

Content

What's at stake?

Four divisions

Stakeholders for our corporate communication Brand architecture What do you know?

Egmont's screenbased products: A brief introduction Digital initiatives worth noting

Your budget is limited Different countries, different brands Stakeholders differ Charity isn't global

Rules and deadlines

The competition lasts from Monday, 27 January until Tuesday, 28 January. Your presentation must consist of no more than seven PowerPoint presentation slides, plus an executive summary no longer than 2,500 Standard Typographic Units (STUs). The presentation and executive summary must be handed in by 12:00, on 28 January.

Scope and formats

The idea is to analyse an issue raised in the case working in groups of up to five students. Each group is to prepare and hand in a problembased, solution-oriented PowerPoint presentation as well as a brief executive summary of its findings and recommendations. The format of the presentation to be handed in must be PowerPoint. However, an additional presentation format may be used for the 15 minute pitch presentation in the finals.

Presentation

Three projects will be chosen to continue to the finals, where each of the three groups will present their findings and recommendations in a 15 minute pitch to a jury. The jury will then have ten minutes to ask questions and challenge points raised in the presentation. It's up to your group to decide how best to conduct your presentation. This includes the opportunity to change the slides and the presentation format / program.

YOUR PROJECT WILL BE EVALUATED ON HOW WELL YOU DEMONSTRATE YOUR ABILITY TO

Identify, analyse and solve a key problem

Apply theories, models and key concepts to the task of developing practical communication in a solution-oriented manner

Develop provisional, innovative and creative – but also realistic – communication strategies that are embedded in the company's organizational context

Reflect on the strengths and weaknesses of your chosen theories and methods in relation to the practical problem at hand

Communicate your results coherently and compellingly

EGMONI'S BRANDING CHALLENGES 18

DON'T

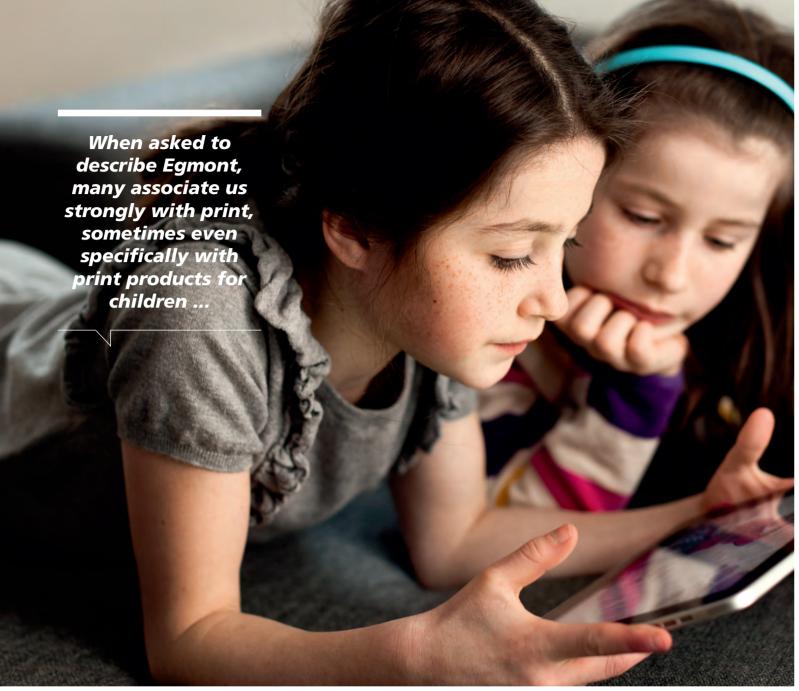
FORGET

FACTS



HERE IS

Your task and how to **GET STARTED**



Thomas day India 1,00 India 1,100 India 1

INTRODUCTION

Line Aarsland, Egmont's vice president of corporate communications, and her department has been handed a challenge.

As Egmont has moved increasingly into the digital domain, an understanding has taken root within the company: an understanding that the corporate brand has not been appropriately translated to this new environment. That potential partners and employees with a digital background often do not perceive Egmont as sufficiently ambitious and progressive.

When asked to describe Egmont, many associate us strongly with print, sometimes even specifically with print products for children. Egmont is often not seen as a modern, international media company pouring dedicated effort into digital innovation.

The brand, at least in the digital world, does not fully represent either the way the company would like to be seen or the way Egmont actually is.

Thus, Line Aarsland has been tasked with compiling existing knowledge and present a plan for building a corporate brand proposition in the digital world. And been given two weeks before needing to present a course of action to the board of directors. Two weeks. To meet this deadline, genuine out-of-the-box thinking is required and Line immediately set out to assemble a team of experts with a diversity of backgrounds. You are that team, and your task is to develop a concept for branding Egmont as a digitally innovative company, which fully understands and embraces the opportunities of a media business increasingly shaped by digital.

The challenge

Your task is to develop and present a concept for building Egmont's brand proposition in a digital world of interaction, involvement and dialogue. The concept should be aimed at relevant stakeholders and must in itself be non-traditional, i.e. it should make innovative use of Egmont's resources to effectively demonstrate that Egmont is working ambitiously with the digital transition. While you may focus on a particular country or region, your solution must address Egmont's branding challenge in an international perspective. Egmont sees great potential in involving customers as part of the necessary process of rethinking media. To many, user involvement is a core component of the digital world and in terms of branding such an approach also clearly documents that the company is not stuck in old paradigms.



Thus, your concept must show/illustrate how Egmont is rethinking media and have "inclusion" as a core component. It must include users, customers or other parties as co-creators, ambassadors, idea generators or as something entirely different.

What's at stake?

Being seen as digitally ambitious is anything but a vanity project. It has great, practical implications. Egmont must continuously establish desired partnerships and alliances with other businesses and sometimes make attractive offers to buy promising initiatives. To do so, Egmont must be seen as a trustworthy and promising partner. Also, to successfully further transform Egmont's existing business the company must be able to attract digital talent. In other words: Egmont's "digital brand" is crucially important.

LINE AARSLAND
VICE PRESIDENT OF CORPORATE
COMMUNICATIONS

Photo Tuala Hjarnø

THE **FACTS**

Egmont is a leading media group in the Nordic region. The company's media world spans magazines, books, films, cinemas, television, digital games, apps, online communities, and more. Egmont publishes media in more than 30 countries and has 6,400 employees.

Egmont worldwide

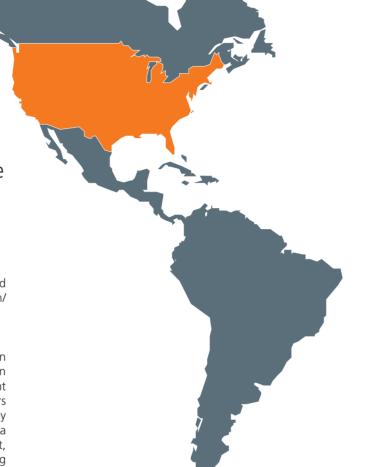
Egmont has companies in Australia, Bulgaria, China, Croatia, Czech Republic, Denmark, Estonia, Finland, Germany, Latvia, Lithuania, Norway, Poland, Russia, Sweden, South Africa, Thailand, Turkey, UK, Ukraine, and USA. Some of the companies are wholly owned subsidiaries of Egmont and others are partly owned or are operated in cooperation with other media companies. For a detailed company overview of wholly and partly owned companies see www.egmont. com/companies.

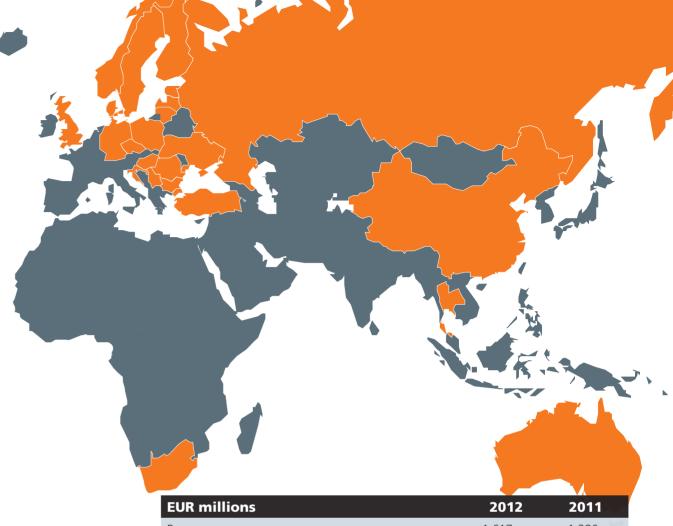
Revenue

In 2012, Egmont's revenue grew by 17%, rounding EUR 1.6 billion. Operating profit Egmont's highest profit to date. For detailed revenue information see www.egmont.com/

Competitors

Eamont's business differs greatly between countries and so does the competition landscape. In the US, for instance, Egmont Publishing competes against other publishers of "young adult" literature and in Germany the battle is on for the hearts of manga fans. In the important Scandinavian market, however, Egmont competes for advertising budgets, subscriptions and retail sales with Copenhagen based Aller Media, Norwegian Schibsted, the Swedish Bonnier Group and others. But of course, the picture of increased by 24% to EUR 187 million. This is competing media companies is increasingly >>>





EUR millions	2012	2011
Revenue	1,617	1,386
Profit before net financials, depreciation, amortisation and impairment losses (EBITDA)	187	150
Operating profit (EBIT)	106	88
Post-tax profit	84	73
Equity	676	506
Equity ratio	42.0%	39.1%



VISION

To be the most attractive media group for employees, business partners and consumers alike. Egmont is well positioned in the domestic markets as well as specific markets outside Scandinavia. We want Egmont employees and business partners to perceive Egmont as the preferred media group. We want consumers to perceive Egmont as the master story teller.



MISSION

To create and tell stories

In the beginning was the word, and with the word came stories. Stories are the very cornerstone of our civilisation. Story telling stimulates the imagination, excites curiosity, gives birth to new ideas, and is the foundation of all learning and development. Stories are at the heart of all our activities within Egmont. Stories are our promise to the world. In short: We bring stories to life.



VALUES

At Egmont we share certain core values. Our values express who we are, what we stand for and how we do things.

RUMMELIG*: Our organisation can heart of all that we do. tell a world of stories in every medium imaginable. This diversity embodies an openness to everything that's new, and flexibility to embrace a multitude of cultures and personalities.

PASSION: We care passionately about what we do. We love to create and tell stories in the best way possible to as many people as possible. This passion lies at the

AMBITION: We are commercially-minded. We are here to achieve results, both on thebottomline and within the media industry. We are ambitious about setting goals, and dedicated to seeing them through to completion. Our determination to win is greater than our fear of losing.

*"Rummelig" is a Danish concept. It encompasses a sense of "bigness". "Bigness" of perspective, of tolerance, of willingness to think new thoughts and break new ground.

COMCASECOMPETITION '14

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incomplete. Egmont also competes for consumer time with a vast amount of non(or semi) professional content. YouTube videos, blogs and social media may operate by very different business models but they compete for people's media time and for advertising spend and thus must be taken into account in any successful strategy. Of course, as many of these channels also rely on content produced by others, they may also be seen as important new distribution and marketing channels.

Four divisions

Egmont's business is divided into four divisions as shown below. Revenue is split as follows:

- Egmont Broadcast: 28%
- Egmont Nordisk Film: 21%

- Egmont Books: 9%
- Egmont Publishing: 42%

The transition to digital is not limited to any single division. It happens in all four, although in different forms. For instance, the book division has a keen eye for ebooks, while Nordisk Film has built of a large library of digital movies, which can be sold to streaming services such as Netflix.

For full financial details, see key figures and annual reports at www.egmont.com/About-Egmont/Key-figures-and-annual-reports/ (annual reports also included on the USB stick handed to the participating groups).

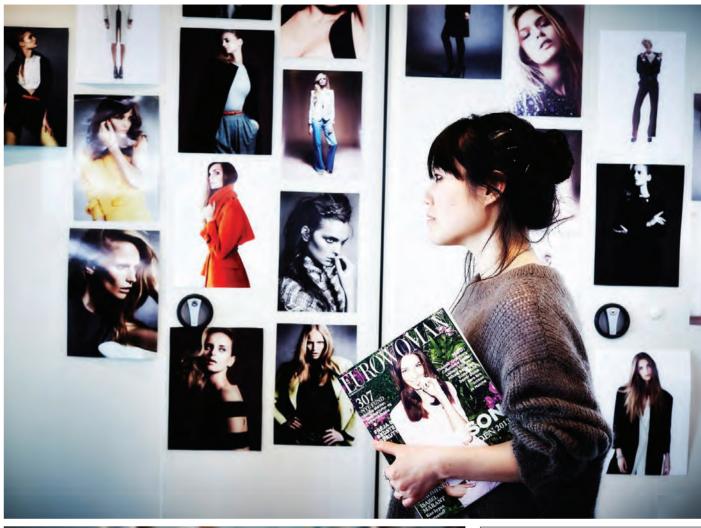
Also see www.egmont.com/socialresponsibility/A-good-life-for-children-and-youth/

THE COMPANY'S MOST WELLKNOWN BRANDS

- Nordisk Film
- Donald Duck and other characters (licensed from Disney)
- Magazines such as Euroman (DK), Eurowoman (DK), ALT for damerne (DK), Fit Living (DK), King (SE), Vagabond (SE), Vilmarksliv (NO)
- Weeklies such as Hjemmet and Her & Nu (in Scandinavia)
- Sony PlayStation (licensor in the Nordic countries)

Egmont is a commercial foundation that donates a portion of its profits to help give children and young people a good life. Last year Egmont distributed about EUR 6.5 million to charitable causes.







EGMONT ENCOMPASSES FOR INSTANCE

- Nordisk Film, Scandinavia's largest film company
- Nordisk Film Cinemas / Oslo Kino, the largest cinema chain in Denmark and Norway
- Egmont Hjemmet Mortensen, Norway's largest magazine publisher
- TV 2, Norway's largest commercial TV broadcaster
- The large book publishers Lindhardt & Ringhof (DK) and co-owned Cappelen Damm (NO)
- The largest children's publishing companies in Scandinavia, Germany, Poland and Russia



EGMONT'S BRANDING CHALLENGES

Egmont's branding challenges consist of closing the gap between how the Egmont brand is perceived and how Egmont wants it to be perceived. In other words, the company is dealing with a positioning challenge.

STAKEHOLDERS B2B customers/ endusers Education inst. **Employees Politicians** Corporate brand Opinion **Business** 'Business'

EGMONT HAS NO SINGLE CURRENT IMAGE/BRAND. THE PERCEPTION OF **EGMONT VARIES GREATLY** BY COUNTRY AND BY **BRANCH OF THE MEDIA BUSINESS...**

Surveys and interviews show how internal and external stakeholders currently perceive Eamont: The current beliefs.

CURRENT BELIEFS

- Conservative, dusty
- "For kids and teens"
- "Danish, in Denmark"
- "Big money bin"

DESIRED BELIEFS

- International (Egmont is a strong partner and an interesting place to work)
- Innovative (Egmont will remain successful)
- Egmont publishes on many media platforms (and is not wedded to platforms of the past)
- Egmont has a broad variety of brands/universes (and can appeal to many audiences)
- Solid, financially healthy (Egmont is an attractive and stable partner/owner)
- Egmont is owned by a foundation (can take the long view and has a charitable wing)

Surveys among external stakeholders show a relatively low degree of knowledge about Egmont, e.g. the scope of the business and Egmont's digital ventures. Internally, there is a tendency to describe Egmont as old-fashioned.

Egmont has an ambition to change the brand perception among our stakeholders who are divided into two categories – primary and secondary. Our primary stakeholders are employees, opinion formers, political influencers and business partners. Our secondary stakeholders are educational institutions and B2C consumers. The qualities that Egmont wishes to be identified with are gathered under the term desired beliefs.

Stakeholders for our corporate communication

The figure below left shows the stakeholders for Egmont's corporate communication (not to be confused with the communication efforts of the individual companies or brands). Note that "Eamont" here refers to the media group and is a business-to-business brand. Your concept should seek to primarily affect the groups of partners and/or potential employees as the opinions of these stakeholder groups are particularly crucial to Egmont's success.

What do you know?

Egmont has no single current image/brand. The perception of Egmont varies greatly by country and by branch of the media business. Knowledge of how Egmont is perceived is comprised of many different data points gathered over recent years (some are described below). No single research initiative provides a full picture, and arguably there is a lot of unknowns.

But Egmont, by which we mean both the board of directors and those working in the digital frontline, all believe that the general conclusion that our "digital brand" is challenged is valid. Despite the many differences, Egmont is often seen as primarily wedded to print media. Also, our size and age combine to a perception of Egmont as slow moving and less than cutting edge.

Note that this includes the perception of both external stakeholders and of employees, as internals are important ambassadors (and as their perceptions may be based on very specific parts of Egmont).

• When mentioned in Danish media, Egmont is routinely described as "a publishing house" rather than a media company.

- In Berlingske Nyhedsmagasin's annual brand index (measuring awareness among business leaders) Egmont ranks as number 63 of Danish companies in 2013.
- 91% of Danish employees believe that Egmont has "The ability and will to innovate". 2012 survey, n=449, response
- When asked which words they would use to describe Egmont, answers from Danish employees fall into these main categories: "Good environment" (17% of all replies), "Exciting" (11% of all replies), "Creative" (9% of all replies) and "Oldfashioned" (9% of all replies). 2012 survey, n=449, response rate=50%
- When asked to name the most unique aspect of Egmont the most common answer from Danish employees is "Our charitable contributions". 2012 survey, n=449, response rate=50%
- On average, Egmont employees (worldwide) neither agree nor disagree that Egmont has an innovative culture. They answer 2.1 on a scale from 0 to 3, where 0 equals "completely disagree" and 3 equals "agree completely". 2012 Employee groups analysis of all employees
- Job seekers at the job site JobIndex.dk display a modest knowledge of Egmont. 30% feel that they know Egmont "well" or "very well". However, only 24% of those who claim to know Egmont, know that Egmont is involved in television (36% for cinemas, 38% for movies). 2012 survey, n=3422, response rate=27%
- The words most often associated with Egmont as a workplace by JobIndex job seekers are "Professional" (44%), "Creative" (37%), "Market leader" (29%), "Successful" (26%). 2012 survey, n=3422, response rate=27%

BRAND ARCHITECTURE the logic of how we present ourselves externally.

Corporate

Eamont as driver brand Sub brand as driver brand

Independent company brands Product brands

EGMONT



EGMONT











Traditionally, branding efforts have been concentrated almost entirely on company and product brands but we've recently placed more emphasis on the Egmont corporate brand. brands are very strong which complicates the place very little emphasis on their membership of the Egmont universe and this can challenge attempts to centralize any given branding effort.

GOING DIGITAL

The effects of the digital revolution cannot be reduced to bullet points. Digital affects the entire business environment, touches all aspects of the value chain and even changes internal work processes.

For certain elements of the media business | localize) than their analogue counterparts. the revolution was an earthquake with very little warning. Notably, the record business was largely decimated before only recently beginning to find its feet again. Others have simply seen their near-monopolies tumble. Newspapers, for instance, are strongly challenged by the sheer availability of news content online at very little cost (sometimes no cost at all) to the consumer.

In general, print media are challenged

- Circulations are dropping (consumers are finding alternatives to print).
- Advertising budgets have decreased (as a result of the global financial crisis).
- Advertisers split off part of their budgets to online services (e.g. Google and Facebook).

But new technology and channels clearly also provide opportunities

- While the media supply available to consumers has increased, so has the total time spent on media and also the amount of money many people are willing to spend.
- Flexible on-demand channels reactivate inventories of old products in new ways. For instance, Nordisk Film has a massive back catalogue, which is attractive to several streaming services.
- Digital channels make direct sales possible (via web shops etc.) without massive investment in sales channels.
- For companies with many assets, digital production makes it easier to adapt and reuse content across channels and markets.
- Digital products may, with the right setup, be cheaper to produce and distribute (and to | the market landscape a few years into the

- It has long been clear to us that unlocking these and other opportunities is crucial.

To read up on some of our initiatives, see www.egmont.com/Tags/digital/.

Egmont's screenbased products: A brief introduction

Today Egmont's revenue is split evenly between print media (such as books and magazines) and screenbased media, such as apps, communities, movies, TV, cinema and games on PlayStation.

Arriving at this point has involved plenty of experimentation and testing of untried business models. There has been no steady course and plenty of hard-earned learnings. For instance, early attempts to be a service provider in the video-on-demand area did not turn out to be optimal for Nordisk Film who changed their focus and now mainly concentrate on being a content provider. Also, digital products often find themselves competing with products from the entire world. This makes it difficult to launch a modest-size product and wait to see if it takes off.

Egmont's MyMoMe (a service for the collection of memories in digital form) was discontinued. The conclusion was not that the service was poorly conceived, but simply that the competition required investments on a scale which was not justified by the expectations.

Other initiatives, like the digital TV 2 Sumo service or Nordisk Film's video-on-demand business have been far more successful. The point here is that, while careful analysis is important, change happens at a speed where it is often impossible very hard to predict future. Nevertheless, all trends point towards increased focus on digital formats and screenbased media are likely to constitute a steadily growing part of Egmont's

Egmont started producing apps in 2011 and has since developed and commissioned apps for the biggest children's brands such as Donald Duck, Barbie, Tom & Jerry, ScoobyDoo, Pixeline, Wendy, My Little Pony, Monster High and many others.

These apps are sold in all of Europe and in North America. Every app is translated and customized to local language and culture. Some apps are translated into no less than 25 languages. Also, ebooks and audiobooks are increasing in popularity among older children and adults. For instance, Egmont's Danish publisher Lindhardt & Ringhof has seen an increase in digital product sales of 290% since 2010 (coming from a low starting point).

Similar expectations surround the area of digital teaching aids. Lindhardt & Ringhof's subsidiary Alinea enjoys a strong position as a producer of traditional teaching materials in Danish primary schools. As schools switch increasingly to digital teaching aids, Alinea is committed to retain their strong position by producing strong products.

As for children's media, production of digital material is increasing all around. Children's first meeting with tablets, phones, computers and consoles happen at a still younger age and thus this "customer" group is increasing in size. Children as young as five have strong opinion of which apps they prefer and parents often have limited influence. Many apps aimed at children are free which obviously poses a challenge for media companies who wish to make a profit.





The big headlines about the media development of today are about the decline in newspaper and magazine subscriptions, about an abundance of content available at your fingertips at no cost at all, and about the continuous search for a viable digital revenue model.

This is good news for media consumers, | can delve into and that offers more than a and might seem like bad news for a media company. But the changing times and fast disruption of the media industry also offers great opportunity for growth.

People are still watching and reading, but do it in new contexts and in increasingly connected ways. Media is generated and consumed on many devices in many different situations. Mobility is an underpinning trend of every forecast and analysis available on the media

Harnessing the power of user-generated content in constructive and profitable ways is another important task for media companies. An example of Egmont's efforts in this realm is the ability of Norwegian magazine publisher Egmont Hjemmet Mortensen to build and manage very successful online forum sites. These sites have attracted upwards of 28 million posts to date. In Egmont, stories have traditionally been defined by the media that brought them to life, but this definition will not do any more. Stories are no longer defined by format. Books are published in other media than paper, and consumers are not restricted to watching TV programmes on big flat screens. As media crosses device boundaries, it's also transcending traditional formats and opening new opportunities for both. In a world of digital and easily shareable content, unique live performances are peaking as never before. And there is a demand for high-value unique content. Content that you

There are good reasons to be optimistic about the future. One of the best news for Egmont is that screen based media is consumed by all ages. From toddlers to seniors. Children

The digital development suggests new demands for Egmont. When a high-school teacher can become his own publisher and an indie video on YouTube can reach 22 million hits, the competition in both narrow and broad terms has changed. The internet is enabling storytellers like Egmont to create direct relationships with our consumers and this knowledge is what will give a competitive advantage in the future.

See www.egmont.com/Press/news-andpress-releases/28-million-forum-posts-and-

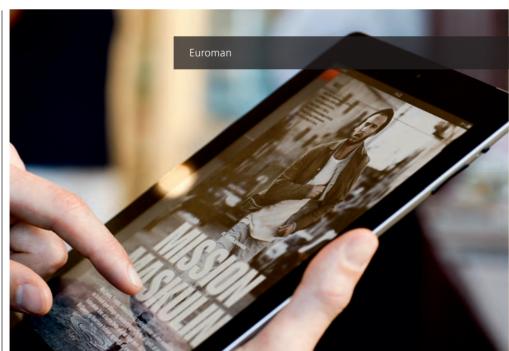
> **Changing times** and fast disruption of the media industry also offers great opportunity for growth

HARNESSING THE POTENTIAL OF DIGITAL INCLUSION

The print world has traditionally based itself on a nonincluding relationship with the customers. While some readers have given feedback (and sometimes contributed with particular forms of content), customers have rarely been heavily involved in concept development, production, or marketing.

Digital is different. First of all, the mindset is often different. From software development comes the idea of continuous user testing and iterative improvement of the product, hence the idea of crowdsourcing and the "eternal beta", the perception that a digital product is never finished. And from the technology itself, offering interactivity, comes the idea that users may (on many levels) take part in shaping the product - a product that is sometimes more of a framework than a tight, predetermined structure. Finally, from the development of web-based communication tools - notably social media - comes - the possibility to engage users; to form a strong community around a product and to have users contribute to the marketing of the product by sharing, liking, retweeting etc.

None of this comes easy, and nothing is "free" in any strong sense. But many of these new opportunities have great potential if they can be harnessed systematically and with an eye for profitability (short-term or long-term).



YOUR TASK AND HOW TO GET STARTED

Are you ready to help Line and Corporate Communications? Your task is to develop and present a concept which will change Egmont's brand in the minds of relevant stakeholders. As mentioned, it is important for us to be perceived as more digitally ambitious and your concept should support this goal.

how Egmont understands itself, its place in the world, and its current challenges. And with that, the floor is yours. You have certain limitations:

By now you have some understanding of

- Your solution must address Egmont as an international business.
- Your solution should be based on your own analysis of the challenge.
- Your solution should preferably include a strong element of "inclusion". Users or customers must be actively involved.
- The format of your concept must, to a significant degree, be novel. If it's too straightforward you risk the response "We've done that already".
- Your time is very limited.

But you also have a great degree of freedom. While the budget should obviously match the expected effect, you're not required to use any specific medium or channel. Viral online video has a certain ring to it, but if you can convince us that the answer lies in decorative physical installations, don't hold back.

You are advised to study at least parts of the material referenced below, but don't drown in a sea of facts. You'll probably want to agree on a framework before choosing which part of Egmont to read up on.



DON'T FORGET...

There are a few things you'll probably want to keep in mind.

B2C customers may have very little idea about our business

Your budget is limited

While there is no fixed budget at this point, you should be prepared for questions about the cost/benefit of your proposal. The greater the expense, the greater the requirements for a convincing "business case".

Different countries, different brands

Egmont is perceived differently around the world. Some Danes may know of our long history, but few Brits will be aware of it. In particular, people in countries where Egmont only publishes children's media are unlikely to know of our wideranging media portfolio.

Stakeholders differ

Awareness of Egmont is very unevenly distributed. Our partners know us in detail, while B2C customers may have very little idea about our business. Remember to take such differences into account.

Charity isn't global

Egmont is proud of its charitable wing, working to improve the lives of young people. But note that this only applies to Denmark (and a bit to Norway). Also note that Egmont seeks a strong separation between charitable work and the day-to-day business. Using the charitable work directly in marketing etc. has traditionally been a no-go. If our charitable activities are in play in your concept, don't forget these limitations.

Everything has not changed

Egmont makes a good portion of its profit from "old" media. Also, the company depends on good relations with distributors and sellers of traditional formats. Egmont does not (nor can it be seen to) abandon its commitment to print.





EACH GROUP

WILL BE HANDED A USB STICK WITH THE FOLLOWING RESOURCES

BI INTELLIGENCE'S PRESENTATION "THE FUTURE OF DIGITAL 2013"

GOOGLE'S "THE NEW MULTISCREEN WORLD" REPORT

EGMONT CORE FACTS BOOKLET

SEPTEMBER 2013 ISSUE OF OUR EMPLOYEE MAGAZINE "STORIES"

MARCH 2013 ISSUE OF OUR EMPLOYEE MAGAZINE "STORIES"

EGMONT'S TWO LATEST ANNUAL REPORTS

FOR FURTHER INFORMATION ON EGMONT SEE WWW.EGMONT.COM



Egmont Corporate Communications has developed this case for the ComCaseCompetition 2014 with the assistance of Copenhagen Business School (Associate Professor Karl Heinz Pogner; Department of Intercultural Communication and Management).

The case will be presented at January 27th when the ComCaseCompetion commences.

EGMONT

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