

# Apparel industry of sweden essay sample

[Economics](#), [Trade](#)



The company that we chose to bring to Sweden is Canadian supermarket clothing company, Joe Fresh. We chose this company due to the bright, lively colors, classic silhouettes and low costs of the garments in the line. This resonates well with what we learned about Sweden in our country scan; it is not how much something costs, but rather how the wearer carries the garments off. If the clothing is worn with style and elegance, the wearer is much more respected in Sweden than if they pile on the name brands and logos to appear wealthy or stylish. Less is more in Sweden, and we feel like the simplicity of the clothing in the Joe Fresh line could really find success in a country like Sweden. In the Joe Fresh collection, there are pops of trendy, edgy and classic, which can all be mixed together to create the perfect Swedish styled outfit. Some examples from the Joe Fresh that we feel would resonate with the Swedish public include tweed skirts, colored blouses, colored denim and printed sweaters.

These products can be marketed as they already have been in Canada; the advertisements are bold and basic, an already successful kind of advertising in Sweden. H&M advertisements, which are obviously successful in their home country of Sweden, are very similar to Joe Fresh advertisements in that they focus on the clothing and not the background. They link all their advertisements by having a white background, drawing main focus to the clothing. Simplicity is key in both the fashion itself and the advertisements for the Swedish public. Overindulgence is a turn-off for the market that we are looking to target for the new Swedish Joe Fresh line. Choosing a Target Market

The target market that we are looking at for Joe Fresh are women, especially those aged approximately 18 to 34. She is obviously fashion-conscious, and enjoys wearing trendy clothing, but still makes it her own. She can be a student or a career woman, as the lower price point of the Joe Fresh collection allows for everyone to be able to afford the line. She does have a certain amount of expendable income, to fund her changing style. Joe Fresh would fit into her lifestyle due to the affordability of the clothing, the versatility of the pieces to change into many different styles, and the attractiveness and adaptability of the clothes themselves into a Swedish lifestyle.

### Competitive Climate

Modern fashion in Sweden is full of new and innovative designers and labels successfully marketing fashionable clothing for a low price, making Joe Fresh a viable competitor in the Swedish fashion market. The Swedes pride themselves in properly presenting themselves, the practicality and trendy appeal of Joe clothing will certainly attract the attention of the consumers within the market. Their main competitor H&M has been established in Sweden for many years, the new and exciting look offered by Joe Fresh will begin to build their client base, and their attention to quality and the needs of the consumers will maintain their position within the market. Furthermore, Clothing is one of Swedens top key imports according to the trade commissioner. Product Image/Positioning Chart

When we analyze the position of Joe Fresh entering the Swedish market compared to their competitor retailer H&M, the Joe Fresh brand image runs

parallel to the fashion trends admired and followed by the Swedes. They want their clothing to mirror their lifestyle, whether it be day or evening they want their clothing to play the part. Swedish fashion is known for their price point, quality and functionality. Similar to the H&M style, Joe Fresh is entering the market with the right price point for the Swedish economy, as well as their garment style is what the Swedes look for in clothing. They carry basics for daywear, as well as pieces acceptable as casual office wear. For night, they carry a variety of dark pallet options, with sequin and embroidered detail suitable for any night time function. They position themselves around the center of the axle on the product positioning chart, medium to low price point with a medium quality product. This type of position is perfect for their desired target market, which is a style savvy mid twenties female, looking for trendy pieces at affordable prices. By maintaining a simplistic brand image they will be able to enter the market smoothly with positive response from the consumers.

## Part 1B – Country Scan of Sweden

### Apparel Industry Overview

Sweden is home to one of the most successful Scandinavian apparel markets; it is the second largest apparel exporter of the Scandinavian countries. Countries included in Sweden's export list include Finland, Denmark, Norway, Germany, The Netherlands, the UK and Poland.

Production itself has been outsourced in more recent years, to Asian countries like China (leading manufacturer for Sweden), Bangladesh, India and Cambodia. The apparel industry in 2011 posted negative numbers for

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the first time in a few years; this is due to recent economic weakness and uncertainty. The downward turn of the economy took a toll on unit prices, resulting in the negative retail value growth. In terms of their fashion industry, Sweden has thrived off the success of fast-fashion retailer H&M, but has also branched out to house popular brands like Cheap Monday, Acne, Filippa K and WESC (all of which have experienced moderate to good success in North America). According to the US Department of Commerce, Sweden is especially proficient in creating and retailing mid-priced clothing; this is synonymous with information found on Swedish fashion blogs emphasizing that Swedish fashion is not about how much is spent on the clothing, it is about style and how the garments are worn.

#### Apparel Consumption Patterns

If we look at the statistics at the years leading to 2009 the Swedish retail market had grown significantly, their prime retail properties generating great demand. Over the years Sweden has maintained afloat during economic low periods, however the decrease in personal consumption from the year 2010 to 2011 may affect the retail market. The total retail sales also decreased from 2010 to 2011, meaning the Swedish population is spending less of their disposable income unnecessarily. This may influence Joe Fresh entering the market; however their solid price point and quality product is enough to beat the competition and please those on a tighter budget. Since 2010 the Swedish tourism industry has increased, and of the total of their spending the retail industry received 30%. With the addition of Joe Fresh to the

available retailers, they can tap into the Swedish tourism industry, which expands their target market spectrum in hopes in generating more sales.

This breakdown of the 2009 household expenditure report highlights the change from 2008 to 2009 in percentages as well as dollars in billions. Food and beverage, excluding alcohol, cosmetics, tobacco, magazines and newspapers; these everyday commodities are consumed approximately the same amount as the specialty retail expenses; such as fashion apparel, household goods and leisure goods. The total retail sales for Sweden in 2009 we're 500 billion dollars or 3. 1%.

#### Population Overview

The total population of Sweden, as of September 30, 2012, is 9, 540, 065 persons, which is an increase of 0. 72% from the previous year. The majority of the Swedish population (85%) lives in urban areas, with this growing year by year at a rate of 0. 6%. As of 2010, the number of households is ~ 4, 660, 355, plus or minus 34, 396. The largest and most populous area is Stockholm, the capital city. The most significant growth was seen in Stockholm county, Västra Götaland county (home to populous city of Gothenburg) and Skåne county.

#### Age Structure (as of 2012):

0-14 years: 15. 4% (male: 722, 811 – female: 680, 665)

15-64 years: 64. 4% (male: 2, 967, 938 – female: 2, 897, 454) 65 years and

over: 20. 2% (male: 821 647 – female: 1, 013, 273)

## Consumption Capacity

GNI for Sweden: \$400. 37 Billion (PPP)

| 2001| 2002| 2009| 2010|

GNI per capita PPP (current international \$)| 28020| 29160| 38040| 40140|

Population total (in millions)| 8. 9| 8. 9| 9. 3| 9. 4|

GDP (current US\$) (in millions)| 227359. 5| 250960. 8| 405783| 461939. 1|

GDP growth (annual %)| 1. 3| 2. 5| -5| 6. 2|

## Level of Development

Sweden is a highly developed country, ranking 10th on the Human Development Index (HDI), as of 2011 (in the “ Very High Human Development” category). The country’s neighbor, Norway, ranks first on the index. The life expectancy at birth, as of 2011, is 81. 4 years of age. The 2011 numbers indicate the expected years of schooling is 15. 4 years, with the average years of schooling at 11. 7 years. Schooling is mandatory between the ages of 7 and 16, with homeschooling forbidden (except in certain circumstances). Over 40% (as of 2009) of the population aged 25-34 years has obtained tertiary education (university, college, doctorate, etc). Almost the entire population (99%) over the age of 15, male and female, can read and write. The country experiences a much lower crime rate in their metropolitan areas like Gothenburg and Stockholm, compared to metropolitan Canadian and American cities.

Granted, the crime rate is a little higher in these metropolitan areas, but they are nothing in comparison to North America. Petty theft and fraud with

tourists is common, like in any large city, but vehicle theft and homicide has been on the decline. Crime rate increases in the summer months due to more empty homes, less police officers on duty (due to vacation) and generally more people in the city visiting during warmer summer months. However, Sweden is not any more dangerous than any other developed European country; the three levels of police assignment have a good hold on society, and there are rarely high levels of disorder within the country. Drugs are recreational, and it is common to see them used in the streets of certain Stockholm areas, as well as nightclubs, but they do not cause high levels of criminal activity or the necessity of police intervention. Road safety is high in populated areas; however, snow tires are recommended when travelling off the beaten path, due to an occasionally unruly climate in the more northern areas of Sweden.

#### Commercial Transportation

Total Roads (2009): 572, 900 km; 1, 855 km of expressways – 12th in the world

- \* 98, 400 km of state roads
- \* 433, 500 km of private roads
- \* 41, 000 km of municipal roads
- \* 215, 700 km open to public traffic

Vehicles/km of road (2009): 8

Amount of goods transported: 13, 626 tonnes (2010)

- \* over 80% of goods transported in Sweden are via roadways



National and international road transport of goods (based on million tkm of transport)

Number of airports: 230 (26th in the world)

Number of paved runway airports: 149

Km of railways: 11, 633 km

Market Receptivity

Total Exports

The above graphs and chart showcase the total exports into Sweden. According to this information, only 0. 11% of Canada’s exports are to Sweden, compared to 0. 12% in 2007. All numbers are expressed in Canadian dollars.