals and requirements were key determinants in the strategic choices, and hard goals and fine-tuning key during the implementation process. One example of this is TV11's whose launch was steered by the goals market share and number of viewers, which were highly monitored. Such values were set before other values such cultural values and streamlined content. In fact, all companies, apart from Aftonbladet who did a turnaround centered on the editorial side of the company, were highly affected by hard and/or economic goals such as whereas the level of soft goals were medium on average. For instance, the strategic choices in Kanal 5's turnaround was driven by financial motives as the organization was influenced by their owners' demand for high return on investment, leading them to choosing a strategy with lower cost and less risk, that was more likely to yield the required return on investment. Furthermore, DI's focus on new products and revenue streams revolves around the notion that they must find solutions with which they charge the consumers for the content. DI is also the organization who was had the highest levels of long term outlook in their strategic planning, where a considerable part is continuously consider developing consumer behaviors that will ensure long term profit. There therefore is an economic motive for all parts of their turnaround: all products must be profitable. This is a continuous development from the rise of inline content and DI.se when they were amongst the first to ask "how will we make money on this". The primary motivation for Stampen's turnaround was the idea of balancing revenue streams. Their business before the turnaround was traditional print media which had been declining for years, and the strategic choice to move into new media, which was growing, was simply in order to balance the declining revenue streams of their print. Hard goals does not have to mean profitability, it can also mean market share and challenging competitors. This was the main motivation for the turnaround of TV11's, which was conducted to increase market share and directly challenge their main competitors.

Even in the Aftonbladet turnaround, that was an exception from the other cases in the sense that it was driven by consumer insights, was influenced by economic motives. When making the final decision of target groups for their new strategy, one of the important determinants

was the potential of the target groups to drive revenue. The other companies also showed responsiveness to customers' profit driving potential as they chose to focus their strategies on the advertisers instead of end-consumers.

Another economic aspect of the turnarounds is the companies' portfolio management and the drive to create synergy effects within and between all product offerings and brands. Through stronger connections between sub-brands and products, they drive customers and revenue to each other and strengthen each others' brands. The content is also utilized like as it is connected to other services related to the content. One example is Stampen who creates synergies between content created in their papers, and their social forums and online shops. A concrete example is the synergies created between gardening columns and features, and the forum and online-shop at Odla.nu who share knowledge and leverage on each others' products and consumers. In Stampen's case, the increased company portfolio also meant cost reductions by sharing costs such a distribution and printing between their newspapers.

Proposition 3: Media companies that successfully manage a strategic turnaround do so through an increased and systematic business focus.

7.Conclusion

Main contribution

The purpose of this study was to identify key success factors in turnarounds of Swedish media companies. The purpose was two-fold, with an empirical and a theoretical part. The ***empirical purpose*** is to find the factors that impact the turnaround success and the ***theoretical purpose*** was to condense these findings into propositions about success factors in media company turnarounds. The propositions are:

Media companies that successfully manage a strategic turnaround are selective when choosing what stakeholders group to center their strategy around.

Media companies that successfully manage a strategic turnaround cement their market position through a content-driven refinement of brand and market offering.

Media companies that successfully manage a strategic turnaround do so through an increased and systematic business focus.

The implications of these findings for researchers and practitioners will be further discussed in the sections.

Implications for practitioners

Firstly, the results can be an input in the intra-industry and intra-organizational discussion on how the media industry should handle the challenges that it is currently faced with. One general contribution is the need to handle distant crises while they are distant to facilitate early turnarounds, which has shown to be important.

The study would also be valuable for managers, both currently facing distress but also for companies whose next strategic challenges lie far away in time as the findings in the study shows the importance of identifying these in time. Managers may for instance be helped by the insights about what signs to scan the market for, what factors to be wary of in a distress situation, how to handle external relations and strategic choices such as market positioning. More specifically, our findings shows that top managers of companies facing distress crisis must have deep insights to the core competence of the company, and the confidence to trust in it. The case companies in this study all stuck with and refined the essence of their businesses,

and used the new technologies and challenges not to change but rather and incorporate them in you business in a way which refines and strengthens your current corporate advantage further.

The findings about strategic issues would mainly be useful for top managers, whereas the findings about branding and filters may be useful for both marketing and HR-departments. The filter concept may even be interesting to explore for companies not in distress. Interestingly, it seems that although filters were established, the companies were not always fully conscious of them. This implicates that there is an unawareness of the power the lies in the filters. The notion of filters should be applicable not just towards the external environment, which the filters in this study are, but also for internal purposes, to strengthen the corporate culture per se. The filters may be an effective tool for institutionalization of change of all kind.

Critique

As the study is a case study, orthodox researchers would question the generalizability of the findings. However, careful steps have been taken to ensure generalizability, as described in the methodology section. Even so, the study is conducted on a very dynamic industry which has some very specific characteristics, such as being a two-sided market, and the results may therefore be difficult to transfer to other industries. In addition, the study is also not a traditional case study as it is not a holistic examination of the companies. Our perspective is rather managerial and top centered, manager level to get the bird perspective, to not focus too much on organization and HR practices etc which limits the picture and the depth of the study, thus limits the study. Because of the dynamics and rapid development of the industry the media landscape has been changing even as the thesis was written and we can thus not take all of the changes into consideration might therefore be missing out on some (important) details and events that have emerged late in the process.

The theoretical foundation of the study might be found rather practically and lack academic weight on some specific aspects. Since the theoretical body on the specific topic for the thesis is rather thin, and since the industry chosen is media it is not viable to exclude practical tendencies in the theory, as most of the media theory is managerial.

Future research

While this study reached insights about turnarounds in the Swedish media industry, it also raised many questions and opened up for further research. Firstly, it would be interesting to test the propositions in quantitative study, in the media industry but also in other industries, to test the results on a large sample. In addition, conducting the same study but on a larger scale, with more respondents and more companies, could add to and deepen the findings in this study.

Secondly, the presented propositions are rather broad and they all contain details and nuances which may be further explored. Some of these are particularly interesting. First, the notion of filters can be further examined: what types of filters there that exists, how they can be created and how they are implemented. In this study a few kinds were found, such as Kanal 5's cultural filter and TV11's constructed brand map, and there should be many more to discover and examine. A second area to explore is how to cement your position in a dynamic industry. Another interesting concept that can be further research is the impact of the third side of the market, by which we mean the severe impact of competitors, where the competitors are more influential in the strategic choices than the consumers are. Has the customer lost parts of its importance and power in companies' strategies? Is the consumer-centered organization not relevant for the media anymore? A final interesting topic to study is the network effects in the media industry, building on the findings in this study that show how much the companies rely on external partners and external input in their turnarounds.

Finally, the turnarounds may be studied with a more operational focus: how the turnarounds were carried out, on a more organizational and leadership level. This study rather examines *what* was done, but in a turnaround it should also be critical to implement it well.

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9.Appendix

Interview guide

Questions asked to the interviewees:

As a start, we would like you to describe the situation in the organization and the market that made you decide to take action?

- What did the process of identifying the origin/cause of the problem look like, and what was the core of the problem?
- What was the next step in the turnaround?
- How were the most important measures identified and what were they?
- What goals were set and how were the measures structured in the long-/ short term?
- How was the problem handled internally in the organization, and towards customers and other external stakeholders? How was the brand affected?

Use the following themes from the theory to steer the conversation during the interview: topics to pay extra attention to and consider in follow up questions.

The root of the problem
- Who identified it
- Was the problem origin within the organization or in the external environment, and how did this affect the strategy.

The management
- Was it visionary
- Was it able to mobilize the company?
- Were external consultants, turnaround managers, new management and/or new CEO appointed for the turnaround?

Human Resources
- What did the competence in the company look like?
- Did the employees have the required knowledge/skills and motivation?

Corporate Culture
- Was change embraced or was the culture conservative?
- How was the climate and decision making process affected by the downturn and how did the organization work to improve it?

Internal communication
- Were there systems and/or processes for spreading information and data within the company?
- What did the internal communication regarding the turnaround look like?

Market orientation
- Did the company perform "Market manipulation"?

- Were they (extremely) proactive and strategic in their approach to the market? Developing needs and attributes potential buyers would demand?
- How was the product offering developed? Was it rather a change and/or augmentation and/or re-packaging of old products, or were completely new products developed? Were there specific routines for products development and innovation, or were these processes or more ad-hoc?
- Was there an "edge centric focus"
- Did the company work to avoid myopia? If so, how?
- Was the brand changed and how?

Strategies for resources and competence
- What did the resource access look like; did this have an effect on the turnaround?
- Were old resources/capabilities re-combined with new?
- Or was the turnaround based on new resources and capabilities?
- If so, were these grown organically within the company or acquired?

External relations:
- How was the customers' needs and motivations included in the change/turnaround strategy creation and process?
- Was the focus to find new consumers or developing the relationships with the current ones?
- How were insights about consumer preferences reached? E.g. surveys, research.
- How did the company work with regaining the different stakeholders' trust? (Employees, investors and owners, customers, suppliers, distributors)