

# WHY SWEDISH BRANDS ARE SUPERBRANDS

ABBA, Absolut, Astra, Brio, Electrolux, Ericsson, Gevalia, H&M, Husqvarna, Ikea, Saab, Scania, Volvo. All of these brands are globally recognized. And all of these brands originated in Sweden. Sweden's production of influential brands is perhaps as significant as any country in the world.

# SWEDEN

»Brand Sweden is the sum of all encounters between people around the world and anything Swedish – products, people, culture or actual visits to Sweden, « says Joakim Norén of the Swedish Institute. »The key to a clear and strong national brand is not only in what message the Swedish Institute or the rest of the NSU (Nämnden för Sverigefrämjande i utlandet) send out, but what all Swedish regions, product brands, and people do and say«.

## A GLOBAL BRANDING POWERHOUSE

How did Sweden become such a global branding powerhouse? For one thing, Sweden is smart and aggressive when it comes to branding, says Nicholas Ind, author of the book *Living the Brand* (Third Edition, Kogan Page, 2007): »Sweden has long excelled at developing international brands. That is because as soon as they have a good business base within Sweden they look to capitalize on the growing power of their brands. In many cases this is surprising, because internationally there have been no historic associations with Swedish vodka or clothing. Rather these brands, often in their own idiosyncratic way, have established markets that no one knew existed«. From the article »Norwegian Brands – Where are They?« *Dagens Naeringsliv*, 2002.

Another more intriguing reason for its ability to build brands may be Sweden's Viking heritage. In the book, *The Viking Manifesto: The Scandinavian Approach to Business and Blasphemy* by Steve Strid and Claes Andreasson (Marshall Cavendish, 2008), the authors theorize that contemporary Scandinavian businesses are

following in their ancestors' footsteps: »The Viking is more soft spoken, but alive and well. Without any army to speak of, they still invade with a better idea and a new approach to marketing, advertising, culture and corporate culture. «The book's premise is that the Viking philosophy survived and today manifests itself in business success.

Perhaps Sweden's branding acumen stems, in part, from the nation's past roots. But it is also a result of Sweden's belief in social democracy. Sweden, like other Scandinavian countries, supports its citizens from cradle to grave. A high standard of living, free health care, free higher education, and government-supported re-training in the event of job losses are all components of the social system.

Since Sweden's people are essentially taken care of by the government, its businesses are encouraged to invest in themselves and grow. This has a direct impact on the development of brands. Sweden aggressively exports its products, and that means its companies need to incubate and launch brands that compete effectively with others globally.

## SWEDISH BRANDS REPRESENT GREAT DESIGN

Sweden and its Nordic brethren have been exceptionally successful at creating world-class brands recognized for their innovation, value and, especially, good design. »Scandinavian design« emerged as a defined furniture style in the 1950s, but today it represents a much larger movement reflected in elegance and a focus on affordable functionality. The clean cleverness of the Absolut



vodka advertising campaign and the streamlined simplicity of IKEA furniture are two examples.

Absolut, the celebrated Swedish vodka, re-shaped a marketplace dominated by Russian vodkas. Absolut did not necessarily create a superior product; it introduced breakthrough packaging that positioned Absolut in a completely different way. Absolut produced upwards of 1 400 provocative and visually stunning print ads, focusing on its clear, beautifully shaped bottle. The advertising campaign spanned decades and won over 350 awards worldwide. The ads reportedly increased sales about 15 000 percent over 15 years, catapulting Absolut to its position as the third largest premium spirit in the world.

IKEA was the brainchild of Ingvar Kamprad who, in the 1940s, began offering well-designed, functional furniture at prices much lower than competitors. That was the birth of the »IKEA Concept«, which still remains true to Kamprad's vision. Today, IKEA (whose name is comprised of Kamprad's initials and the initials of the farm and village where he grew up) is the foremost home furnishings brand in the world, with over 235 stores in more than 30 countries.

Sweden's sense of design extends to fashion as well. H&M was also founded in the 1940s by Erling Persson. The company was ranked by global branding agency Interbrand as the number one European retail brand in 2008, with a brand value of over ten billion euros. One might consider H&M the IKEA of fashion: the company creates its own fashion collections, using a team of in-house designers coupled with celebrity designers, and sells them at affordable prices through 1 800 stores in 34 global markets. H&M also markets branded cosmetics, accessories and footwear.

And then there is the phenomenon of ABBA, arguably one of Sweden's most famous brands. The musical pop band ABBA achieved »super-group« status and became a worldwide sensation in the 1970s and 1980s. But

it is the subsequent merchandising of the brand that has been truly remarkable. In 2005, ABBA's up-tempo music was re-purposed into a successful musical, »Mama Mia!«. A movie version of the show was released in 2008. The year 2009 saw the launching of »ABBA WORLD«, a touring exhibition celebrating the group's lasting impact.

## SOCIAL RESPONSIBILITY

Another key aspect of Swedish brands that makes them »super« is the way brand owners embrace Corporate Social Responsibility. IKEA's commitment to sustainability via the »IKEA Goes Renewable« program and its partnerships with WWF, UNICEF, and Save the Children are exemplary. H&M's »Fashion Against AIDS« initiative brings together fashion, music, and entertainment celebrities in an effort to fight the disease and raise youth awareness. Ericsson has provided telecom infrastructure and mobile applications to half a million people in poor rural communities in eleven countries through its involvement in the Millennium Villages project.

Whether it is music, fashion, furniture, or other areas of commerce, Swedish brands have a way of rising to the top. Astra (now AstraZeneca) is one of the world's leading pharmaceutical manufacturers. Ericsson is a global telecommunications leader. Scania is a world leader in trucks and buses. Volvo is a top automotive manufacturer with an unexcelled reputation for safety.

Given the country's relatively modest position in the global community, Sweden continues to be the birthplace of a disproportionately high number of world-renowned brands. It is a tribute to the country and its people that Sweden has spawned so many Superbrands.



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