

SWEDE SMELL OF SUCCESS



Stefan Engeseth, retail expert and author of *Detective Marketing*, gives the Swedish perspective on retailing

On a recent visit to London I was struck by the range and variety of products offered in food stores, something you don't find in Sweden.

Why is this? One reason is that competition in Sweden is virtually non-existent. Ninety per cent of food retailing is in the hands of the country's three biggest players, leading to high prices and limited ranges.

The three dominant players (ICA, KF/Co-op and Axfood) run expansive and expensive advertising campaigns on TV and in the press. Brands which want to sell through these chains are asked to pay some £50,000 to feature in the ads, according to the Swedish media weekly *Dagens Media*.

Those which choose not to contribute run the risk of not making it onto the shelves.

I love good ads and respond to offers, but in stores it is much easier to find the chains' own labels. They are well designed and look deceptively like the branded alternative. And the copy is always more attractively priced as it does not share the cost of the advertising that made shoppers visit the store in the first place.

Maybe the UK would like a share of the Swedish FMCG business, amounting to about £10.8bn? I know many Swedish consumers would be keen to experience the supply and variety I found in London.

On October 1 Debenhams opened in central Stockholm, promising "Sweden will never be the same again". We are happy to see it here and welcome all the new brands.

My local supermarket manager seems to feel he is losing control, as decision-making becomes ever more centralised. One example is the different KF departments, which have been renamed Co-op. Replacing logos and signs with new ones is quick, but changing attitudes usually takes longer.

Just like TV and the press, stores are becoming a medium, with a chance to offer more inter-

activity. I, for one, am not a great chef, which some stores want to change. Several have special "test kitchens", where you can learn a thing or two.

Inspiration not only makes me a better consumer, but puts

more fun into everyday shopping.

Many stores are moving away from offering just products to providing entertainment in purpose-built shopping malls. Whatever they may do or call it, it is about sales and making money. It is beginning to feel more like a circus these days, which is okay if kept at the right level.

At a talk I recently gave to some 60 shoe store managers, I wore one brown and one white shoe. During the last 15 minutes of the talk I placed myself so the audience could not see my shoes. When I asked the participants what shoes I was wearing, just 15 per cent were able to say they were different.

It makes you wonder how interested stores are in their customers. When asked by retailers how many wore their own brands, 30 per cent acceded. Why not try similar tests in your stores? I wouldn't mind seeing the results.

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