

Country Report Sweden

Jens Hultman and Ulf Elg

Abstract

The Swedish retail landscape is undergoing changes manifested through, for example, an increasing degree of international retailer entries, an increasing concentration of retail supply and changing demographics of retail consumers. Sweden is indeed an interesting context for retail research, as with the exception of the past few years, the Swedish retail sector has experienced significant growth for more than a decade and in this respect outperformed most other Western European countries. Sweden is also the country of origin of two well-known and globally omnipresent consumer and retail brands H&M and IKEA. This report aims at providing a broad description and analysis of the Swedish retail sector, and at highlighting and discussing some of the managerial challenges that lie ahead for retail management in Sweden. In addition to describing the general structure of the retail environment, the report aims at providing a broad overview of inward and outward internationalization and a discussion of managerial practices in the wake of an increasing degree of international sourcing practices.

Keywords:

Retail overview, Sweden, IKEA, H&M, internationalization

Jens Hultman

Department of Business Administration, Lund University, Lund, Sweden
(E-mail: jens.hultman@fek.lu.se ; Tel: +46 (0) 46 222 00 00)

Ulf Elg

Department of Business Administration, Lund University, Lund, Sweden

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1 Introduction

Located on the Scandinavian Peninsula in Northern Europe, Sweden is a constitutional monarchy with a parliamentary democracy of government and is generally considered to be a highly developed economy. Sweden and its 9.48 million (2011) inhabitants are perhaps best described through some of the often highlighted markers of the quality of life in Sweden: relatively low levels of inequality and poverty, relatively high life expectancy and relatively high degree of social wellbeing, as measured by the OECD in 2011 (OECD, 2011). The relatively high, and fairly stable, level of living standard has had significant effects on the development of the retail sector – a part of the Swedish economy that accounts for about a third of household expenditures (HUI 2010). Sweden is also the country of origin of the two well-known and globally omnipresent consumer and retail brands H&M and IKEA.

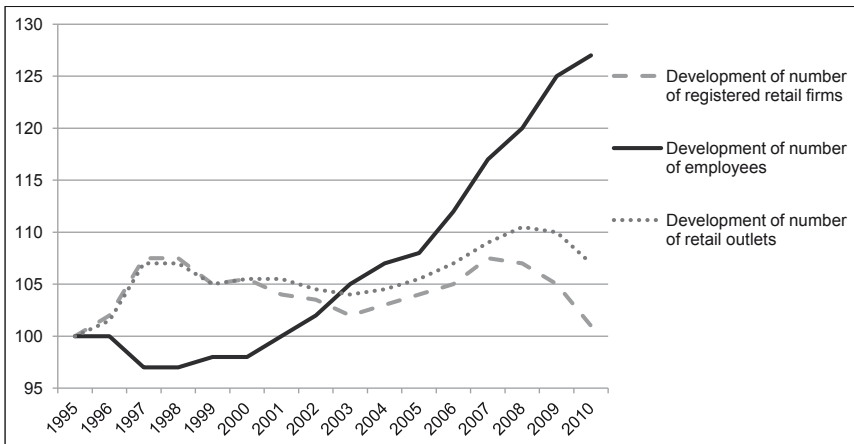
The Swedish retail landscape is undergoing changes –in terms of both supply and demand. On the supply side, new international entrants into already mature retail sectors and increased competition in general are creating an increasingly aggressive retail environment, and an increasing distance between the place of consumption and the place of production of retail goods is creating new challenges and a strategic focus on the purchasing function and its ability to effectively manage the supply chain of retail goods, particularly concerning sustainability. On the demand side an increasingly ageing Swedish population, an increasing concentration of the population to urban centres, an increasingly globalized and wired community, and an increasing interest in environmental and social sustainability have created new challenges for retail management. This report aims at providing a broad description and analysis of the Swedish retail sector, and at highlighting and discussing some of the managerial challenges that lie ahead for retail management in Sweden.

2 Characteristics and Structure of the Swedish Retail Sector

Measured in terms of gross domestic product (GDP) Sweden is the ninth largest economy in the European Union and, alongside Poland, Denmark and the UK, is one of the economies in the European Union that is not part of the Euro zone. The Swedish retail sector accounts for about a third (528 bn SEK) of total household expenditures (1,600 bn SEK) and although the Swedish retail sector at large was affected by the recession in 2008-2009, the retail sector argues that it has recovered remarkably quickly, at least in some subsectors (e.g., Market, 2012). With the exception of the past few years, the Swedish retail sector has experienced significant growth for more than a decade, and in this respect has outperformed most other Western European countries (e.g., Invest:Sweden, 2011) in terms of retail growth. According

to HUI (the Swedish retail and wholesale trade research institution), in 2010 the Swedish retail sector at large employed about 240,000 people in about 55,000 registered retail firms (Hortlund 2011), of which more than 80 % had four employees or less. The number of people employed in the sector in Sweden at large has experienced a successive growth for over more than a decade (see Figure 1).

Figure 1: Development of Number of Employees, registered Firms and Retail Outlets in the Swedish Retail Sector 1995-2010 (1995=100) (Adapted from Hortlund 2011)



Despite the significant number of small retail firms in Sweden, the sector is fundamentally dominated by large actors. This pattern seems to be similar in a European context (e.g., Burt 2010). The 100 largest retailers account for 80 %, and the ten largest retailers for approximately 50 %, of the total annual retail market turnover (Market 2012). Although perhaps most significant in the Swedish grocery retail sector, the concentration of market shares to one or a few actors can also be seen in several other sectors, perhaps particularly in the retail of electronic goods, furniture and sportswear. The sector with the least concentration is the apparel sector (HUI 2010).

The single largest actor in the Swedish retail environment, ICA, is the dominant grocery retailer in Sweden and, by far, the largest retail actor in terms of domestic volumes, more than double the size of its nearest competitor, Coop/KF. ICA accounted for almost 40 % of the grocery retail market in Sweden in 2010 and had about 1,350 outlets in Sweden (Hortlund 2011). ICA (www.ica.se) originates from a business model whereby independent retailers' created or acquired and owned regional purchasing centrals (*InköpsCentralernas Aktiebolag*, lit. the Purchasing Centres' Corp.). However, in 2000 the international player Royal Ahold

N.V. acquired 50 % of ICA, and later increased its ownership to a total of 60 % in 2004. In 2010, ICA had also made great progress in its initiated international expansion into the Baltic countries and Norway, through the formats Rimi and ICA. The concentration of market shares to one or a few actors is not unique to Sweden, but is rather typical of the Nordic grocery retail market (Einarsson 2008).

Several Swedish studies point at the problems with a too highly concentrated grocery retail market, as in Sweden. Using data based on the Swedish grocery sector, Asplund/Friberg (2002) find that market structure (measured in terms of store-specific factors such as size and chain affiliation) has a statistically significant effect of on price levels; i.e., although firms reap the benefits of scale advantages. In several reports, the Swedish Competition Authority has argued that market concentration may result in poor competition, and that the concentration of the grocery retail sector has led to relatively high food prices in Sweden (Konkurrensverket 2004). However, in an international comparison food prices in Sweden have decreased in recent years (Konkurrensverket 2011). Table 1 outlines the top ten retail actors operating in Sweden in 2010, clearly outlining the concentration of large actors in the grocery retail sector. IKEA's dominance in the furniture retail sector is significant but perhaps not surprising, as Sweden is the home market of the furniture giant, and IKEA holds a leading position in terms of retail brand strength in Sweden.

Table 1: Major Retail Actors operating in Sweden

Retail actor	Outlets in Sweden 2010	Turnover in Sweden in MSEK in 2010	Retail subsector	Market share in % in 2010 in its respective subsector
ICA	1347	104,987	Grocery retailer	38
Coop/KF	800	49,650	Grocery retailer	17
Axfood	984	36,200	Grocery retailer	14
Bergendahlsgruppen	460	16,508	Grocery retailer	3
IKEA	17	16,375	Furniture	47
H&M	168	8,365	Fashion	15
Elgiganten	69	7,781	Electronic goods	13
Axstores	253	7,240	Department store and non-food specialists	N/A ^[1]
Lidl	151	6,500	Grocery retailer	3
Media Markt	19	5,970	Electronic goods	10 ^[2]

* Source: Market 2012; Hortlund 2012

In recent years the electronics sector has experienced some turbulence as well as increasing concentration and competition, with two foreign players entering Sweden (Elgiganten entered Sweden in 1994 and Media Markt in 2006), driving the domestic retailer OnOff to bankruptcy in 2010. In 2010 OnOff was the third largest electronics retailer, with 67 outlets, and ac-

counted for an 8 % market share of home electronic goods (Hortlund 2011). The Danish toy retailer Top Toys, which entered Sweden in 1991 with BR, dominates the retail market for toys by operating in Sweden through the two retail brands Toys R Us and BR (Market 2012). For the retail sector at large, the increasing concentration combined with sector growth can be noted in Figure 1, which outlines the development of number of employees, registered firms and retail outlets in the Swedish retail sector over the years 1995-2010.

Although the Swedish retail sector in comparison with, for example, Denmark is relatively unregulated in terms of the development of opening hours, market entry and the development and location of shopping centres, there have been some developments toward increasing de-regulation in recent years. For example, the retail sales of pharmaceuticals underwent considerable change during 2009-2010, as the sector had been monopolized during the period 1970-2009 and during 2009 and 2010 was gradually privatized in terms of market entry, and thereby also de-nationalized through the market entry of international players like Boots in 2011. One exception to this low degree of regulation is the sale of alcoholic beverages: since 1955 the Swedish retail sale of alcoholic beverages has been controlled through a state monopoly, and alcoholic beverages are sold only through the state-controlled retailer Systembolaget.

3 IKEA and H&M – Northern Lights in the Global Retail Landscape

The fact that two of the larger global retail actors have their origins in Sweden is remarkable, and this makes it feasible to argue that a Swedish retail model is competitive in an international context. The two remarkable examples are, of course, the well-known and globally omnipresent consumer and retail brands H&M and IKEA. IKEA is the largest furniture retailer in the world, and H&M is the third-largest fashion apparel retailer (Deloitte 2012) in the world after TJX (USA) and Inditex (Spain). Given that Sweden is a relatively small country, the two firms have a significant share of their retail sales outside Sweden. Although the share of total sales generated in Sweden has decreased as the firms are expanding aggressively abroad, it is still about 10 % (Deloitte 2012).

Although IKEA and H&M are two different firms, they share some interesting similarities that could perhaps represent the Swedish retail model. A study by Larsson et al. (2003) describes and discusses the internationalization patterns of H&M and IKEA. They find that there are important similarities between the two firms, and that both IKEA and H&M are, for example, driven by Swedish brand and leadership characteristics and that they both are built on similar business models. For example, both IKEA and H&M have a business concept that is more or less duplicable worldwide. Both firms have built their respective business models

on the principle of offering an attractive range of affordable products. Both IKEA and H&M are, albeit through different setups, family-controlled. IKEA is governed through complex ownership structures linked to foundation countries like Lichtenstein and Luxemburg, while H&M is publicly traded with its founding family as major owner. For decades now both IKEA and H&M have systematically employed an explicit growth and international expansion strategy. Table 2 outlines a comparison of the domestic and global operations of IKEA and H&M.

Table 2: Comparison of the domestic and global Operations of Swedish Retailers IKEA and H&M

	IKEA	H&M
Established	1943	1947
Founder	Ingvar Kamprad	Erling Persson
Number of employees in 2010	123,000	87,000
Turnover in 2010 in MUSD	31,642	15,051
Turnover in Sweden 2010 in MSEK	16,375	8,365
Number of outlets in 2010	~300	~2,200
Number of outlets in Sweden in 2010	17	168
Countries of operation in 2010	39	38
First store outside Sweden	1963 (Norway)	1964 (Norway)
First store outside Scandinavian Peninsula	1973 (Switzerland)	1976 (UK)
First store in North America	1976 (Canada)	2000 (USA)
First store in Asia	1975 (Japan)	2007 (Hong Kong/Shanghai)
Number of suppliers in 2010	~ 1,200	~700
Global Powers of Retailing Ranking 2010	30	57

Source: Compiled from Corporate websites; Annual reports, Facts and Figures; Deloitte 2012; Market 2012

IKEA initiated its international expansion in 1963 by opening its first store outside Sweden in Norway, and by the end of 2010 had about 300 stores in more than 30 countries worldwide (IKEA 2011). IKEA entered the North American continent (Canada) already in 1976, and opened its own store in Asia (Japan) in 1975. This initial entry into Japan was done through a franchise, and led to withdrawal in 1986 (IKEA returned to Japan in 2006). H&M initiated its international expansion in 1964, opening its first store in Norway, and by the end of 2010 had about 2,200 stores in more than 30 countries worldwide (H&M 2012). In recent years, H&M has expanded through store openings in North America in 2000 (USA) and opened its first stores in East Asia in 2007, and since 2007 has expanded remarkably in several Asian countries.

Both IKEA and H&M are recognized for their well-developed sourcing capability, managed through centralized design, sourcing and concept development and decentralized management

through offices spread out in key purchasing markets. In 2010, IKEA had about 35 offices worldwide and H&M about 20 offices handling production/purchasing locally. Given the significantly broader range of products/materials offered by IKEA, it is reasonable that they are more spread out geographically in terms of sourcing locations (e.g., Hultman/Hertz 2011). Both H&M and IKEA, but perhaps particularly IKEA, have been the subject of a steady stream of studies on retail development and retail management, in terms of both journal articles (e.g., Cheng/Hines/Grime 2008; Elg/Hultman 2011; Ghauri/Tarnovskaya/Elg 2008; Hultman/Hertz 2011; Jonsson/Elg 2006) and doctoral theses defended at Swedish business schools (e.g., Bengtsson 2008; Jonsson 2008).

4 Inward and Outward Internationalization in the Swedish Retail Environment

Given the relative size of Sweden and its increasing maturity in terms of, for example, concentration, and although H&M and IKEA are the most well-known examples of international market expansion among Swedish retailers, other Swedish retailers have, are in the process of, or are planning to expand within Europe. Typically, Swedish retail firms start their expansion into the nearby markets of Norway, Denmark and Finland and subsequently move into central Europe. In later years, the Baltic countries seem to have become an additional bridge toward expansion into the central European countries. Retailers like ICA, Lindex, Clas Ohlson and KappAhl have all followed this path in their route to Europe. For example, after reaching a mature state in Sweden, do-it-yourself (DIY) retailer Clas Ohlson (established in 1918, www.clasohlson.se) has strategically and sequentially started its international expansion by opening stores in Norway (1991), Finland (2002) and, more recently, the UK (2008).

During the past decade, a couple of major international European players have entered the Swedish retail market and seemingly changed the rules of competition in their respective subsector. In 2010, three of the largest players were foreign retail players: Elgiganten (Norway/UK – Elgiganten is operated by Norwegian Elkjop that in 1999 was acquired by UK-based Dixons Retail), Media Markt (Germany) and Lidl (Germany). Table 3 outlines the major foreign retail actors operating in Sweden. Media Markt entered Sweden in 2006, and has become a major player in the home electronics sector in only a few years through exceptional growth in terms of market share (Market 2012). The electronics sector has thus far followed a similar pattern of international expansion as the DIY sector experienced in the 90s when, for example, the three foreign retailers K-Rauta (Finland), Silvan (Denmark) and Bauhaus (Germany) entered Sweden, followed by increased competition and relocation of DIY retail from

city centres to retail parks outside city centres. Following the aggressive development in the DIY retail sector, Silvan closed down its operations in Sweden in 2009.

Table 3: Major foreign Retailers operating in Sweden

Retail actor	Head-quarters	Market entry (year)	Outlets in Sweden in 2010	Turnover in Sweden in MSEK in 2010	Retail subsector
Elgiganten	Norway/UK	1994	69	7,781	Electronic goods
Lidl	Germany	2003	151	6,500	Grocery retailer
Media Markt	Germany	2006	19	5,970	Electronic goods
Bauhaus	Germany	1997	15	4,900	DIY
Netto	Denmark	2002	128	4,460	Grocery retailer
Intersport	Switzerland	1974	156	4,338	Sportswear
Varner retail (Dressman, Carlings, Cubus, Solo and BikBok)	Norway	1996	402	4,019	Fashion
Jysk	Denmark	1991	122	3,025	Furniture
K-Rauta	Finland	1996	20	2,480	DIY
Top Toy (BR and Toys R Us)	Denmark	1991	81	1,568	Toys

Source: Market 2012

Several other subsectors of the Swedish retail market have also been faced with internationally expanding retailers. For example, the sportswear and outdoor retail market have seen two new foreign entrants – XXL Sport & Vildmark (Norway) entered Sweden in 2010, and Decathlon (France) entered Sweden in 2011 with its first store on the Scandinavian Peninsula. The home furnishing sector, dominated by IKEA, has also seen new entrants. The furnishing retailer Jysk (Denmark) entered Sweden in 1991 and more recently, in 2010, XXXLutz (Austria), Europe's second-largest furnishing retailer after IKEA (e.g., Deloitte 2012; Hoffman/Schnedlitz 2008), opened its first store in Sweden. Although the grocery retailing sector is largely dominated by domestic actors, this sector has also seen foreign entrants, as Netto (Denmark) entered Sweden in 2002 and Lidl (Germany) entered Sweden in 2003. The Swedish branch of Netto was initially constructed as a joint venture between ICA and the Danish grocery retail actor Dansk Supermarked Gruppen A/S, but after a few years was being run independently in Sweden without ICA. In recent years, more internationally renowned retailers have entered Sweden, for example Hollister, Boots, Specsavers and Hamleys and, as already mentioned, XXXLutz, XXL Sport & Vildmark and Decathlon.

5 Toward Sustainable Retail – The Case of Sweden

Recent research increasingly emphasizes the role of corporate social responsibility (CSR) as a key factor in the market positioning of retailers (e.g., Ganesan et al. 2009). Previous studies have argued that Scandinavian firms, and perhaps Swedish firms in particular, are progressive in their CSR practices (e.g., Strand 2009). Given the relative size of the domestic market, many Swedish retail firms have sought growth through internationalization. One important, but too often disregarded, aspect of internationalization in retail studies is the increasing degree of international sourcing practices. The typical motive behind international sourcing is cost. For example, Cronholm/Hedlund (2006) report that import from China to Sweden has tripled over the past decade, and that much of this increase can be credited to the retail industry. In the wake of this development come issues concerning sustainability, since many retailers buy from suppliers in developing countries, which are more difficult to monitor and manage due to geographical and cultural distances. During the past few years, Sweden has experienced increasing media coverage and specific investigations of corporate responsibility and sustainability (e.g., SwedWatch 2005, 2009).

Since the typical retailer's operations are focused on distribution rather than production, managing sustainability through supplier relationships becomes a critical task. Among the Swedish retailers that have been studied with regard to CSR, IKEA seems to stand out both as best practice and as the most studied retailer (e.g., Andersen/Skjøtt-Larsen 2009; Elg/Hultman 2011). Based on a benchmark study by Elg/Hultman (2011), which finds that retail subsector belonging appears to have an important impact on the deployment of CSR practices among retail firms in Sweden, it also seems that the drive toward sustainable retail comes from domestic competition rather than foreign excellence, which perhaps corroborates the view of progressive Scandinavian supply chain practices as proposed by Strand (2009). However, Elg/Hultman (2011) note that a significant share of the Swedish retail sector does not follow best practice. The study aims at depicting the extent to which IKEA is followed by retailers through a survey of a sample representing the largest Swedish retail firms. While most firms have created a structure and a bottom line in formulating a code of conduct and approach CSR in their international supplier relationships, few retailers seem to provide systematic reporting of CSR performance and practices according to the UN Global Compact, as outlined in Table 2. Firm size has previously been argued to be an important factor driving the development of the deployment of CSR practices (Perrini/Russo/Tencati 2007; Rahbek Pedersen 2009). However, the benchmark by Elg/Hultman (2011) shows that firm size is a weaker predictor than sector belonging, at least among Swedish firms. The finding that CSR practices in Sweden vary over subsector clearly calls for further investigation. Elg/Hultman (2011) provide several possible explanations. For example, firms in lagging sectors do not always seem to consider

CSR to be a critical marketing variable. Another possible explanation is that firms in some sectors (e.g., electronics) primarily work with strong supplier brands. Furthermore, some sectors have been more carefully scrutinized by media and other stakeholders, and have therefore taken further steps to secure the sustainability of their respective range (e.g., groceries and fashion).

Although Swedish consumers seem to be becoming increasingly informed about and interested in the origins, conditions for production, and environmental and social footprint of consumption, there are relatively few attempts to measure the outcomes and consumer perceptions of businesses' CSR practices in the Swedish retail sector. One such example is the study by Anselmsson/Johansson (2007) on Swedish grocery retail consumers' perceptions of three types of responsibility: environmental, human and product. They found that product responsibility has the greatest impact on the retailer's overall CSR image, and that human responsibility has the greatest impact on customer purchase intentions. Notably, the study by Anselmsson and Johansson also indicates that environmental sustainability exerts the least impact on both overall CSR image and purchase intentions.

In a recent survey by IDG Research (IDG 2012), several retailers were listed as top performers when consumers were asked to rank CSR practices among businesses. The results of the survey show that three of the largest retailers in Sweden – Coop/KF, ICA and IKEA – are at the top in terms of businesses' perceived sustainability among consumers. It should be noted, however, that the consumer's perception of sustainability practices does not necessarily reflect actual performance and practice. Although IDG Research produces an interesting list and, at the end of the day, what consumers perceive is what matters, one must also keep in mind that the results should be seen in the light of the efforts put into communicating and positioning a brand as a sustainable one.

6 The Demand Side of the Swedish Retail Sector

An array of publications point toward on-going and important changes in consumption patterns in society (e.g., Solomon et al. 2010). From a consumer culture point of view, Sweden has been described as ideal in terms of both developing trends and adapting to trends from abroad (Invest:Sweden, 2011). In this section, the focus is on four aspects of change on the demand side of the Swedish retail sector: demographic changes in the Swedish population; the changing role of consumption in Swedish society and its effects; and, finally, the use and spread of new technology and its implications on the Swedish retail landscape.

The Swedish retail institute HUI regularly tracks and analyses the retail sector in Sweden, and in several reports has focused on the development in the retail sector as well as on consumption and consumption patterns (e.g., HUI 2010; HUI 2011). For example, a recent study on the retail climate in Sweden points toward a general trend in terms of increasing disposable incomes, leading to increased private consumption but increasing degrees of the debt among Swedish consumers (e.g., HUI 2011). One important condition for retail development is the changing demographics of the retail market. Based on the findings by HUI, one could conclude that the Swedish retail market consists of a simultaneously growing and ageing population with increasing consumption ability and increasing demands. The Swedish population is growing steadily, mainly due to high life expectancy, and the population density is becoming more and more concentrated to the three major urban areas of Stockholm, Goteborg and Malmö (HUI 2010) while rural areas are becoming increasingly depopulated. As a consequence of the growing populations in these three areas, it is also here that retail is growing faster than in other parts of Sweden (HUI 2011).

During the past decades, the Swedish retail sector has experienced an increasing degree of development of retail parks and retail centres. Retail parks are typically situated on the outskirts of larger cities, with one or a few anchor stores (typically IKEA) that attract a large and steady stream of customers. The development of retail parks is controversial since it creates a viable threat to retailers situated in city centres (HUI 2011). In recent years, competition between retail parks has also created a few casualties in terms of dead retail space – a natural consequence of the aggressive establishment of retail parks and retail centres in the main urban areas. One possible interpretation of the fast-growing development of retail parks, particularly in areas with high density population, is that consumers expect a retail experience to provide more than just a product-based offering. For example, a study by Bäckström/Johansson (2006) finds that Swedish retailers' use ever more advanced techniques in order to create in-store enhancing experiences for their consumers typically draws on traditional values associated with the retail experience such as personnel behaviour and store design. Although Sweden has a few examples of thematic retail parks with more or less fascinating design and some experiential offerings, the path to a Mall of America or a Mall of the Emirates is still long.

The diffusion of new technology (e.g., Internet, Smartphones) has certainly influenced not only the everyday life of many Swedes in general, but also consumption in particular. Sweden is often highlighted as a country with a well-developed IT infrastructure and generally high e-readiness (e.g., Economist 2009; Findahl 2011). According to a recent study by Price Waterhouse Coopers (PwC 2012), almost every second Swedish consumer makes online purchases regularly. The most significant change is perhaps not in the actual purchase but rather the behaviour, in terms of comparing retailers' offerings before actually visiting the store. A study

by Findahl (2011) shows that searching for product-related information and comparing prices are among the most common Internet activities in Sweden. The most common consumer goods purchased online are, not surprisingly, books, music, apparel and electronic appliances (PwC 2012), and some retail sectors in Sweden have been more affected by international competition enabled by access of new technology than others. The change in consumer patterns is also visible in terms of adaptations on the supply side. For example, several book retailers (e.g., Akademibokhandeln) have adapted to these changes in consumption patterns and new Internet-based retailers have emerged (e.g., CDon, NetonNet, Nelly, Lekmer).

7 Concluding Remarks

Sweden is, indeed, an interesting and dynamic retail marketplace. The retail sector is, and will in the years to come continue to be, an important economic engine in the Swedish economy. The Swedish retail sector has experienced significant growth for more than a decade and in this respect outperformed most other Western European countries. The international success of IKEA and H&M provides evidence that a Swedish retail model is competitive in an international context, and is an important benchmark for other Swedish retailers with the ambition to grow through international sales market expansion. Although IKEA and H&M indeed are unique cases of international success, other Swedish firms seem to strive to follow their path. A common denominator among the Swedish retail firms that currently are seeking international market expansion seem to be to combine the low cost (i.e., more-for-less) approach with an efficient duplicable, sensitive and thoughtful growth strategy (i.e., low cost, but not at any cost) - a strategy that has shown to be successful for both IKEA and H&M for decades.

Despite its relative size, Sweden has shown to be a bridge to market expansion into the Scandinavian Peninsula and into Northern Europe at large. It is likely that the Swedish retail environment will continue to internationalize in the years to come, in terms of both inward and outward international expansion. In some sectors, like the grocery sector, where the concentration of supply provides little room for new actors, new entrants are less likely to appear. But in other sectors, like the apparel sector, where the concentration of supply is low, several new entrants have already announced their interest in Sweden. For Swedish retailers, seeking growth abroad is a natural step. For those that have already started on their way toward internationalization, and due to the economic crisis in many parts of the European continent, it is likely that an increasing number of retailers will seek growth outside central Europe (e.g., Deloitte 2012).

The demand side of the Swedish retail market consists of a simultaneously growing and ageing population with increasing consumption ability and increasing demands, and population

density is becoming increasingly concentrated to the three major urban areas of Stockholm, Goteborg and Malmö. In the wake of this development, the Swedish retail sector has experienced an increasing degree of development of retail parks and retail centres. It is most likely that this trend will continue, alongside the tendency of the large actors anchoring the retail parks growing even stronger in terms of market shares. However, in some sectors where the concentration is high, it is likely that small specialists will be able to compete locally (e.g., locally produced food, international food specialists).

During the past few years, Sweden has experienced increasing media coverage and specific investigations of corporate responsibility and sustainability (SwedWatch 2005). Such investigations have created both increasing managerial support to act proactively regarding sustainability issues as well as increasing interest among consumers in the origins, conditions for production, and environmental and social footprint of consumption, which will most likely lead to further managerial attention to social and environmental responsibility in the retail sector in the years to come.

Notes

- [1] Axstores operates in several subsectors
- [2] Estimation made by the authors

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