

# To brand or not to brand Country-of-Origin

Case Studies of



and

# REPUBLIC OF **Fritz Hansen**<sup>®</sup>

Copenhagen Business School, April 2012

Master's thesis by Cathrine Risum

Cand.ling.merc – English and Intercultural Market Studies

Supervisor: Mads Mordhorst, Department of Management, Politics and Philosophy

Number of standard pages (of 2.275 characters): 79,7 (181.370 characters)

## **Resumé**

### **At brande eller ikke at brande Country-of-Origin – Casestudier af IKEA og Republic of Fritz Hansen**

Sveriges image er så positivt at det drager nytte af Danmarks image. IKEA's eksplicitte brug af nationale elementer i deres markedsføring kan ses som en af hovedårsagerne til Sveriges popularitet. Derudover har et tæt samarbejde med den svenske stat resulteret i, at IKEA på mange områder er blevet en repræsentation af den svenske nation og dets værdier. Danske virksomheder fravælger i høj grad at markedsføre deres national identitet. Fritz Hansen har tidligere trukket kraftigt på den danske nationalitet, da møbelvirksomheden var en del af de danske moderne møblers storhedstid i perioden 1940-1970. Med lanceringen af ”Republikken” gik Fritz Hansen fra at være en dansk møbelvirksomhed til at være et globalt brand. På trods af at Fritz Hansen på mange måder har fravalgt at brande deres nationale identitet, kommunikerer de stadig at deres design filosofi bygger på filosofien bag dansk moderne design.

Den overordnede problemformulering i dette speciale handler om, hvordan det kan være, at det bliver ved med at være en fordel for IKEA at brande en tydelig national identitet, mens benyttelsen af national identitet i Fritz Hansens tilfælde er blevet mere uklar. Specialet bygger på casestudier af IKEA og Republic of Fritz Hansen, samt en komparativ analyse af casene. I begge casestudier er der et særligt fokus på det amerikanske marked, da forbrugeres sociokulturelle virkelighed påvirker hvordan de opfatter virksomhedernes fortællinger. I casestudiet om IKEA argumenterer jeg for, at virksomhedens succes i høj grad bygger på den konsekvente og gennemførte måde hvorpå IKEA kommunikerer deres værdier. Min empiriske undersøgelse viser, at IKEA har et overordnet værdisæt i form af familie og nation, som omkranser de økonomiske, sociale og miljømæssige værdier i virksomheden. Samtlige aktiviteter og kommunikerede beskeder om virksomhedens brand identitet kan føres tilbage til dette overordnede værdisæt, som afspejler den svenske livsstil og velfærdsstat. I casen om Fritz Hansen viser mine undersøgelser, at der er mange konflikter i de beskeder virksomheden sender vedrørende deres brand identitet. Ideen med at lancere republikken var at virksomheden kunne blive et kendt brand, og ekspandere internationalt gennem samarbejder med internationale designere. Fritz Hansen trækker dog primært stadig på succesen fra deres danske moderne møbeldesigns, og det tyder på, at der er nogle modstridende elementer i forhold til hvad deres brand identitet er, samt hvordan de skal kommunikere den brand identitet ud til forbrugerne. Samtidig tyder det på, at de i højere grad er ved at blive et nostalgisk brand i stedet for det globale brand de gerne vil være. Jeg påstår, at disse konflikter har været en medvirkende faktor til, at Fritz Hansens brug af national identitet som en del af deres branding strategi, er blevet uklar. Co-

branding er en vigtig del af både IKEAs og Fritz Hansens branding strategier, og i den komparative analyse gør jeg brug af kategoriseringsteorien, som et teoretisk grundlag for co-branding.

Derudover falsificerer mine undersøgelser, til en hvis grad, Wally Olins tese om at nationale brands er ved at uddø, da IKEA's branding af nationalidentitet kun er blevet stærkere med årene.

IKEAs og Fritz Hansens forretningsstruktur er formet efter den sociokulturelle udvikling som Sverige og Danmark har gennemgået. Dermed kan de to landes sociokulturelle baggrund ses som en medvirkende faktor til hvordan de to virksomheder markedsfører deres identitet. IKEAs forretningsstruktur bærer præg af et historisk stærkt samarbejde mellem staten og erhvervslivet, samt en tidlig interesse i industri som det foretrukne erhverv. Historisk har Danmark skiftet mellem liberale og kooperative ideologier, og dette ses tydeligt hos Fritz Hansen. På den ene side brander virksomheden sig som en global republik, mens de på den anden side indgår samarbejde med staten, og trækker på deres ”danskhed”, ved at fortælle om deres tætte forbindelse til dansk designtradition. Ligeledes kan republikken ses som værende kooperativ, da de færdige produkter er resultatet af et samarbejde mellem Fritz Hansen og den enkelte designer, mens designerne repræsenterer et liberalt element, da de ikke er en del af virksomheden. Hermed forbliver den danske ”småt er godt”-mentalitet intakt i virksomhedsstrukturen. IKEA bliver en internationaliseret virksomhed nogenlunde samtidig med at dansk designs storhedstid slutter. Her begynder IKEA at brande den samme design filosofi som danske moderne møbler var baseret på, nemlig demokratisk, simpelt og funktionelt design. De to virksomheders demokratiske fortælling har dog forskellige betydninger, da IKEA's demokratiske design er baseret på billige, masseproducerede møbler til masserne, mens det i Fritz Hansens tilfælde bygger på traditionelt håndværk og lokalt samarbejde. Mine undersøgelser tyder på at branding af oprindelsesland er vigtigt for både IKEA og Fritz Hansen, men det er i højere grad en kategori der symboliserer kulturelle værdier end det er en kvalitetskategori. Dermed er det fortællingerne og de værdier som de symboliserer, der er vigtige at kommunikere ud til forbrugerne.

## Table of Contents

<b>1. INTRODUCTION</b>	<b>6</b>
<b>2. RESEARCH QUESTION</b>	<b>7</b>
2.1 ELABORATING RESEARCH QUESTIONS.....	7
2.2 ELABORATION AND DELIMITATION OF RESEARCH QUESTIONS.....	8
<b>3. EMPIRICAL FIELD</b>	<b>8</b>
3.1 PAST RESEARCH.....	9
<b>4. THEORETICAL FIELD</b>	<b>10</b>
4.1 THEORY OF CATEGORIZATION .....	11
<b>5. METHODOLOGY</b>	<b>12</b>
5.1 METHODOLOGICAL APPROACH.....	12
<b>6. CONCEPTS</b>	<b>13</b>
6.1 NATION BRANDING.....	13
6.2 COUNTRY-OF-ORIGIN.....	15
<b>7. IKEA CASE STUDY</b>	<b>19</b>
7.2 COMMUNICATING ATTRACTIVE VALUES.....	19
7.3 IKEA'S BRAND COMMUNICATION IN-STORE.....	20
7.3.1 VISUAL, AURAL AND TACTILE DIMENSIONS IN-STORE.....	21
7.4 THE IKEA CATALOGUE .....	26
7.5 THE SWEDISH CONNECTION.....	27
7.6 COMMUNICATION OF BRAND IDENTITY AND VALUES.....	29
7.6.1 IKEA NARRATIVES.....	30
7.6.2 THE SAGA.....	31
7.6.3 ANALYZING THE SAGA.....	31
7.6.4 ANALYZING THE IKEA VALUES .....	33
7.7 COMING TO AMERICA.....	34
7.8 SUMMARY.....	36
<b>8. REPUBLIC OF FRITZ HANSEN CASE STUDY</b>	<b>38</b>
8.1 COMPANY HISTORY.....	39



8.2 DANISH MODERN NARRATIVES.....	40
8.3 CO-BRANDING DENMARK AND DANISH MODERN .....	40
8.4 DANISH MODERN IN THE UNITED STATES.....	41
8.5 THE TRANSITIONAL PHASE.....	43
8.6 FRITZ HANSEN BECOMES A GLOBAL BRAND.....	43
8.7 BRAND COMMUNICATION IN THE SHOWROOM.....	46
8.8 SHOP-IN-SHOP.....	49
8.9 PUBLICATIONS.....	50
8.9.1 THE MAIN CATALOGUE.....	50
8.9.2 THE REPUBLIC MAGAZINE.....	51
8.10 CONFLICTING MESSAGES IN THE REPUBLIC BRAND.....	54
8.11 SUMMARY.....	54
 9. SOCIO-CULTURAL BACKGROUND OF SWEDEN AND DENMARK.....	 56
9.1 SWEDEN.....	56
9.2 DENMARK .....	56
9.2.1 CO-OPERATIVE AND LIBERAL TENDENCIES IN FRITZ HANSEN'S BUSINESS STRUCTURE.....	57
 10. COMPARATIVE ANALYSIS OF IKEA AND FRITZ HANSEN.....	 58
10.1 CATEGORIZATION AND CO-BRANDING.....	59
10.2 PROS AND CONS WHEN BRANDING COUNTRY-OF-ORIGIN VERSUS A GLOBALIZED BRAND STRATEGY.....	61
10.2.1 PERCEIVED QUALITY AND CULTURE.....	64
10.3 IKEA TAKE OVER.....	65
10.4 IKEA AND FRITZ HANSEN'S DEVELOPMENT IN FIGURES.....	66
10.5 SUMMARY.....	68
 11. CONCLUSION.....	 70
 BIBLIOGRAPHY.....	 72
 APPENDIX 1.....	 78
 APPENDIX 2.....	 79
 APPENDIX 3.....	 80

## 1. Introduction

Not only do we Danes tend to compare ourselves to our Swedish neighbours in many respects, it may also be difficult for global consumers to tell our countries and products apart. Instead we end up in this ‘Scandinavian box’ where our countries and national products are mixed together.

Nevertheless, it seems to me that global consumers tend to equate Scandinavia and Scandinavian brands with Sweden, including brands that in fact are Danish. Simon Anholt confirms my suspicion in his comment to the news website The Swedish Wire on Sweden’s position as number ten in the Nation Brands Index 2010:

*Sweden is certainly one of the most admired countries on the planet: it’s the only Nordic country that nobody confuses with any of the others, and it ranks well above the others. Sweden’s image is so good, that anything good or remarkable that anybody does in Denmark or Finland or Norway or Iceland automatically accrues to Sweden’s benefit: it’s a sort of feudal reputation tax. (Nation Branding).*

So, what is it about Sweden and its national products that outshine Denmark and Danish national products? One of the main reasons might be the Swedish company IKEA and their huge success in branding their country-of-origin. IKEA have enormous success on the global market and, due to co-branding with their home nation, everybody knows that the company are Swedish (Ørholst, 2011, p. 24). Few of the big Danish companies use country-of-origin as a branding strategy. Instead they tend to use a global strategy where they become local institutions in the areas in which they operate. Both Carlsberg and LEGO use this strategy (Ørholst, 2011, p. 24). However, when it comes to Danish furniture design the brand strategy is somewhat different. Fritz Hansen are the producer of national furniture icons, such as Arne Jacobsen’s Egg chair and Hans J. Wegner’s China chair. These designs were extremely successful and placed Danish design on the global map (Hansen, 2010, p. 89). Despite the success of these products, there was no focus on the company and to this day, many consumers do not recognize the name Fritz Hansen. About twelve years ago Fritz Hansen started changing their strategy towards becoming a global brand. As a result, they started working with international designers and changed their name to Republic of Fritz Hansen (1. Republic of Fritz Hansen).

This dissertation is build around the case studies of IKEA and Fritz Hansen and their branding strategies. I have chosen IKEA as one of my case studies because they are one of the strongest and most successful examples of companies who brands their country-of-origin. Equally, I find Fritz Hansen an interesting case because, despite their national legacy, they have chosen to change their

branding strategy towards being more global. In the cases I provide a special focus on the US market. I have chosen to do this because of the big impact both Swedish and Danish furniture design have had on the US market. Danish Modern design had a big impact on the social conditions of certain consumer groups in the United States. Even though the design messages of simplicity and democracy are not as ground-breaking today as when the products first entered the market, the messages and narratives attached to the designs are still strong. Equally, IKEA are expanding rapidly on the US market, which indicates that their narratives are strong as well. Ultimately, a special focus on how IKEA and Fritz Hansen brand themselves on the US market will provide the two cases with an interesting market aspect.

In the thesis I will also take a closer look at Denmark's and Sweden's socio-cultural background. I have chosen to do this because, even though the global consumer may find it difficult to distinguish between the two countries and the origins of the products, they are in fact quite different. Historically, in Denmark we have preferred agricultural occupation and when it came to industrial manufacturing, we had a shopkeeper approach. Thus the basic mentality was that small was good and large was bad. In Sweden it was the other way around. Industrial manufacturing was the preferred occupation and the mentality was therefore, large is good, small is bad. These fundamental differences in social understanding may be a contributing factor to the different company structures and may also shed light on the companies' different branding approaches. This brings me to the overall research question, which is presented in the next section.

## **2. Research question**

*How come utilizing an explicit national identity as a branding strategy continues to be an advantage for IKEA but has become blurred in the case of Fritz Hansen?*

### **2.1 Elaborating research questions**

In order to answer the main research question, I have constructed some elaborating questions which purpose is to encircle the field of investigation and clarify the concepts which will form part of my research:

- *How do IKEA and Fritz Hansen communicate brand identity to consumers?*
- *How do IKEA and Fritz Hansen utilize national identity and the values associated with their national identity when branding their companies?*

- *What are the pros and cons when using a country-of-origin branding strategy versus a globalized branding strategy, where country images are less explicit?*
- *How has the socio-cultural background of Sweden and Denmark influenced the way IKEA and Fritz Hansen communicate their brand identity and utilize national identity?*

## **2.2 Elaboration and delimitation of research questions**

As indicated above, there will be a special focus on the US market in the case studies. I provide this special focus because understanding the socio-cultural context of consumers in the receiving country is important when a company wants to succeed in communicating its brand identity. However, my work is limited by the fact that I have not been to the US to conduct an empirical study. Instead the focus describes IKEA's journey from when they first entered the market up till today. In Fritz Hansen's case, the success of Danish Modern furniture design on the US market is described. Thereby, the US focus is an example of how IKEA's narratives and the narratives of Danish Modern have affected the US consumers. The two case studies deal with the companies' communication of brand identity and national identity to private customers within relevant segments. Furthermore, the focus of the case studies is branding strategies in regards to country-of-origin and national identity. This means that I will not be examining and discussing other factors within the companies, such as company financial policies, employment policies etc. However, I have conducted some graphs with key figures from IKEA and Fritz Hansen, in order to see how the two companies have developed over the past ten years. These graphs will be discussed briefly in the comparative analysis. In addition, the concept of national identity will be examined in connection with how the companies use national identity as a part of their branding strategy and not how national identity occurs. Finally, I refer to IKEA and Fritz Hansen as groups and thereby in plural form.

## **3. Empirical field**

The basic empirical data in the dissertation is secondary data, which consists of academic literature, in the form of books and articles on nation branding, country-of-origin, country image, national identity, Danish Modern and the socio-cultural history of Sweden and Denmark. In regards to the countries' socio-cultural background I mainly draw on the work '*Creating Nordic Capitalism*'. The empirical data will also include secondary qualitative and quantitative data from IKEA and Republic of Fritz Hansen and data on the companies written by scholars and other professionals. This data includes annual reports, website data, case studies, company catalogues and magazines,

etc. The dissertation will be seen from the companies' perspective; how they communicate brand identity and how they use national identity when branding their companies. Therefore, the empirical study will not include a primary quantitative analysis, as I will not be collecting and analysing statistical data. Neither will it include perception analysis unless made by the companies themselves, as I will not be researching and analysing the views of existing or potential customers, stakeholders or other potential actors' perception of the companies. An essential part of IKEA's and Fritz Hansen's brand communication is found in-store and in the companies' catalogues and magazines. Consequently, the empirical research in the case studies will also include an examination and analysis of brand communication in-store and in company publications.

### **3.1 Past research**

National images and their effects is a field of research that has been around for a long time and the material is vast. The first studies of Product Country Image (PCI) were examined in a seminal literature review by Bilkey & Nes in 1982 and this became the start of a broad research interest in the field (2002, p. 296). Jaffe & Nebenzahl define PCI as '*the image of a country as a production location of the relevant product components incorporated in products*' (2001, p. 28). However, even though the concept of PCI was invented in 1982 the research of national images goes further back than that. Papadopoulos and Heslop's research group have created a comprehensive database which shows that the research in a product's country-of-origin or PCI consists of over 750 major publications conducted over the past 40 years by 780 authors (2002, p. 294). The vast amount of material include many different research methods like surveys, experiments and conjoint analysis that has been used to determine the effects of country-of-origin. Mostly, country-of-origin is used as an independent variable, while the attitudes towards a country's product serve as the dependent measure. Perceived quality has also been used as a dependent measure (Kotler & Gertner, 2002, p. 252). One of the key findings in the research field suggest that, based on multiple-cues studies, the relative importance of country-of-origin often is more influential than price, dealer reputation and even brand name (Papadopoulos & Heslop, 2002, p. 298). This find might support the idea of using perceived quality as dependent variable in country-of-origin research. If price is seen as less important to consumers when buying a product that emphasizes country-of-origin, they must presume that the product is of high quality. Similarly, Jaffe & Nebenzahl found that the lower image a country has, the greater price discount customers' expect (Papadopoulos & Heslop, 2002, p. 298).

Cultural dimensions such as individualism and collectivism and ethnocentrism are also some of the different dimensions that have been investigated in connection with the country-of-origin effect.

Individualism and collectivism have been used to explain why consumers prefer domestic products to foreign ones, even when they have been told that the foreign product is of better quality (Kotler & Gertner, 2002, p. 253). Some researchers claim that country-of-origin effect can only be understood in connection with ethnocentrism, i.e. when you measure all other cultural groups in relation to your own. According to Kotler & Gertner, most studies using the concept of ethnocentrism apply the CETSCALE developed by Shimp and Shama (2002, p. 252). With CETSCALE you can measure consumers' ethnocentric tendencies when it comes to buying foreign versus domestic products (Shimp & Sharma, 1987, p. 281). A non-cultural dimension that has been investigated as a contributing factor of country-of-origin effect is motivation. According to this research, country-of-origin effect is more likely to occur when consumers are under low motivation (Kotler & Gertner, 2002, p. 253).

#### **4. Theoretical field**

The overall theoretical field in the thesis is nation branding and country-of-origin. The two concepts are connected, however they are often mixed up. In nation branding nations use domestic companies to strengthen their brand, contrary to country-of-origin where nations are used as a means for the companies to strengthen their brand. Nation branding and country-of-origin are two distinct concepts within the theoretical field and this dissertation will, consequently, be dealing with country-of-origin.

There are several key players within the academic field of nation branding and country-of-origin. The key players include Eugene D. Jaffe & Israel D. Nebenzahl, Simon Anholt, Wally Olins, Keith Dinnie, Philip Kotler & David Gertner and Nicolas Papadopoulos & Louise Heslop. With the book *National Image and Competitive Advantage: The Theory and Practice of Country-of-Origin Effect*, Jaffe & Nebenzahl seek to integrate the large amount of literature relating to country-of-origin and country image in order to place more focus on the strategic implications of the country-of-origin effect (Keith Dinnie, 2002, pp. 1+3). Simon Anholt is important to mention in this field, as he was the first professional to use the term *nation branding*. In the dissertation I will refer to Anholt's work but reject his claim that country-of-origin is dominated by nation branding. Wally Olins made a prediction in his book *On Brand*, where he claims that, except in very few areas, country of origin is dying (2003, pp. 146-147). With the case of IKEA and, to a certain extent, Republic of Fritz Hansen, I will try to prove him wrong; that country of origin is not dying but simply changing form. In this thesis, I draw on and discuss the studies of these key players. I will do so in order to support the empirical findings of the case studies and ultimately be able to answer my research questions. In

the following section I will take a closer look at the theory of categorization proposed by Jaffe & Nebenzahl.

#### **4.1 Theory of categorization**

In their work mentioned above, Jaffe & Nebenzahl describe the *theory of categorization*. The theory, originally found in Bruner, Goodnow and Austin's publication *A Study of Thinking* from 1956, explains the basic learning processes involved in the perception of objects like products and services (Jaffe & Nebenzahl, 2001, p. 13). Learning processes occur because the individual constantly receives a lot of signals from the world around it. The individual chooses to focus, remember and react to only a small part of the information received and thereby ignore the rest (Jaffe & Nebenzahl, 2001, p. 14). Categorization consists of two parallel mental processes; abstraction and generalization (Jaffe & Nebenzahl, 2001, p. 14).

*Abstraction:* the process deals with the creation of categories and the placement of objects in categories. When an object is classified within a category, some of its properties stay in the category, while others are ignored (Jaffe & Nebenzahl, 2001, p. 14).

*Generalization:* once an object has become part of a category, all the properties in the category are then ascribed to the object. This happens even when some of the properties might not be valid in regard to the object (Jaffe & Nebenzahl, 2001, p. 14). The assumption is that categorizing similar objects together enhance information processing and the organized knowledge structures enable us to identify new items. We may then respond to these new items in terms of their class and make evaluative judgements (Jaffe & Nebenzahl, 2001, pp. 14-15). According to Jaffe & Nebenzahl, brand name and country-of-origin may be regarded as such categories that convey properties to new products, which ultimately lead to consumers' making evaluative judgements (2001, p. 15).

Jaffe & Nebenzahl present two ways of categorizing: identity and equivalence. In identity categorization, differences in details within the same entity are identified. In equivalence categorization, things that in fact are different are conceived as being similar, because they belong to the same class (Jaffe & Nebenzahl, 2001, p. 15). Jaffe and Nebenzahl also mention two alternative theories of the categorization process, which was previously suggested by Alba & Hutchinson: the holistic and analytic processes. Holistic processing refers to classifications that are based on overall similarity, no matter if it is relevant in the situation or not. In analytical classifications, particular attributes specify class membership while others are ignored (Jaffe & Nebenzahl, 2001, p. 16). Empirical evidence shows that time pressure, lack of motivation, stimulus

complexity and incidental learning conditions facilitates holistic processing. Jaffe & Nebenzahl stress that this evidence is extremely important to the study of country image (2001, p. 16).

In the comparative analysis of IKEA and Fritz Hansen, I will apply the theory of categorization to the concept of co-branding, as co-branding is an important part of both companies branding strategies.

## 5. Methodology

### 5.1 Methodological approach

The study method in the thesis is the conduction of case studies of IKEA and Republic of Fritz Hansen. The purpose of the case studies is to examine the companies utilization of national identity as part of their branding strategies. The reason for choosing case studies is to provide a practical approach to the large amount of theoretical work within the field of country-of-origin. Robert Yin defines case studies in his work *Case Studies – Design and Method* like this:

*A case study is an empirical inquiry, in which:*

*-Focus is on a contemporary phenomenon within its real-life context & boundaries between phenomenon and its context are not clearly evident*

*➔ Suitable for studying complex social phenomena*

*-Procedural characteristics in the situation include: Many variables of interest; multiple sources of evidence; theoretical propositions to guide the collection and analysis of data*

*-Types of case studies might be: explanatory; exploratory; descriptive*

*-Designs can be single- or multiple-case studies*

*-Used methods can be qualitative, quantitative, or both*

(1994, p. 1).

Yin also states that a case study's main purpose is to find specific results in one's case and then inductively endorse general knowledge (Andersen, 2009 p. 120). Induction is when we on the basis of the empirical work endorse general knowledge, as opposed to deduction where we on the basis of general knowledge conclude on single events (Andersen, 2009, p. 35).

This thesis will, consequently, be dealing with two companies and the case study design is therefore, what Yin refers to as, 'multiple-case studies' (Andersen, 2009, p. 118). The method of investigation in the dissertation will mainly be explanatory, as I wish to investigate how come utilizing national identity continues to be advantage for IKEA, while it has become blurred in the case of Fritz Hansen. Equally, I wish to investigate how both companies communicate brand identity to consumers, and how they use national identity as a part of their branding identity. The



explorative method also supports the purpose of the case studies as the purpose of this method is to endorse general knowledge (Andersen, 2009, p. 23). Ultimately, the companies, and not the countries in which the companies descend, will be the centre of the analysis in connection with country-of-origin. However, as mentioned in the introduction, I will also be examining the socio-cultural background of Denmark and Sweden. I will do this in order to investigate how the countries' different business systems have influenced the way in which the companies brand themselves. Furthermore, in order to provide an interesting market aspect, there will be a special focus on how the two companies brand themselves on the US market. Ultimately, academic literature will provide background information and theories which I will use to conduct a comparative analysis and discussion based on the empirical data I collect from IKEA and Fritz Hansen.

## **6. Concepts**

In the following section, I will provide a description of the key concepts, which will be used throughout the thesis.

### **6.1 Nation branding**

The basic concept of nation branding and a detailed discussion on governments' constant attempt to gain prosperity and influence on the global scene is beyond the scope of this thesis. However, as an introduction to my topic, I will briefly touch upon the subject of nation branding as the branding of national identity, together with brand identity, is a fundamental element in my thesis. Nation branding is a very broad concept and can be seen as a result of the interaction between the academic fields of national identity and country-of-origin (Dinnie, 2008, p. 20). It is important to keep in mind however, that nation branding regards country-of-origin differently than country-of-origin regards itself. Namely that country-of-origin is a tool to promote countries' nation branding.

The American Marketing Association defines a brand as a *'name, term, sign, symbol, or design or a combination of them intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of competition'* (Kotler & Gertner, 2002, p. 249). Dinnie defines nation branding as *'the unique, multidimensional blend of elements that provide the nation with culturally grounded differentiation and relevance for all its target audiences'* (2008, p. 15). The main differences between a traditional brand and nation branding are therefore the cultural dimension which, according to Anholt, is essential in nation branding (2002, p. 235). In addition, nation branding deals with the nation as a whole and not a limited range of products. Ultimately, we

use the images of nations to make sense of the world around us by associating them with various objects, experiences and products (Papadopoulos & Heslop, 2002, p. 295). We categorize these images, symbolize them or process new information we receive about them. However, perception of images is individual and may result in stereotyping; *'the process of generalizing to an entire class of objects from a limited number of observations'* (Papadopoulos & Heslop, 2002, p. 295).

Branding the nation is a new concept but not a new idea. Even though the procedures are new and more insistent than before, the ideas of national image, national identity and national reputation, and what they encompass, have been around since the beginning of nations. The perpetual goal is *'to project a clear, consistent, ideologically dominated national identity'* (Olins, 2003, p. 152). In order to achieve this goal, many nations have spent an incredible amount of time and capital in building a national identity both at home and abroad (Olins, 2003, p. 152).

As globalization increases so does the competition amongst the nations and new methods are needed in order to attract inward investment, exports and tourism. With increased business investments and exports etc., governments expect the creation of new jobs and economic growth, which ultimately will lead to an overall improved economy for the countries (Kotler & Gertner, 2002, p. 257). To achieve their goal, many nations have adopted the marketing and branding techniques used by global companies. By using these tools, the idea is that a nation can promote its individual personality, culture, history and values for both economic, commercial and political purposes (Olins, 2003, pp. 158-159). Thus, as a part of its strategic management approach, a nation will focus on some industries, personalities, historical events etc., which will then become the basis for its branding and storytelling (Kotler & Gertner, 2002 p. 259). In the near future, brand management will become more and more common and a successful brand will be a must, if nations wish to be a part of the global scene (Olins, 2003 p. 169).

An important part of nation branding is trying to control the messages that are being send out into the world. Brands, and the national identities from their country-of-origin, have always fed off each other and overlapped (Olins, 2003, p. 160). The connection between brand and country has created stereotyping in many countries which, in some cases, are damaging and distort the image that the nation wishes to portray to the outside world. So according to Olins, if a nation wants to break free of its stereotypes or show another side of its self, it has to use all the techniques of promotion and, if necessary, rebrand itself (2003, p. 160).

Anholt stresses the importance of not letting brands completely take over a nation's image and become '*the dominant channel of communication for national identity*' (2002, p. 233). By increasing focus on, for instance, a nation's foreign policy decisions and representations of national culture, we might avoid turning into, what Anholt calls, a 'gigantic supermarket' where nations are mere products on the shelves trying to attract the customers' attention (2002, p. 234). Thus, it is Anholt's belief that emphasizing culture is essential in order to enrich a country's brand image. When one looks at brands and products, countries do not differentiate that much, but culture is, as Anholt puts it, '*the direct reflection of a country's one-ness*' (2002, p. 235). The challenge is to present one's cultural achievements alongside modern ones in ways that are appealing to younger audiences. These two accomplishments combined will help portraying the spiritual and intellectual qualities of a country's people and institutions (Anholt, 2002, p. 236). Even though Anholt is critical towards the domination of brands and commercial marketing in regards to nation branding, he also stresses that some brands and products are able to communicate countries' culture in a highly efficient manner (Anholt, 2002, p. 237). The areas of nation branding that will be examined and discussed in this thesis include the cultural dimensions of a nation, national stereotyping, and national identity.

## **6.2 Country-of-Origin**

The research on country-of-origin effect addresses how national symbols and other origin cues affect buyer perceptions and attitudes towards the products and services of a specific country (Jaffe & Nebenzahl, 2006, p. 33). It thereby also deals with how marketers can use country-of-origin as a part of their branding strategy. Brand narratives generate meanings which address consumers' certain image and identity aspirations (Hansen, 2010, p. 77). Consequently, we buy certain products because we wish to portray the lifestyle image and identity that we connect with these products. In connection to this, country-of-origin effect may be an important factor.

The relationship between a product, the brand and the nation has existed for as long as goods have been traded, and even though it, according to Olins, is seen as a less important factor today the bond is still very much alive, though in quite a different form (2003, p. 136). Today, products can be made almost anywhere and their main features are increasingly standardized. So in order to differentiate their brands, marketers often use country associations (Papadopoulos & Heslop, 2002, p. 296). Equally, the traditional country-of-origin concepts no longer refers simply to product labels as place associations rarely equals place of production (Papadopoulos & Heslop, 2002, p. 296).

In many countries it is required by law to trademark your product, thereby making the country-of-origin clear. Trademarks as we know them today go back to the nineteenth-century and its purpose was to protect the property rights of national goods (Duguid et al., 2010, p. 12). Trademarks has formed the basis of a field of study on consumers' attitudes toward foreign products, and for over thirty years, the country-of-origin effect has been the object of research amongst marketing researchers, scholars and the like (Kotler & Gertner, 2002, pp. 251-252).

Back in the nineteenth century, most countries had their own plants and factories and made products primarily for their own domestic consumption. Consequently, the products had a strong national character and varied greatly from country to country (Olins, 2003, p. 136). Eventually, as international competition grew, the countries with the superior products in certain categories became the preferred advisers and distributors of these goods. However, internationalization also led to cheating, as expensive, high-quality imported products were copied (Mordhorst, 2010, p. 29). As a result, an interdependent bond was created between the flag-carrying products and the nations from which they originated (Olins, 2003, pp. 136-137).

In 1967, Ford changed the relationship between product and nation in its original sense. In order to optimize effort and avoid duplication, cars were now manufactured in several plants in countries all over Europe. Thus today, most sectors have their products made in several different countries, which means that many brands are no longer made in their country-of-origin (Olins, 2003, p. 141). Although the original relationship between product, brand and nation has changed the stories still exists (Olins, 2003, p. 137), and this provides a strong indication of just how powerful these narratives are and how much they mean to consumers. This may also be the reason why some companies use the national feeling and symbolism as a branding tool. According to Olins, *'They wish to maintain the idea of national heritage because the nation and the brands associated with it are deeply entrenched in the collective psyche'* (2003, p. 147). The narratives are primarily made from legend, myth and anecdote and are based on emotional and inconsistent attitudes towards the nation. The effects of the narratives are then transferred to the brands, and that can be quite significant for the brands' success as country-of-origin still tend to matter in many purchase decisions (Olins, 2003, p. 143). Country names and brands are often seen as synonymous and may help consumers evaluate products and make purchasing decisions (Kotler & Gertner, 2002, p. 250). Thereby, country names and images can transfer a positive reputation to a whole product category (Kotler & Gertner, 2002, p. 257), for instance Danish Modern furniture. Jaffe & Nebenzahl state

that a country's image is '*influenced by the perception of its people, level of economic development, quality of products, products in which it has comparative advantage etc.*' (2001, p. 17). These factors coincide with research showing that country equity is the reason why consumers prefer to buy products from industrialised countries (Kotler & Gertner, 2002, p. 250). Country equity refers to the emotional value that occurs when consumers associate a brand to a country (Kotler & Gertner, 2002, p. 250). Thereby, the factors that create a good image must ultimately result in a high level of country equity and the industrialised countries live up to these demands.

Kotler and Gertner claim that along with price, brand name, packaging and seller, country-of-origin has become an essential contributor when assessing attributes in product evaluations. Furthermore, research shows that consumers to a greater extent see country-of-origin as an indicator of quality (2002, p. 252). However, not all products and services benefit from the country-of-origin effect. Though there are many exceptions, it is primarily personal products such as food, drink, cars and clothes that benefit from national recognition. Interestingly enough a study from the 1990s shows that most people who claim that country-of-origin is important in purchasing decisions know practically nothing about the countries from which the products come from. Their knowledge of the countries seems to stem from the stereotypical anecdotes that have been created over the years (Olins, 2003, p. 143). These stereotypes contain a great amount of both prejudice and ignorance. They are also difficult to get rid off, because they are easy to remember and help potential customers to keep track of which products are produced where and by whom (Olins, 2003, p. 145). Most country images are actually stereotypes, because they portray simplifications of the reality, that may not even be true (Kotler & Gertner, 2002, p. 251). Stereotypes can also appear as a result of environmental factors, which a brand manager has no control over. Natural disasters, political fights and economic downturns might create a negative country image that will keep investors and tourists away. Confronting this can be a very difficult task, which is only made even more difficult by the media, that tend to constantly disseminate the country's problems (Kotler & Gertner, 2002, p. 255).

According to Olins, the national brand in its original sense is practically gone. The only exceptions are a few sectors, for instance when products are associated with particular and traditional skills or when products are made unique by the nature of the soil such as Burgundy wines and Cuban cigars (2003, pp. 146-147). On the other hand, what Olins calls, the 'fantasy national brands' (2003, p. 147) are thriving. Olins claims that nationality is, in many businesses, a sentimental view of the past

with no practical value (2003, p. 147). However, one might argue that since consumers love good stories, they do not really care that it is not real. The areas of country-of-origin that will be examined and discussed in this thesis include IKEA's and Fritz Hansen's utilization of national symbols and other origin cues, national brand narratives, and the national brand in its altered form or what Olins refers to as 'fantasy national brands'.

## 7. IKEA Case Study

IKEA are the largest furniture retailer in the world and the company are constantly continuing their global expansion (Edvardsson et al., 2006, p. 231). In the article, *Value-based service brands: narratives from IKEA*, Edvardsson et al. describe IKEA's corporate identity as '*determined by a strong culture based on well-defined company values*' (2006, p. 231). Most of the corporate values are told through narratives (Edvardsson et al., 2006, p. 234) and are therefore communicated as a part of their brand identity. With this case study I wish to uncover how IKEA communicate their brand identity to the consumers and how they utilize national identity and the values associated with their national identity, when branding themselves. As mentioned in the introduction, there will be a special focus on the US market and how IKEA have branded themselves from when they entered the market in 1985 up till today. In general, IKEA communicate their brand identity and national identity the same way in all the countries in which they operate. However, the socio-cultural circumstances of each country may influence the way consumers perceive and embrace the stories build up around these identities. Ultimately, the stories that the company portray should fit the social reality that the consumers live in. The special US focus provides an example as to how IKEA's narratives have affected the consumers on a specific market.

The case study starts out with an outlining of the three categories of values emerged from the literature and my own addition of a fourth value category, which I argue is the element that makes IKEA unique. I will then move on to IKEA's in-store brand communication based on Phillip Kotler's concept of 'atmospherics'. Next, I will take a closer look at the IKEA catalogue followed by IKEA's 'Swedish connection'. Then I will discuss IKEA's communication of brand identity and values including some of their narratives. This leads me to the story of the company, known as 'The Saga', and an analysis of the saga. This is followed by an analysis of the IKEA values, and finally I will examine the company's endeavour to succeed on the US market.

### 7.2 Communicating attractive values

In order to attract customers and preserve their loyalty, companies are constantly searching for new and better ways of differentiating themselves from competitors and creating value for customers (Edvardsson et al., 2006, p. 231). An established brand has functional, emotional and symbolic dimensions (Urde, 2002, p. 623), and a company can communicate these dimensions, that comprise its brand identity, in different ways. Consequently, to attain a strong image and brand equity, a company must communicate attractive values to its customers, for instance through quality and

ethical stance, but also through store and brand personality (McGoldrick, 2010, pp. 187-188). IKEA are a company with many well-defined values and Edvardsson et al. define three categories of values that have emerged in the literature:

1. Economic values that are related to quality, price and cost,
2. Environmental values that are connected with ecological protection, improvements and responsibility, and
3. Social values that are connected with ethical and community responsibilities and benefits (2006, p. 235).

All three categories appear as a part of IKEA's brand identity. However, I argue that in IKEA's case there is a fourth value category; a superior value that unites all the other values and which makes IKEA unique. This fourth value consists of 'family values' and 'national values' and I have chosen to call it 'Identity values'. All four value categories will appear throughout the case study and will be discussed in detail in the section called 'Analysing the IKEA values'.

As part of my empirical research, I have visited an IKEA store in Denmark in order to examine how IKEA utilize their national identity and communicate brand identity in-store. In the following section I will take a closer look at store design and use Phillip Kotler's analytical framework called 'atmospherics'. This will enable me to describe my findings and analyse the meanings and values that IKEA communicate to the customers.

### **7.3 IKEA's brand communication in-store**

In the 1980s and 1990s there was an increased focus in the retail industry on store design, and how it could become a powerful tool in the attempt to achieve image differentiation (McGoldrick, 2010, p. 453). In the literature it has been suggested that '*designs can reinforce or expand upon the values associated with a specific brand name*' (McGoldrick, 2010, p. 455). Store design includes external and internal design, fixtures, fittings and communications with the customer (McGoldrick, 2010, p. 456). The table below provides an overview of what store design may encompass.



**Table: Total visual merchandising process**

<i>Store environment design</i>	<i>Merchandise presentation</i>	<i>In-store customer communications</i>	<i>Consumer senses appeal</i>
Store facade	Major trends	Signs	Sight
Decor	Store layout	Tickets	
Walls	Presentation methods	Product information	Hearing
Floors	Assortment	Graphics	
Ceilings	organsiation	Sound	Smell
Lighting	Category co-ordination	Textures	Taste
Atmosphere	Sample displays	Entertainment	
Design Integrity		Education	Touch
Fixtures			
Communications	Featuring	Active promotions	Concept
Heating & ventilation	Lighting	Personal services	-ideas
Services	Colours	Cash points	-images
Interior partitioning	Window displays	Interactive kiosks	
Modular systems			

(McGoldrick, 2010, p. 456).

Phillip Kotler created the concept of ‘atmospherics’ as an analytical framework to store design. He defines atmospherics as:

*The conscious designing of space to create certain effects in buyers. More specifically, atmospherics is the effort to design buying environments to produce specific emotional effects in the buyer that enhance his purchase probability*  
(McGoldrick, 2010, p. 459).

According to Kotler, sensory channels can be used to describe the atmosphere of a selling environment. The four main dimensions of atmosphere, suggested by Kotler, are *visual* (colour, brightness, size, shapes), *aural* (volume, pitch, tempo), *tactile* (softness, smoothness, temperature), and *olfactory* (scent, freshness) (McGoldrick, 2010, p. 460). As most buying decisions take place in store, the store becomes an important marketing tool, and here these sensory channels play an important part in a company’s communication of its brand identity to customers. In this section I will discuss the elements of atmospherics that I experienced in-store and which I find relevant in connection with the research questions.

### 7.3.1 Visual, aural and tactile dimensions in-store

The IKEA stores are one of the company’s most visual symbols, both to people inside and outside of the company. The stores reflect IKEA’s philosophy of being ‘simple and functional’ and their cost-conscious approach. This is for instance seen by the lack of expensive building materials and adornments, such as marble and glass entrances (Salzer, 1994, p. 82). As a result of this, in her

doctoral thesis on IKEA, Salzer notes that: *'IKEA's buildings can thus be understood as deliberate symbols of the company's desired profile and strategy'* (1994, p. 82).

Visually, when visiting the store, IKEA's national identity and brand identity are quite evident and various elements contribute in telling the two most important narratives at IKEA; that of nationality and that of family. I will start out by describing IKEA's display of national features and then move on to how the company visually communicate their family values, economic, social and environmental values in-store.

At the entrance outside the store, there are placed two national flags, the Swedish flag and the national flag, belonging to the country where the store is placed, which in this case is the Danish flag. The two most important colours used by the company are the colours of the Swedish national flag; blue and yellow. As Acting Marketing Director for the UK and Ireland, Anna Crona says: *'We're very proud of our Swedish roots and style, value and heritage. One way we can demonstrate that is through our colour scheme branding'* (Turner, 14 May 2008). There is a strong sense of symbolic value as you stand outside the entrance ready to go in; you now cross the boarder into 'IKEA-land' as you would cross the boarder from Danish to Swedish territory. The Swedish national colours are also present in the brand logo, which is situated various places throughout the store. This is an important manifestation of IKEA's country-of-origin as it clearly shows the connection between IKEA and Sweden. Furthermore, the colour-scheme branding includes the employee's uniforms and the shopping bags.

There are many other national elements in-store besides the colour scheme branding. Some of the products have been designed by specific designers, whose name and picture is placed next to their product. The designers are all Swedish and underneath the IKEA logo a text says: *Design and Quality. IKEA of Sweden*. This stresses the fact that you are buying good Swedish quality design and makes the products feel more exclusive. Thus wherever you look, you get a sense of Sweden. All IKEA's products have Swedish-sounding names such as FRAMSTÅ, ALÄNG, EKTORP, etc., and the restaurant, of course, serves Swedish food. The most famous meal is Swedish meatballs with cowberry jam, however, as one of my visits to the store was at Christmas, there was also a traditional Swedish Christmas Julbord.

A trip to 'IKEA-land' is an experience for the entire family and in this setting all IKEA's values are visible. According to Pine & Gilmore, who wrote the article *Welcome to the Experience Economy*,

companies stage an experience whenever they engage the customers and connect with them in a personal and memorable manner (1999, p. 3). IKEA use *Guided shopper flows* as their store layout, and this 'yellow brick road' takes the customer's through every section of the store (McGoldrick, 2010, p. 468). The labyrinth structure thus encourages you to explore every nook and display there is. You may find yourself strolling around for hours, but that is exactly what the concept is about. IKEA want you and your children to take your time and 'hang out'; to sit on the chairs, lie in the beds, test the toys and furniture in the children's department (5. IKEA) and enjoy a meal in the restaurant. By encouraging the customers to touch the furniture, sit on the sofas, and walk on the carpets, etc., IKEA use the *tactile* sensory channel to create experience (Pine & Gilmore, 1999, p. 18). In his book called *Retail Marketing*, McGoldrick notes that touching and trying the products also provide reassurance about texture and quality, and this may increase the chance of buying (2010, p. 464). McGoldrick also states information technology as a tactile component (2010, p. 464) and IKEA have several computer stations with many different functions; some are for information searching and others for signing up to become a family club member. There are also touch-screens for children and screens where you can write suggestions on how IKEA can improve themselves. As a part of the store layout, IKEA use *co-ordinated displays* with the creation of complete room and apartment settings. Here, the products are presented in perfect environments making it easier for customers to visualize how a product functions in a total setting (Kotler, 1973, p. 56). According to research this tends to reassure the customers and stimulate sale of related products (McGoldrick, 2010, p. 473), but it also creates an experience. When you enter an apartment setting, there are pictures of, for instance, a family and a headline saying: '*Her er vores hjem!*' (Here is our home!). This is followed by a short introduction to the home, presented as a quote by the 'homeowner'. By connecting the apartment setting with the story and pictures of a family the customers actually feel as if they have entered someone's home, and they might become inspired by the great furniture solutions that this family has made. The quote can be seen as one of IKEA's many narratives and will be analysed in the section on narratives.



Children and grown-ups alike are encouraged to try the products – It is all part of the 'IKEA experience'.



Entrance to apartment display.

The most conspicuous communication tool at IKEA is the information signs that are present all over the store. This is part of IKEA's self-service concept, where you can find most of the information you may need yourself, instead of contacting an employee. For instance, the store concept is communicated on information signs; how you get around the store, how you shop at IKEA and why the customers have to collect and assemble the furniture themselves. Another sign tells the customers that, thanks to them, the prices are lower than last year. IKEA's social and environmental values are made clear by the establishment of different initiatives, and in-store these initiatives are also communicated on signs. For instance, you can support Unicef and Save the Children if you buy a teddy bear, thereby helping children in need both locally and globally, and you can dispose of environmentally damaging products and material, such as used batteries and pieces of plastic, which IKEA will then recycle for you.

Compared to the amount of customers there are not a lot of employees but that is, along with the information signs, part of the self-service concept (Moon, 2002, p. 9). If the signs are not providing the information you need, there are computer stations throughout the store where you can look up whatever you need to know. Overall, the atmosphere in the store is very laid-back and the employees are not watching your every move as you stroll around the store. Most of the employees are located at stands where you can contact them if you have a question, but they do not approach you and ask if you need any help. As a national metaphor you might say that an IKEA employee serves the function of a good public servant, who is at the disposal of the 'citizens' when they need it. It gives a sense of freedom that you can go about your own business and not being dependant on the employees to find what you are looking for. Another contributing element to the relaxing atmosphere in-store is what Kotler refers to as the *aural* dimension. Laid-back pop music comes out

of the loudspeaker as you stroll about. McGoldrick notes that slow-tempo music has been found to slow the pace of traffic flow in-store (2010, p, 462) and that is exactly what IKEA want. The music is frequently interrupted by a friendly male voice in a loudspeaker welcoming you to the store, and like the information signs, he also provides information on how you can support children through Unicef, special offers for IKEA Family members, etc.

The family-friendly IKEA have a playroom called ‘Småland’ where you can drop off the children before you go shopping. You enter the playroom through a big basket of blueberries and inside there is an ‘enchanted’ Swedish forest with spruces, giant cowberries and mushrooms. The name ‘Småland’ refers to the place in Sweden where the company originate, and in the playroom there is also a replica of the stone wall that IKEA use whenever they tell the story of their ‘Smålandian’ heritage. In the playroom the children can paint, watch cartoons, jump and climb around under authorized supervision (5. IKEA). Besides creating an experience for the children IKEA send an important message of family values such as safety and trust to the customers: Because we are just like a family, you can trust us to keep your child safe. Consequently, family values are an essential part of IKEA’s brand identity. Besides being a family-owned business, the founder Ingvar Kamprad refers to the entire corporation as ‘the family’ (Urde, 2002, p. 626). A loyal customer is also like a family member and can join IKEA Family, which provides benefits for your whole family. Throughout the store there are stations with computer screens where you can sign up to become a member of IKEA Family. In their article *The IKEA Saga: How Service Culture Drives Service Strategy*, Edvardsson & Enquist note that the genuine relationship of a family is focused on trust and that is what IKEA always try to reproduce with their stakeholders (2002, p. 174). Ultimately, IKEA Family is a loyalty scheme that is seen as an important tool in creating long-term relationships with IKEA customers (Burt et al., 2011, p. 185) and the idea is to create an intellectual and emotional bond between the company and the customers (McGoldrick, 2010, p. 113).



Småland playroom with the stone wall as a symbol of IKEA's heritage.



One of the many stations throughout the store where you can join 'the family'.

In many ways IKEA can be seen as a representation of Sweden. Many elements that the country consists of are also present at IKEA: A national flag (IKEA logo), a national dish (Swedish meatballs), news coverage (the catalogue), a passport (IKEA Family), a national bank (Ikano bank), and a national museum (IKEA museum in Älmhult) (Mordhorst, 2010, p. 23). Other national associations include Swedish language (product names), Scandinavian design philosophy, and a value-set which corresponds to that of the Swedish welfare state.

#### 7.4 The IKEA catalogue

IKEA's in-market communication is dominated by the catalogue. The publication takes up 70% of the annual marketing budget, which makes it the company's most important marketing tool (Burt et al., 2011, p. 185). With 208 million copies in 30 different languages (6. IKEA Yearly summary 2011, p 23), the catalogue is said to be the most circulated publication in the world (Salzer, 1994, p. 61). This also makes the catalogue a very important place for IKEA to communicate their values and ultimately their brand identity. In order to keep prices low and attractive for as many people as possible, IKEA's guiding principle is to work in the same way and to be perceived in the same way in every country (Burt et al., 2011, p. 185). This means that the layout of the stores, the catalogues, employee uniforms, the philosophy, etc., are the same all over 'IKEA-world' (Salzer, 1994, p. 197). However, advertisements are adapted to fit locally (Burt et al., 2011, p. 191). Since I will be focusing on IKEA in the US later on in the case study, I decided to compare the US version of the 2012 IKEA catalogue with the Danish one, just to see how similar they are. The two front pages are not the same. On the Danish front page there is a chair and a text saying: *Function and design at IKEA prices* (8. IKEA). In the US version we see a small living room and a text saying: *A home doesn't need to be big, just smart* (9. IKEA). This may be a local adaptation referring to the

American 'bigger is better'-mentality, which is also seen in the US focus later in the case study. The pictures inside the catalogues are the same, except for a few ones, the texts are directly translated and information about how to shop at IKEA and their environmental and social programmes are the same as well. Ultimately, they are quite similar and unless you compare them as I have, you would not notice the difference. The only thing that is not present in the American version is IKEA Family, which I find odd because it is a service they have in the US. I wrote to customer service to find out why but unfortunately they were not able to provide an answer.

I have also studied different volumes of IKEA catalogues from 1965 to 2012, in order to see how the company's values have evolved over time. Some of the catalogues were Danish, others were Swedish. Practically since the beginning, IKEA have communicated that a trip to their store is an experience for the whole family. In the catalogue from 1965 it is described how you and your family can take lodgings at the IKEA Motel in Älmhult, when visiting the store. With a swimming pool, a restaurant and the IKEA store right next to the motel, you have all you need for a nice family trip. The company's economic values are also emphasized in the 1965 catalogue and just like the 2012 publication IKEA explain why they are cheaper than their competitors, and that they sell quality furniture at prices everyone can afford. In the 1981 catalogue, IKEA mention their 'Smålandian' heritage and in the 1984 issue IKEA Family club is introduced. The 1995 issue focuses on IKEA being a stronger provider of Scandinavian design than ever before, and stresses the use of blond wood, clean lines and practical and functional solutions (IKEA catalogues). It is clear that more values have been added over time and this will be discussed in the 'Communication of brand identity and values' section.

There are many similarities between the catalogue and the stores. There are pictures of rooms and apartment-settings similar to the ones you find in-store and the great amount of information about the concept of the company, their social, environmental and economic values, etc. are also similar. Consequently, all of IKEA's values are presented in the catalogue through pictures and text, and one might argue that this also makes the catalogue a representation of the Swedish welfare state.

### **7.5 The Swedish connection**

*'Wherever IKEA expands and however much IKEA expands, its heart will always remain in Älmhult, in the midst of the forests of southern Sweden.'* (Salzer, 1994, p. 70).

Even though Sweden benefits greatly from the way IKEA market themselves, it goes both ways as IKEA are one of the Swedish companies that benefits most from the country's image and the company would not be who they are without their Swedish background (Wästberg, 18 May 2010). However, this is no coincidence. IKEA's focus on their Swedish heritage began in 1980 when the company started cooperating with the Swedish Tourist Council. In 1984, as a manifestation of this co-operation, the company colours on shops and catalogues outside Scandinavia changed from red and white to blue and yellow (Bjarnestam, 2009, p. 103). According to former IKEA CEO, Anders Dahlvig, the Swedish essence of the brand is something they will continue to reinforce in the future because it is part of *'the uniqueness and strength of the brand: There is some kind of quality aspect connected to 'Swedishness'. Other qualities are that it is perceived as a fairly solid brand internationally. Being a Swede is usually seen as something good, healthy, and solid'* (Kling & Goteman, 2003, pp 34-35). The fact that the 287 IKEA stores in 26 countries (6. IKEA Yearly Summary 2011, p. 22) are surrounded by blue and yellow flags, sell blond-wood Swedish designs and serve Swedish meatballs says it all; to visit IKEA is to visit Sweden (Wästberg, 18 May 2010). This also means that IKEA, as such, are not an interdependent brand but interlinked with the Swedish nation brand.

IKEA draw on the Swedish design innovation which has been characterized internationally as spartan and blond and which dates back more than a century (Wästberg, 18 May 2010). In Sweden, 'functionalism' became a dominant architectural style in 1930 with the Stockholm Exhibition, and functional design has since been a keyword in Swedish design philosophy (Wästberg, 18 May 2010). Therefore, functional design is also communicated as a vital part of IKEA's design philosophy. However, despite of what IKEA might want us to think, Swedish design has not always been a key element in the company's brand identity. In the early days, IKEA's primary focus was on price, and one design expert notes: *'If you look at the history of IKEA, in the early years their design was quite horrible'* (Moon, 2004, p. 5). Ultimately, since their co-operation with the Swedish Tourist Council began, IKEA have gradually but deliberately taken on a more distinct design aesthetic and all products now reflect the company's philosophy of 'democratic' and 'Scandinavian' design (Moon, 2004, p. 5).

In many respects, IKEA's international expansion has been what Salzer calls a 'tour of the Vikings' (1994, p. 190), where the company have conquered new markets and expanded their 'flat-pack empire' (Lewis, 28 March 2005) and thereby selling the Swedish way of life. When IKEA enter a new market, Swedes are sent out to build up the stores and the Swedish traditions and practices are



introduced (Salzer, 1994, p. 190). The product range is the same as in Sweden and the entire concept is merely extended to the new market. With this approach, IKEA managers want to spread a very clear message of the Swedish way of living (Salzer, 1994, p. 190). This is also seen when IKEA open a new store. Supported by special promotions and competitions (Turner, 14 May 2008), the celebrations at the store openings seem to be a celebration of Sweden itself with people painted blue and yellow in their faces and ABBA music playing the background (Roncha, 2008, p. 26). All the hype created around a store opening appears to work well and generates a rush of hysteria from excited new IKEA customers, and there are stories of people camping outside the store for days to be first in line (Lewis, 28 March 2005). At the opening ceremony there are certain rituals as well, for instance a Swedish breakfast and a traditional log-sawing ceremony that the founder himself often attends (Lewis, 28 March 2005).

### **7.6 Communication of brand identity and values**

A company's identity forms the basis of the brand and values are an essential part of that identity (Evardsson et al., 2006, p. 234). Marketing departments, decorators and advertising agencies in each country are actively trying to shape the customers' impression of IKEA. In the stores, in the catalogues and online, IKEA marketers communicate IKEA's brand identity and values to the customers (Salzer, 1994, p. 194). As Salzer puts it: *'IKEA-mässiga' room-settings, posters on the 'IKEA-soul', extracts from IKEA's history, signs that explains how the IKEA concept works, etc., are all parts of IKEA's profiling activities for managing impressions and to promote the 'corporate soul' to outside audiences'* (1994, p. 194). Since the 1980s there have been many examples of IKEA communicating their brand identity in advertisements and in the management literature (Salzer, 1994, p. 3). However, the company values appear to have been implemented in stages. Increased global expansion in the 1980s was the reason why IKEA found it important to create the concept of 'The IKEA Way' which focused on the 'Smålandian' heritage (Kristoffersson, 7 March 2009). The story of the company, referred to as 'The Saga', was written by the advertising agency Brindfors, and employees attended courses to learn about the company's Swedish heritage and values (Kristoffersson, 7 March 2009). Corporate Social Responsibility seemed to be the buzzword for IKEA in the 1990s. The company became environmentally conscious, developed an environmental policy and became a member of the Forest Stewardship Council (FSC) (3. IKEA), and later teamed up with WWF (7. IKEA). IKEA also began cooperating with Save the Children and Unicef and introduced Childrens IKEA (Bjarnestam, 2009, p. 137). Today, these initiatives are only a few out of a long list of programmes that IKEA are involved in. All the company values are

communicated very clearly in both the IKEA stores and catalogues and, of course, on the company homepage as well.

### 7.6.1 IKEA narratives

Most of IKEA's values are told through narratives, and the narratives surrounding this company are everywhere. Salzer notes that *'few other companies do to such a large extent nurture their own 'culture', consciously displaying and exploiting symbols both internally and externally'* (1994, p. 37) as IKEA do. Equally, Evardsson et al. state that *'the narratives reflect a sustainable corporate story incorporating a successful branding strategy in which vision, culture and image support each other'* (2006, p. 240). Practically every magazine and newspaper article I have found during my research describes the company's history, the unique features of the products, as well as the philosophies that IKEA are based upon. According to Salzer, hundreds of articles have been written about IKEA's so called 'culture' and 'success-story', and notes: *'The press thereby contributes to the myths, stories and jokes that surround IKEA...'* (1994, p. 193). Ultimately, there is a strong indication of these narratives being both extremely visible and powerful. I will now take a closer look at some of these narratives in order to see how IKEA use them to communicate their values and ultimately their brand identity. I will start out by examining some examples from the store and the website and then I will take a closer look at the company story known as 'The Saga'.

An example of a narrative in-store is the sign at the entrance of an apartment-setting that I mention at the bottom of page 23 and of which there is a photo on page 24. A quote presented on the sign says that even though safety is the most important element, there is also a cosy and relaxed atmosphere. 'Safe but cosy and relaxed' are words you can link to the identity of both Sweden and IKEA but also to the concept of family. One may argue that both Sweden and IKEA are built up like a family where people take care of each other, and therefore safety is the most important element in a home. However, family life should also, just like the Swedish way of life and the atmosphere at IKEA, be cosy and relaxed. On the company website IKEA write about their Swedish heritage. With every narrative IKEA start out by providing information about Swedish society and then link the company to the qualities of their country-of-origin, by saying 'this is also what we do and who we are'. They start out by explaining that nature is very important to the Swedish lifestyle and that it also forms the basis of IKEA's design philosophy. Thereby, they indirectly bring the environmental values into play. Furthermore, the company write that they focus on keeping prices low because they come from a poor part of Sweden, but that it does not make them compromise quality because Swedes are internationally known for providing safety and

quality (4. IKEA). In another example IKEA write: *'In the 1950s the styles of modernism and functionalism were developing at the same time as Sweden was establishing a society founded on social equality'* (4. IKEA). They then go on to compare these qualities to their product range and implicitly link their products to the notion of 'democratic design'. In the final example IKEA again refer to the Swedish welfare state where *'rich and poor alike were well looked after'* (4. IKEA). According to IKEA, this fits well with their vision. If we all help out e.g. by the customer's assembling their own furniture so IKEA can sell it cheap, *'together we can create a better everyday life for everyone'* (4. IKEA).

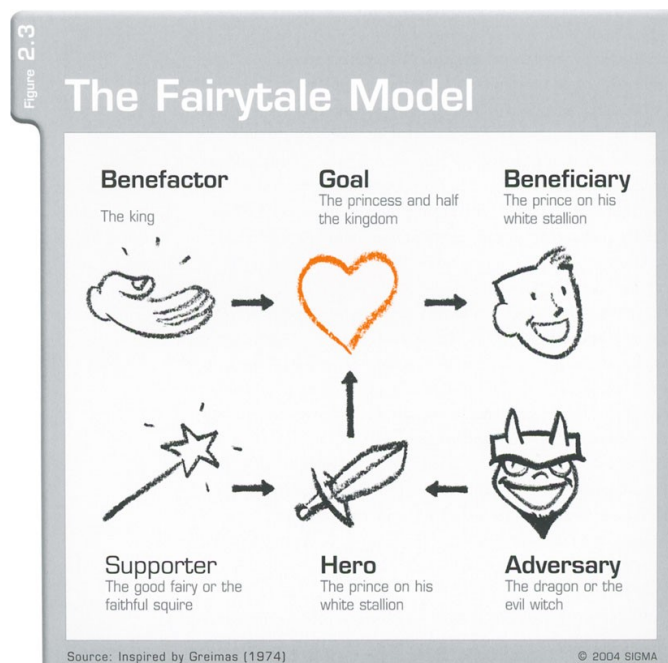
### **7.6.2 The Saga**

The story of IKEA starts in 1926 when the founder, Ingvar Kamprad, is born in *'the poor land of the barren county of Småland'* (Salzer, 1994, p. 57) in southern Sweden. Already as a small boy, Kamprad knows that he wants to start a business. He starts out by selling matches at the age of five and later expands to selling other small items, such as pencils and flower seeds (1. IKEA). IKEA were founded in 1943 when Kamprad was only 17 years old. The money was given to him by his father as a gift for graduating school. The name IKEA consists of the founder's initials, the farm where he grew up (Elmtaryd) and the parish (Agunnaryd) (2. IKEA). In the beginning, the one-man mail ordering business (Kling & Goteman, 2003, p. 31) were selling a large variety of products such as wallets, picture frames, jewellery and pens, but in 1948 the company introduced furniture produced by local manufacturers in the nearby forests (2. IKEA). However, traditional furniture dealers felt threatened by IKEA's low prices and the company were boycotted (Salzer, 1994, p. 58). After some hard years of being an outsider the tables turned when the most important decorating magazine in Sweden, 'Allt I Hemmet' recognized IKEA's qualities. By the mid 1960's, IKEA were finally accepted as producer of high quality and low priced furniture (Salzer, 1994, p. 59). The first international expansion began in 1963 when IKEA opened a store in Oslo, Norway. After opening a store in Switzerland in 1973 the store expansion grew rapidly, and today, IKEA are a giant corporation operating in 26 countries (6. IKEA Yearly summary 2011, p. 22) and the expansion continues.

### **7.6.3 Analyzing the saga**

The IKEA saga has been referred to, by scholars, as a David and Goliath story (Salzer, 1994, p. 58); the small company that challenged the big ones and, against all odds, became victorious (Fog et al., 2010, p. 96). Others compare the IKEA saga to the American dream: A story of how a man, who came from nothing and created an empire through ambition, inventiveness and hard work

(Kristoffersson, 7 March 2009). But as Salzer notes, the saga is not only a heroic story of how the company became an empire, it also reflects how IKEA see themselves and their role in the world. The narrative thereby stands out as an important symbol of the company's identity (1994, p. 61). By applying the Fairytale model the different elements of the saga become clear.



(Fog et al., 2010, p 38).

IKEA's Goal is to create a better everyday life for the many people. The Adversaries in the saga are the traditional furniture dealers, who felt threatened by IKEA's low prices and who therefore made sure that the company were boycotted. In the saga IKEA position themselves as both the Benefactor and the Supporter, and the employees and customers become both the Hero and the Beneficiaries. With the saga, as with all their narratives, IKEA communicate to people both inside and outside the corporation and thus seek to strengthen the bonds with both the employees and the customers. Therefore, we may say that there are two types of 'we' in the story: We in the company, which refers to the employees and we in 'IKEA-world', which refers to the customers. By positioning themselves as the helper and the customers and employees as heroes, IKEA send a strong message; IKEA and the IKEA-Way of doing things help you to become the hero in your own life as the company enable you to create a beautiful, functional and safe home for you and your family. Furthermore, as a customer you can contribute to help other people so they also can become heroes in their own lives. Inside the company the employees are the heroes because all their hard work helps 'the many people'. According to Urde, IKEA have three defining values: *'common sense and*

*simplicity*, *'dare to be different'*, and *'working together'*, which support the overall mission of *'creating a better life for the many people'* (2002, p. 626). IKEA portray these values in the saga. 'Common sense and simplicity' refer to the design and price values, 'dare to be different' refer to IKEA fighting for what they believe in, even when it makes them unpopular, and 'working together' refers to the fact that if we all help each other, we can make a difference in the world. The company history is called 'The Saga', and this is of course no coincidence, as sagas can be characterized as dramatic tales of family and conquest taking place in the North. Thereby, IKEA, again, refer to their Nordic/Swedish heritage and idea of family, which in the end link all narratives together. Ultimately, in all the company narratives that I have examined we see how IKEA use their 'identity values' of family and nationality to unite their social, economic and environmental values. Thus, in all the narratives there is a trinity consisting of Family, Sweden and IKEA.

#### **7.6.4 Analyzing the IKEA values**

The values emphasized by Urde are directed towards producing products that as many people as possible can afford. IKEA communicate that their philosophy is to be in partnership with the mass of the people (Urde, 2002, p. 626) and focus on the idea of everybody helping each other out; you help IKEA and IKEA help you. This is especially expressed in the notion of the so-called democratic design, which is driven by a combination of social values and economic values (Edvardsson et al. 2006, p. 236). Thereby, the low prices of IKEA and the self-service concept are economic values related to this philosophy.

As mentioned in the beginning of the case-study, a company must communicate attractive values in order to attain a strong image. IKEA's economic, environmental and social values appear to be encapsulated by a superior value, which I call 'identity values'. It consists of family values and national values and these two values unite all the others together, creating a consistent and strong narrative. Consequently, IKEA portray their business culture and values as based on the fundamental social values of Sweden (Kling & Goteman, 2003, p. 33) and the country's protestant work ethic (The Observer, 12 June 2005). Historically, Småland was one of the poorest regions in Sweden and the people living there were known for hard work, thriftiness and inventiveness (Jefferys et al., 2008, p. 248). Therefore, all IKEA's values that comprise their brand identity are connected to the Swedish way of life. This also means that together with one of IKEA's main focuses, namely to lower costs, the company also wish to communicate that there, within the company, seems to be a deep-rooted feeling that it is good for the customers to pick up their own furniture, carry it home and assemble it themselves (The Observer, 12 June 2005). This idea of 'what is good' for the customer can also be seen as a trait of the Swedish welfare state, as one of its

key roles is to protect and promote social well-being of its citizens. Ultimately, everything IKEA do and everything they believe in seem to be founded in the notion of family and the Swedish welfare state and this makes IKEA unique.

### **7.7 Coming to America**

It was not as easy entering the US market as IKEA might have thought. Two years after the launch in Philadelphia sales were going down and even a major marketing campaign to attract customers did not help (Lewis, 28 March 2005). The Americans did not get the IKEA concept and it did not match their lifestyle. The furniture was too small, the beds were sold in centimetre sizes and the guided shopper flow layout made the Americans feel trapped. Furthermore, the Americans were notorious for not buying new furniture and would most likely replace their car before their sofa or dinner table (Moon, 2004, p. 7). The concept of self service, self assembly and engaging the customer in the retail process also seemed strange to the Americans, who were used to a more wheedling form of customer service (Lewis, 28 March 2005). At first IKEA were reluctant to make any changes but in 1989 Anders Moberg, the president of IKEA at the time, sought help from an expert outside the corporation. Göran Carstedt, president of Volvo in France and Sweden, was appointed president of IKEA US, as he had previous experience with translating Swedish culture into international markets (Lewis, 28 March 2005). Carstedt wrote a letter to the American co-workers and by using both their national flags as an analogy, he explained how IKEA US were going to be a mixture of blue and yellow and stars and stripes. However, it was difficult to persuade head quarters in Sweden that these adaptations were necessary and as Carstedt puts it: *'They were afraid we were going too far. They said we couldn't adapt to every market and if we went too far we'd become American'* (Lewis, 28 March 2005).

For the first time since going abroad, IKEA had to make changes in their concept. In order for IKEA to fit the US market a three step plan was introduced. The plan explained the Americans how to shop in the stores. Furthermore, quicker check-outs were installed because Americans do not expect to queue as long as Europeans and water fountains were placed throughout the stores, because they like to drink water when they shop (Lewis, 28 March 2005). Even though changes were made, IKEA refused to change some of the fundamental elements in their concept. Instead of removing the flat packs when it was suggested that the Americans would not assemble their own furniture, the company improved its instructions and offered self-assembly service (Lewis, 28 March 2005).

In order to poke fun at the Americans' unwillingness to replace their furniture, IKEA launched an ad campaign in 2002 (Lewis, 2004, p. 121) called 'Unböring' which featured a number of television

commercials. One of the ads was the award-winning ad called ‘Lamp’ and it was directed by Spike Jonze who also had directed the film ‘Being John Malkovich’ (Moon, 2004, p. 8).

The ad shows an old lamp that is hauled out of an apartment and dumped outside. Its former owner turns on his new lamp inside while the abandoned lamp is *‘being drenched by pouring rain, whipped by wind, then covered by falling darkness’*. A man with a Swedish accent addresses the camera: *‘Many of you feel bad for this lamp. That’s because you’re crazy. It has no feelings. And the new one is much better.’* (Lewis, 2004, p. 128).

Ultimately IKEA’s different efforts paid off and in 2005, the US was the third biggest country in terms of sale (Lewis, 28 March 2005). New stores continue to pop up as a part of a 50-store expansion that will continue until 2013 (Fleischer, 2004, p.25), and today, IKEA are the fastest-growing retailer in the United States and the seventh-largest retailer in the country as well (Moon, 2004, p. 9). Moon quotes an analyst who has commented on IKEA’s success in the US: *‘Not only does IKEA have monster stores and great prices, it has also created a unique niche. It’s the quintessential power retailer in America’* (2004, p. 9). Equally, former CEO, Anders Dahlvig, comments on creating a niche in international markets and he focuses on the company’s country-of-origin as a key element:

*The more stores we build and the more we increase our market share, the more we have to find ways that appeal to a broader public. Scandinavian design and style is a niche and it is not to everyone’s taste. But we don’t want to be just another supplier of traditional furniture. Scandinavian design is what makes us unique. We have to find a balance* (Moon, 2002, p. 9).

In order for company narratives to mean something for consumers and become successful, they should fit the social reality that consumers are in. In his book *How Brands become Icons*, Douglas Holt notes that a brands value is dependent on how well its stories fit the socio-cultural context of the receiving country, and address the identity desires and anxieties in consumers' lives (2004, pp. 2+23). It appears that IKEA manage to comply with the requirements of this claim. In times of monetary and political crisis, concepts like nation, family and security become important. These factors are a part of the current social reality in the US, as the country has more enemies than ever, and in addition is struck hard by the financial crisis. With their narratives IKEA portray the idea of believing in ones nation and its values, and to stick by what you believe in. In IKEA’s case it is the

Swedish welfare state but the American consumers will transfer the meanings of the stories to fit their own social reality. Furthermore, the family narrative tells us that as a family we help and protect each other, both from harm and from money troubles. When buying IKEA furniture we all help out in keeping prices low, so that in the midst of a financial crisis as many people as possible can buy high-quality furniture at cheap prices. Consequently, the values that are incorporated in IKEA's narratives may be seen to reflect what is happening in American society in the aftermath of 9/11 and the current financial crisis, and thereby symbolize values that many Americans find important (Holt, 2004, p. 1).

## **7.8 Summary**

In this case study, I have argued that IKEA's strong culture and brand identity are based on the superior 'identity values', which unite all company values and give them meaning in regards to IKEA's vision: To create a better life for the many people. Consequently, IKEA's economic, social, and environmental values are linked to the identity values of family and nation, which in the end provides the customers with a strong and consistent message of IKEA's brand identity. Every aspect of the company's communications and activities seem to be linked to these values and this is clearly indicated in-store, in the catalogue and on the website. Thereby, the spartan exterior of the stores, the cost-effective production of furniture, the commitment to the welfare of children, the family-friendly atmosphere, etc. are all part of the values that comprise IKEA's brand identity. IKEA's narratives tell the customers that the IKEA-Way of doing things will help them to become the hero in their own life, and that they can help other people become the heroes in their own life as well. The self-service concept and this 'help to self-help' approach can be seen as a trait of the Swedish welfare state, because the social well-being of people is communicated as a focal point in the company's brand identity. The values that comprise the brand identity seem to represent the Swedish way of life, and with a trip to IKEA, this is something you and the entire family can experience. As soon as you cross the 'border' into IKEA-land you are 'welcomed' into other peoples' homes (apartment settings), you are encouraged to try out the products, the children can play in 'Småland', and the whole family can enjoy Swedish meatballs with cowberry jam in the restaurant. Consequently, the shopping experience is wrapped up in Swedish colours, and with a national dish, Swedish language (product names), a flag (logo), etc., it is almost as if you were visiting the country yourself.

The US market is an example of how IKEA have branded themselves in a foreign market. It was difficult for IKEA to enter the market as many Americans did not understand the concept and the



products did not fit the consumers' way of life. However, minor cultural adjustments and adapted instructions seemed to do the trick, and today IKEA are constantly expanding in the US. In addition, consumers must find sense in company narratives and values, and one might argue that concepts like family, nation and security are close to many Americans' hearts in a time of political and economic uncertainty. Ultimately, it appears that IKEA continue to be successful in utilizing an explicit national identity because the company have managed to connect all their values to their country-of-origin in a way that makes sense in the minds of their customers.

## 8. Republic of Fritz Hansen Case Study

I will now move on to the next case study in this thesis, namely the case of Republic of Fritz Hansen and Danish Modern design furniture. IKEA and Fritz Hansen are two different companies and therefore the build-up of the cases will be different as well. However, the ultimate goal with the cases is the same; to examine and analyse how the two companies communicate their brand identity and how they utilize national identity and the values associated with their national identities. This will in the end enable me to answer the main research question, namely: *How come utilizing an explicit national identity as a brand strategy continues to be an advantage for IKEA but has become blurred in the case of Fritz Hansen.* The story of Fritz Hansen is closely intertwined with that of Danish Modern and what Per Hansen, in his article *Co-branding Product and Nation*, refers to as the ‘Golden Age of Danish Design’ from 1940 to 1970 (2010, p. 86). Several of the company’s collaborations with architects like Arne Jacobsen and Hans Wegner resulted in some of the most famous furniture in the period. Today, Fritz Hansen also stress that their design philosophy is based on the principles of Danish Modern. Furthermore, the manner in which Fritz Hansen communicate their narratives, suggests that they are trying to monopolize the narratives of Danish Modern. I will demonstrate this later on in the case study. Because of this unavoidable link the narratives of Danish Modern are an essential part of this case study, including the special focus on the US market. I use Danish Modern together with Fritz Hansen, though I am aware of the fact that Fritz Hansen were only one out of several manufacturers that collaborated with architects and created furniture, which then became Modern design icons. Hans J. Wegner’s ‘The Chair’ which I mention later in the case study is one of the iconic furniture not manufactured by Fritz Hansen. However, the narratives surrounding Danish Modern seem to blend all these productions together, because the cabinet makers and architects all told the same story, namely that of high-quality handcrafted wooden furniture, simplicity and democracy. Traditionally, focus was on the products and the architects who designed them and not the different manufacturers. With the creation of the Republic, Fritz Hansen are trying to change that focus by emphasizing the importance of the cabinet makers.

The case study starts with the company story of Fritz Hansen and then moves on to the narratives of Danish Modern, which in the beginning were circulated by the cabinet makers and architects and then evolved from there. The next section deals with the co-branding of Denmark and Danish Design, in which Danish Modern furniture were the quintessential element. In extension to this is a section on Danish Modern in the United States. These sections are the descriptive part of the case

study where I mainly draw on the scholars Per Hansen's and Carl Erik Andresen's studies of Danish Modern and Danish furniture industry, and Douglas Holt's work on brand icons. The sections provide relevant background information about Fritz Hansen and the Danish Design narratives which the company build their brand identity around. Furthermore, these sections help to illustrate a part of the transformation that Fritz Hansen have undergone. The company have shifted from being part of a design movement, which drew heavily on country-of-origin, into a global brand. This brings me to the next sections, which deal with the creation of the Republic and thereby Fritz Hansen's transformation from a Danish manufacturer of furniture into a global brand. In this part of the case study I analyse Fritz Hansen's communication of brand identity in their showroom, shop-in-shops, and in their publications. Throughout this analysis I also discuss the conflicting messages I find in the company's communication of brand identity and utilization of national identity. My empirical study indicates that Fritz Hansen try to embrace too many different expressions, which results in conflicting messages in connection to their brand identity.

### **8.1 Company history**

The story of Fritz Hansen dates back to 1872, where the Danish carpenter set up his first cabinet making business in Copenhagen. The business grew and in 1885 Fritz Hansen started a furniture production of his own (2. Republic of Fritz Hansen catalogue, p. 6). During the 1930s, the furniture maker began collaborating with some of the most respected and innovative Danish architects of the time. Danish functionalism became an essential part of the production line (Den Permanente, 1973, p. 8) and one of its main advocates, Kaare Klint, and his Church chair represent the first important collaboration (2. Republic of Fritz Hansen catalogue, p. 6). Fritz Hansen started collaborating with Arne Jacobsen in 1934 and the creation the Ant chair in 1952 achieved higher sales than any other chair in company history (2. Republic of Fritz Hansen catalogue, p. 6). The partnership later resulted in icons, such as, the Egg chair and the Swan chair. Other successful collaborations include the China chair from 1944, designed by Hans J. Wegner, and the Super-Ellipse table from 1968 by Piet Hein (1. Republic of Fritz Hansen). Throughout the 1980s and 1990s, Fritz Hansen initiated co-operations with leading international designers, thereby demonstrating a more global orientation. Today this concept has developed and designers with various nationalities collaborate with Fritz Hansen in creating furniture that coincides with the design attitude and philosophy of Danish Design under the Republic brand (2. Republic of Fritz Hansen catalogue, pp. 6-7). To mark this new strategy, the Republic of Fritz Hansen were established in the year 2000 (1. Republic of Fritz Hansen).

## **8.2 Danish Modern narratives**

In the 1930's architects and cabinet makers started to spread the story about the unique qualities of Danish Modern furniture and how it all started. The narratives built around Danish Modern as a brand were rooted in Danish functionalism, and referred to the idea of traditional hand-crafted wooden furniture, simplicity and democracy (Andresen, 1996, p. 80; Hansen, 2010, p. 87). The warm and natural qualities of wood were praised and seen as a contrast to the 'cold and unnatural' steel, which was the preferred material in the Bauhaus tradition (Hansen, 2006a, p. 457). The special co-operations between cabinet makers and architects were also emphasized (Hansen, 2006a, p. 457), as the use of traditional materials and production methods mixed with modern design were presented as unique to Danish modernism (Hansen, 2006a, pp. 458-459). Even though the architects and the cabinet makers were the most prominent figures to the outside world, Danish Design and thereby also Danish Modern would not have attained as much success as it did without the Danish Society of Arts and Crafts, the Cabinetmakers' Guild Furniture Exhibitions, and Den Permanente (Hansen, 2006b, p. 375). As Hansen puts it: *'They were the social and cultural arenas for the network of architects, producers, and intellectuals who made up the functionalist movement'* (2006a, p. 462). This 'Danish Co-operative Society' was responsible for locating and servicing foreign markets for Danish furniture (Andresen, 1996, p. 83; Pulos, 1988, p. 81). Consequently, the members of the social network, especially the Danish Society of Arts and Crafts, generated an enormous amount of publicity both nationally and internationally by publishing various literatures, organizing lectures and teaching materials, and of course through exhibitions (Andresen, 1996, p. 83; Hansen, 2006a, p. 462).

## **8.3 Co-branding Denmark and Danish Modern**

The co-operation between the Danish state and different organizations and authors played a vital role in the success of Danish Modern furniture in the US. Through massive exposure in exhibits, TV, radio shows, and articles in American newspapers and magazines, Danish Modern became a recognized concept (Andresen, 1996, p. 108; Hansen, 2006b, p. 365), which influenced the US consumers' taste and purchasing decisions (Hansen, 2010, p. 78). The creation and distribution of powerful and consistent narratives which connected products with country-of-origin was the quintessential element in this marketing scheme. As a result, the images and values associated with Denmark and Danish Design became synergetic (Hansen, 2010, p. 78). However, for these two components to have had a special meaning in the consumers' minds, the narratives also had to fit the socio-cultural reality that surrounded the consumers. The socio-cultural context is important because it affects how the consumers interpret the images and narratives that surround the brands

and ultimately how they use the narratives to construct their own identity and lifestyle (Holt, 2004, p. 2; Hansen, 2010, pp. 82-83). For a time period several actors succeeded in creating strong narratives that appealed to certain consumer groups as it helped them make sense of their world. This is what Hansen refers to as the 'Golden Age of Danish Design' from 1940 to 1970, where Danish Modern drew heavily on the Danish country image that was being created in the same period (Hansen, 2010, p. 86). For instance, Danish Modern promoted a better life through better homes and this so-called propaganda was strongly influenced by the Danish welfare state (Hansen, 2006a, p. 464).

#### **8.4 Danish Modern in the United States**

In the mid 1940s and the following years the Danish state and organizations, such as the Association of Danish Crafts, participated in a plan to position Danish Modern as an important brand for imported modern furniture. The United States was targeted because it was the only country that came out of the Second World War with more money than before the war. Furthermore, it was a country in rapid development and Danish professionals sought inspiration within new production methods and marketing theories (Hansen, 2010, p. 91). Though circulated earlier, the narrative of Danish Modern first really caught on in the US after the Second World War (Hansen, 2010, p. 88). According to Hansen the story continuously stressed '*the combination of modernist functional furniture based on scientific methods with high-quality, traditional handcrafted furniture made out of wood*' (2010, p. 87). Furthermore, concepts such as honesty, democracy and simplicity, were linked to the furniture. Thereby, the narrative promoted Danish Modern Furniture as being against fashion, distinction, and representation (Hansen, 2010, p. 87). The narrative fitted well with consumers with a high level of education and a progressive lifestyle. Especially in the US, the narrative came at a time where certain consumer groups felt a strong need to dissociate themselves from the mass-production, mass-consumption and conformist society in which they lived (Hansen, 2010, p. 89). This was for instance seen with the housing problems in the US after the war, which led to a mass-production of prefabricated houses (Pulos, 1988, p. 50-51). A reaction to this mass-production is seen in the book *Guide to Easier Living* from 1950. Here the design couple Mary and Russel Wright writes: '*Do our homes really express the ideals of democracy and individualism we profess? ... In this increasingly mechanized civilization, our homes are the only remaining place for personal expression*' (Pulos, 1988, p. 66). Ultimately, it seems like Danish Modern came to represent an identity myth that American consumers used to address the identity desires and anxieties in their lives (Holt, 2004, p. 2). Individuality was one of the concepts in the myths. The American magazine *House Beautiful* claimed that by decorating

your home with Danish furniture you could become the individual being that you were longing to be in a society controlled by anonymous mass-produced goods (Hansen, 2010, p. 89).

Consequently, Danish Modern became an iconic brand as it addressed the contradictions that was happening in American society at a specific moment in time and symbolized values that many Americans found important (Holt, 2004, p. 1).

In the 1950s and 1960s when Danish Modern furniture was at its peak, the connection between Denmark and Danish design was unmistakable. In the United States, the two concepts 'Denmark' and 'design' had merged into one strong metaphor: Denmark for design (Hansen, 2010, p. 77). According to Hansen, the association between Denmark and Danish Modern furniture can be seen as a special kind of co-branding of a nation and certain products from that nation (2010, p. 77), as the image of Denmark and the story about Danish Modern fed on each other (Hansen, 2010, p. 94). The network around Danish Modern constantly promoted it as democratic, liberal and cosmopolitan, which attracted the consumer groups who wished to portray these values through their lifestyle. A strong example of the marketing of the values linked to Danish Modern furniture is the picture of John F. Kennedy sitting in a Wegner chair before a presidential TV-debate with Nixon in 1960 (Hansen, 2010, p. 95). Everything Kennedy stood for could be directly transferred to the values associated with Denmark and Danish Modern. The image of Denmark and the meanings of Danish Modern thus merged into one, bringing Denmark at the head of the game on progressive, democratic and individual values which were much debated topics in the US at the time. According to Holt, iconic brands become extremely popular due to 'masterful performances' which are promoted through commercial media. If the story or myth, as he calls it, is just right it can live on for decades (Holt, 2004, p. 9). This appears to be the case with Kennedy in 'The Chair', as the Americans named it after the historical TV-debate. 'The Chair' is still used today at national and international events as a metaphor for Danish and Danish Modern values. Bill Clinton sat in 'The Chair' on one of his visits to Denmark and President Obama wanted to be interviewed in it during the 2009 Climate Change Conference in Copenhagen (Suhr, 17 December 2009). Consequently, this indicates that in some areas Danish Modern narratives and the values associated with them are still very much alive today.

By 1980 Danish Modern had gone out of fashion (Hansen, 2010, p. 96). According to Holt, the value of an iconic brand is dependant on how well its narratives fit the socio-cultural context and responds to the tensions in the receiving country. When 'cultural shifts' in society appear, the iconic

brand must reinvent its narratives in order to fit the context once more. Those iconic brands that fail to do so will lose their relevance (Holt, 2004, p. 23). The meanings of the values associated with Denmark and Danish Modern faded because Denmark had changed. From the 1950s and onwards the country became increasingly industrialised and in the end this socio-economic change clashed with the narratives (Hansen, 2010, p. 96). The world was changing as well and new cultural currents, such as pop culture and postmodernism, were streaming in (Hansen, 2006a, p. 477). At the same time the framework of Danish Modern had become a hindrance for its own evolution. The strong craftsmanship tradition prevented the architects from using new materials such as steel and plastic (Hansen, 2006a, pp. 478-479). Consequently, the designers and cabinet makers continued to use the same design expressions and materials that once were successful, instead of renewing the products keeping them in tune with the times (Hansen, 2010, p. 96).

### **8.5 The transitional phase**

The 1970s and 1980s represent an interesting period in time in the case of IKEA and Fritz Hansen. After the golden period Fritz Hansen entered a phase where they had to redefine themselves. The company went from being a family business to being owned by Skandinavisk Holding, and this brought many changes with it as it marked the first step towards a more global focus (1. Republic of Fritz Hansen). While Danish Modern furniture were losing ground on the international market IKEA were slowly taking over. IKEA began collaborating with the Swedish state and started to communicate their Swedish origin, which has become increasingly explicit over the years. The effects of this period will be discussed further in the comparative analysis of the two case studies.

### **8.6 Fritz Hansen becomes a global brand**

Fritz Hansen's transformation from a Danish manufacturer of furniture into an international brand began in 1998 when current CEO Jacob Holm entered the company (Økonomi- og Erhvervsministeriet) and collaborations with the agency Kunde & Co began (2. Kunde & Co). The aim was to redefine the identity of Fritz Hansen, but as my research suggests this attempt has created a lot of conflict areas in the communication of their brand identity. Throughout the rest of the case study I will address these conflict areas as they appear alongside the rest of my analysis.

Before the launch of the Republic in 2000, company focus had been on the promotion of the individual products and designers. This focus meant that the awareness of the company and the overall image of Fritz Hansen were minimal and unclear (2. Kunde & Co). Furthermore, despite renewal in the company's product range and continuous product launches throughout the years, the

target group's image of the company practically only revolved around Arne Jacobsen's the Ant chair, Series 7, the Egg chair and Børge Mogensen's designs. As a result, all value had to be found in products that were over 30 years old, because Fritz Hansen had not managed to communicate all the changes made within the company (2. Kunde & Co). Finally, the wish to expand internationally with one strong visual identity, to modernize the company, and to start introducing new, domestic and international designers founded the need for a corporate identity. As a result, the 'Corporate Identity Project' under the international concept 'Republic of Fritz Hansen' was launched (1. Kunde & Co). The concept of the corporate identity was to create value for the company instead of the products but also to bring the positive values linked to the products into the Fritz Hansen brand. Consequently, the concept gathered all the products of Fritz Hansen under the same umbrella and the idea was that it would provide them with a collective identity (1. Kunde & Co). However, the attempt to create a common identity where all the designs are placed under the same umbrella, is in some ways problematic. First of all, the significance of the individual architects who represent their own designs and these architects function as collaborators to Fritz Hansen seem to be removed from the context. Second of all, it is clear that Fritz Hansen wish to emphasize their function as a global brand in stead of a mere manufacturer of furniture. However, it is questionable whether placing such different design expressions from different periods in time under the same umbrella will give them a common identity. Especially since many of the design classics have a strong identity of their own. Fritz Hansen still communicate that their furniture creations fit the design attitude and philosophy of Danish Design tradition and Danish Modern. When describing the company DNA CEO Jacob Holm states that: *'We basically uphold some traditions, some design concepts, and thereby a design philosophy. Our designs must be simple, timeless, but still be in tune with the times. We do not chase short-term tendencies. We sell history'* (Vestergård & Christensen, 2008). Thereby, Holm indicates that the old narratives still exist but that they have been updated to fit the global brand identity. However, there are several conflicting messages in this description of Fritz Hansen's DNA. History can never be timeless because it reflects occurrences that happen in specific moments in time. Equally, designs cannot be both timeless and 'in tune with the times'. Timeless refers to the fact that time does not matter, but time is of the essence when dealing with designs that are in fashion. For something to be in fashion means that it reflects the taste of a consumer group in a specific time period. Consumer preferences change over time. Therefore, certain designs may go out of fashion, like Hansen notes that Danish Modern furniture did in the 1980, and then come back if its narratives make sense to the consumers again. Equally, designs may also be fashionable for decades at a time, but that does not make them timeless. The idea of 'not



chasing short-term tendencies’ and ‘keeping in tune with the times’ also conflict. As mentioned above, consumer preferences change and many designs seldom stay in fashion many years at a time. In addition, it may be hard to reconcile the idea of not chasing short-term tendencies with the fact that Fritz Hansen recently re-launched Jacobsen’s Series 7 chair in colours like bright yellow, red, and petroleum blue. Finally, the sentence ‘we sell history’ sounds like the company focus is on past designs and not new collaborations via the global republic. Overall, this quote makes one question whether Fritz Hansen are a global brand or whether they are turning into a nostalgic brand.

As a part of the transformation into a global brand Fritz Hansen added ‘Republic’ to their name. By changing the company name into Republic of Fritz Hansen they wish to send an important message. A republic is characterized as a state in which supreme power rests with the majority of the people and can therefore be seen as a symbol of the company’s democratic values. Another characteristic of a republic is the fact that head of state is not a monarch. As Denmark is a monarchy the creation of a republic could be seen as an attempt to renounce a national focus. Furthermore, Fritz Hansen state that their Republic have no boundaries but are based on co-operations with people from all over the world, who share the same design philosophy as they do. Consequently, this shows that Fritz Hansen wish to focus more on an international identity than on a national identity. The idea of a global republic seems to fit well with the consumer group that the company wish to target. Fritz Hansen’s private consumers are characterized as mostly women but also men from the age of 35. These people have a high level of education and a high income level, as they are often placed in high positions. These wealthy cosmopolitans are outgoing, interested in design and art, and travel both in private and on the job. Globally, this group is estimated to comprise of 150 million people from Los Angeles to Tokyo. However, only 20-25 million people are considered to be potential customers for Fritz Hansen (Vestergaard & Christensen, 2008)<sup>1</sup>. Nonetheless, there still seems to be a conflict because the company try to unite three different identity concepts in their brand, namely nation, global and republic. The company wish to communicate themselves as global and as a republic but also keep coming back to the Danish design narratives. One might argue that trying to embrace several different identities creates conflicting messages that ultimately may cause confusion in the minds of the consumers.

The Republic communicate their brand identity through various channels such as print media, their catalogue and magazines, but also through co-branding, product-placement (Vestergård &

---

<sup>1</sup> I contacted Fritz Hansen in order to have a look at the Private Consumer Report conducted by Red Associates. Unfortunately I never received the report.

Christensen, 2008), in the showrooms and the shop-in-shops. The website is also an important communication tool and a way for the company to reach out to their customers. For instance, if you own Fritz Hansen furniture, you can become a member of the Republic and thereby receive special news and benefits including a subscription of the Republic magazine.

As indicated above, an essential part of Republic of Fritz Hansen's strategy is to position themselves as an international brand and lifestyle provider (Vestergård & Christensen, 2008).

Consequently, today the company's use of co-branding has shifted from a linkage between product and nation to co-operations with famous designers and brands in the art and fashion communities.

In connection with the 50<sup>th</sup> anniversary of Arne Jacobsen's Series 7 Chair, Fritz Hansen teamed up with the Danish AIDS Foundation and invited several international design brands like Louis Vuitton, Hugo Boss and Paul Smith to decorate a chair of their own. The chairs were then displayed on exhibits in Copenhagen, London, New York, Tokyo and Milan, and later sold at a charity auction (Bruun Rasmussen; Vestergård & Christensen, 2008). Equally, in connection with the 50<sup>th</sup> anniversary of the Egg chair the internationally renowned artist Tal R decorated 50 Egg chairs.

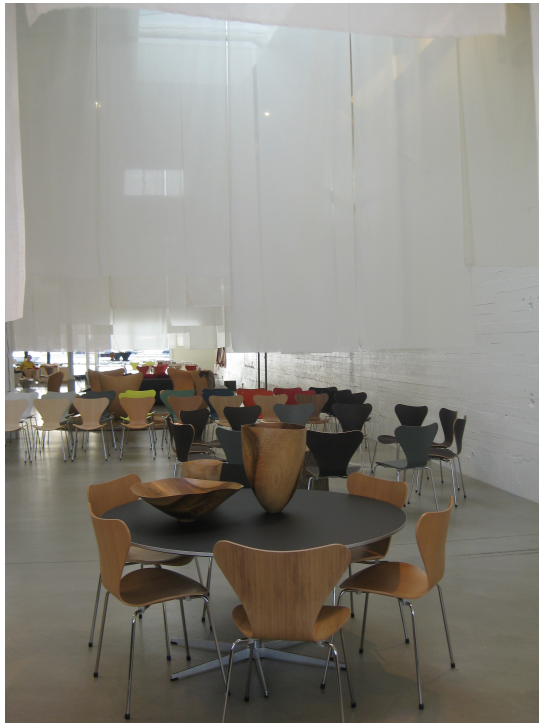
These chairs have also been exhibited in museums, art galleries and design stores all over the world (5. Republic of Fritz Hansen). Through collaborations with famous designer brands and artists the Danish Modern design classics are renewed in an international direction, thereby bringing attention to the old icons but with a new twist. Furthermore, Museum of Modern Art in New York (MoMA), Statens Museum for Kunst and National Art Center Tokyo are just some of the art scenes displaying the company's furniture (Vestergård & Christensen, 19 June 2008; Map Tokyo, 6 August 2011; Statens Museum for Kunst, 9 September 2010). By mingling with the art community Fritz Hansen communicate that their furniture are not just furniture, they are pieces of art.

### **8.7 Brand communication in the Showroom**

The only showroom Fritz Hansen have in Denmark is located in a warehouse at a dock area on Østerbro. Its remote location indicates that people coming here know exactly what they want and what they are looking for, because it is not just a place you happen to pass by. There appears to be a high level of service here, as I am welcomed by Karina Svensgaard who manages the showroom. She offers to put my jacket in the wardrobe and then asks me if I would like a glass of water. She tells me that she will be happy to answer any questions that I might have and after a quick chat about the exhibit, I go exploring on my own. The showroom has two storeys and on the ground floor there is a special exhibit about Arne Jacobsen, but it is mainly his series 7 chair that is displayed in many different colours and types of wood. The first floor features some of the Republic's other furniture, both classics and some new designs. However, the exhibit about Arne

Jacobsen will be my main focus as it communicates Fritz Hansen's brand identity more clearly than the upstairs display of furniture.

Ms Svensgaard told me that one of the ideas with the exhibit was to illustrate just how complicated it is to produce a series 7 chair. Fritz Hansen wish to demonstrate to potential customers why they should buy the real thing instead of a knock-off. The extensive work put into the furniture production is in general a vital part of the company's message to customers, and that is also why the company have uploaded a large amount of videos on youtube demonstrating the different production methods. Furthermore, ms Svensgaard explained me that it takes twenty people to produce a Series 7 chair and the laminating and coating process is long and complex. The fabrication process and the different materials used to produce the chair are illustrated throughout the exhibit. For instance, long strips of cotton cloth are hanging from the ceiling, and I am explained that the cloth is placed between the layers of laminated wood to strengthen the chair. There is also a model of the lamination process so customers can see how the thin pieces of wood are transformed into a chair. In addition, the exhibit shows how many variations the chair can be made in. Different colours of leather hides are hanging on the wall, and the many chairs in different colours and types of wood demonstrates the practically endless variations in which you can order your new chair. Thereby the old icon is updated with new kinds of wood and trendy colours, which enable the buyers to express their individuality. However, as I mentioned earlier, updating the Series 7 chair in fashionable colours such as bright yellow and red seems to conflict with Fritz Hansen's own design message of not chasing short-term tendencies: *'It is nothing to do with fashion and trends, but about creating something which can tolerate being looked at and used for a long time'* (3. The Republic, 2011, p. 31). I argue that re-launching the chair in these colours and different types of wood is in fact an attempt to make the product more trendy and fashionable.



The display of Series 7 in new types of wood and colours. The cotton cloth, which is placed between the layers of laminated wood, hangs from the ceiling.



Model of the lamination process.

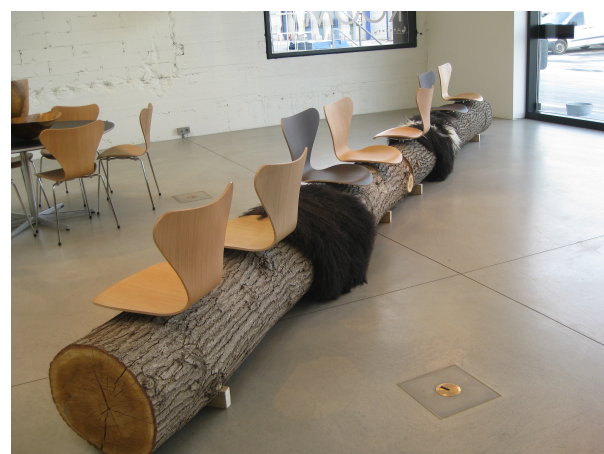
With this exhibit Fritz Hansen clearly wish to communicate the importance of good craft and quality. But a strong sense of history is also communicated here, and glass cases with old articles, books and magazines about Arne Jacobsen and his designs add a museum-like feeling to the exhibit. It seems as if there is a message here, saying that when you buy a piece of furniture from Fritz Hansen you become part of that history. But the fact that it appears to be more of a museum than a showroom makes you wonder if Fritz Hansen are a global brand or if they are turning into a nostalgic brand.



Glass cases containing information about Arne Jacobsen and his designs.



The display of furniture is very minimalistic and is therefore in compliance with Fritz Hansen's design philosophy of being simple, pure and natural. There are no room settings in the showroom because they do not need to be placed in a setting in order to convince the customer that it looks good in a home. Consequently, there is no need for the furniture to be put in decorative surroundings, as they are pieces of art in their own right. Some places in the exhibit tree logs have been placed instead of tables, surrounded by circles of chairs and there is also a toppled tree trunk with the seats of Series 7s resembling a bench. The presence of tree logs in the exhibit seems to praise to the old cabinetmaker tradition and the philosophy of Danish Modern. The raw wooden material combined with leather and decorated with fur, as shown below in the pictures I have taken, leads one's thoughts to both Scandinavian countries and to nature. There seems to be a symbolic link between nature and the furniture. As a result, keywords from Fritz Hansen's brand such as long lifespan, durability, simplicity and timelessness are connected to the furniture but also to nature. The exhibit also fits well with the recent launch of the company's sustainability plan. In the plan it is stated that as wood is a durable material, and as people keep the furniture for many years, the chairs will only get more sustainable with time (Republic, 2011, p. 15).



Despite the fact that you may sit on the furniture, it does not seem as inviting as it did at IKEA. Instead, the exhibit seems more like an artistic museum display.

## 8.8 Shop-in-shop

Fritz Hansen adopted the shop-in-shop strategy in 2007 where the company products are sold at independent furniture dealers mainly in Europe and Japan (Vestergård & Christensen, 2008). This strategy helps the Fritz Hansen brand as it strengthens awareness in the minds of consumers. I visited a shop-in-shop in Copenhagen to see how the Republic brand is communicated. The Fritz Hansen 'exhibit' is in an independent room but is still connected to the rest of the shop. An employee at the dealer told me that they decorate the room themselves but there are certain



guidelines from Fritz Hansen that they have to follow. A few years ago, the company were very strict about their furniture not being placed together with other brands. Today however, a few other brands that fit the style of the Republics furniture are allowed in the exhibit. Just like the showroom, decorations are scarce as the furniture speaks for itself, however there is a shelf with books about Poul Kjærholm's designs and the 2011 Fritz Hansen main catalogue and the 2011 Republic magazine.

## **8.9 Publications**

Fritz Hansen publish a main catalogue with their products once a year and a magazine called Republic, which provides information on activities 'from the Fritz Hansen universe' is published twice a year (3. Republic of Fritz Hansen, 2011). The catalogues and magazines are placed in the showrooms and shop-in-shops, but are also available on the website. I will now take a closer look at these two publishings in order to find out how Fritz Hansen communicate their brand identity and national identity.

### **8.9.1 The main catalogue**

The front page of the catalogue is very simple. There are only two colours, brown and nude, and motifs of some of the company's iconic furniture. Inside the catalogue we see pictures of a Swan chair being upholstered. The picture shows the attention to detail that is being put into the shaping and careful stitching of the chair cover. Just like the exhibit in the showroom, this illustrates that Fritz Hansen's furniture are handcrafted high-quality items. Next in the catalogue we find the history of the company, which is told first in English, then Danish, German and Japanese (2. Republic of Fritz Hansen catalogue pp. 8-15). With the story being told in these languages, an important part of the company's brand identity is communicated to their main markets (Vestergård & Christensen, 2008). Furthermore, the rest of the catalogue is written in English, so the fact that the company history has been translated into several different languages clearly states the importance of communicating the history to the customers. In addition, by making a multilingual catalogue the Republic let the readers know that they are a global brand.

In the introduction to the company story, Fritz Hansen notes: *'The history is all about being open to new currents, about thinking big and outside the box, about development and renewal in line with one's own principles and origins'* (2. Republic of Fritz Hansen catalogue, 2011, p. 6). This example demonstrates a new narrative developed in line with the creation of a more global strategy. As discussed earlier, one of the main reasons why Danish Modern went out of fashion was its lack of renewal because of strong cabinet maker traditions. With the creation of the Republic, Fritz Hansen

went through a comprehensive transformation from being a manufacturer of furniture into a global brand, which meant that they had to redefine their identity and update the old narratives of Danish Modern. Therefore, the Republic now collaborate with people all over the world who share their design philosophy, which is built on the Danish design tradition. However, it seems as if Fritz Hansen are trying to monopolize the story of Danish Modern and its design philosophy, thereby removing focus not only from other Danish cabinet makers but also from the famous architects: *'It started with a visionary cabinet maker from the provinces. Today, the design philosophy inspires leading architects and designers all over the world'* (2. Republic of Fritz Hansen Catalogue, 2011, p. 6). This sentence from the company history clearly states that the success of Danish Modern, and Danish Design tradition in general, all started with Fritz Hansen. Thereby, they are trying to change the general perception of the origin of Danish Design tradition, which most people today would associate with architects like Arne Jacobsen and Wegner. The company attempt to draw attention towards the Fritz Hansen brand by claiming to be the founders of Danish Design tradition. Consequently, they state that the cabinet maker Fritz Hansen started the tradition because they want a collective identity and therefore need to create an umbrella brand where all the famous architects can be placed under the Fritz Hansen name.

The rest of the catalogue revolves around the different products. The selection of furniture is divided into chairs, tables, and sofas, etc. In each section, the designs are divided under the name of the architect who designed them. Again this demonstrates the fact that you are not just buying a chair or a sofa but a piece of art, which is designed by a famous 'artist'. The catalogue starts by presenting Arne Jacobsen's designs (2. Republic of Fritz Hansen catalogue, 2011, pp. 19-36), and each furniture item is introduced with its history and its features. The products are then presented in minimalistic and raw room-settings with hardly any colour. The expression is very fashionable and artistic, which fits with the company's involvement in the art community but also expresses some of the keywords from the design philosophy, e.g. simple and pure.

### **8.9.2 The Republic magazine**

In the two Republic magazines from 2011 we find interviews and articles of different sorts. In the first magazine we can read about Fritz Hansen's new collaborations with a renowned Spanish designer and a Japanese architect (3. Republic of Fritz Hansen magazine, 2011). The magazine also includes an article on the Bauhaus movement because the company has acquired rights to manufacture the KAISER idell lamp. Then there is an interview with a Swedish art director who has decorated his home with Danish design. Furthermore the company offer a 'tour' of the headquarters in Allerød, and finally Fritz Hansen outline their design philosophy. The second magazine focuses a

lot on sustainability and eco-friendly production and design (4. Republic of Fritz Hansen magazine, 2011). The second magazine also includes an article on a collaboration project with the Danish state, which I will take a closer look at later in this section.

The first magazine starts with an introduction by CEO Jacob Holm. He talks about social and economic changes taking place in the world, and how the creation of new democracies will increase humanity in the future. Jacob Holm then notes: *'Humanity and a strong sense of democracy where everyone is entitled to say what they think are core values in Fritz Hansen's DNA, in the Danish design traditions which we uphold and in the society of which we are a part'* (3. Republic of Fritz Hansen magazine, 2011, p. 5). Along with previous examples, this quote illustrates the company's shift towards communicating more global narratives. Back in the 'golden age' of Danish Design the design tradition, which was praised as being democratic, was linked to the Danish welfare state. Now, humanity and democracy are presented as core values of the company, the Danish design traditions and the global society in which they operate. But this quote also illustrates inaccuracy in the company's design message. Danish Design cannot be characterized as humanistic and democratic where everyone could say and do as they pleased. As indicated earlier in the case study the Danish design tradition was based on very clear ideals revolved around the use of traditional materials and production methods. This tradition dictated a lot of do's and don'ts, for instance wood was praised while steel was dismissed. Another element that shows the ambivalence within the company's communication of brand identity is the notion of *everyone* being entitled to say what they think. Fritz Hansen's goal is not to reach everyone with their message but certain segments within the market in which they operate. Thereby this quote illustrates that Fritz Hansen are not quite sure how to address their target group.

Another example of Fritz Hansen's communication of brand identity in the Republic magazine is the outlining of the company design philosophy. In the article it is stated that the design philosophy has only recently been put into words but that its framework is based on the company's history and heritage (3. Republic of Fritz Hansen magazine, 2011, p. 34). The philosophy consists of three levels, where each level has been assigned a number of values. The first level is 'Visual' and the assigned values are original, pure and long-lasting. The second level is 'Emotional' and here the values are genuine, serene and Danish. The third level is 'Rational' and the values attached to this level are high quality, refined and ageing with beauty (3. Republic of Fritz Hansen magazine, 2011, p. 34). The design philosophy seems to conflict with Fritz Hansen's new product addition, namely



the Bauhaus lamp series KAISER idell. The values ‘pure’ and ‘genuine’ were, along with its synonyms ‘natural’, and ‘simple’ all adjectives used to describe the traditional Danish Design values. As mentioned earlier in this case study, Danish Design praised wood, dismissed steel, and continuously rejected the Bauhaus tradition. The idea that Bauhaus contradicts Danish Design tradition is even mentioned in the interview with the Swedish art director I mentioned earlier. To the question ‘*What is special about Danish Designer furniture*’ the art director replies: ‘*It is genuinely stylish and functional, but at the same time possesses a strong element of humanism and craftsmanship compared to, for example, the hard Bauhaus look*’ (3. Republic of Fritz Hansen magazine, 2011, p. 29). Therefore, I find that the introduction of Bauhaus design sends a conflicting message, because its tradition is communicated as a contradiction to the Danish Design tradition. Another value in the design philosophy is ‘Danish’, which implies that designs must be built on the Danish design tradition (3. Republic of Fritz Hansen magazine, 2011, p. 34). In connection to this, the head of design, Christian Grosen Rasmussen notes that the company would like to start focussing more on their country-of-origin: ‘*The Danish aspect is perhaps a value that we have not focused on that much recently, but we would like to cultivate it more. It is our approach to design and the way in which we live and prioritize high-quality design, which is typically Danish*’ (3. Republic of Fritz Hansen magazine, 2011, p. 34). Ultimately, it seems as if Fritz Hansen are trying to hold on to both a global brand identity and a national identity. There may be different reasons for this. First of all, they have to nurture their national identity because their own history and brand identity depend on it. Another reason may simply be because it is lucrative and that it creates extra awareness to the Fritz Hansen brand. In the Republic magazine the company write that it they are collaborating with the Danish state in outlining a vision for Danish design in 2020. In the text it is stated that the Danish government has invited a small group of people involved in design, including Fritz Hansen’s CEO, to outline the vision. The project is presented as ‘*A vision that recognizes Denmark as a design nation worldwide. Where design is responsibly integrated for the purpose of improving peoples lives, meeting social challenges and creating value for Danish society at large*’ (4. Republic of Fritz Hansen magazine, 2011, p. 17). Furthermore, the philosophy of Danish Design is communicated as an essential part of the Danish national identity because of the similar values: ‘*Key values deeply engrained in our cultural mindset include democracy, freedom, legal rights for all, respect for all individuals, as well as a strong sense of aesthetics and appreciation of nature*’ (4. Republic of Fritz Hansen magazine, 2011, p. 17). The vision for Danish design in 2020 is a part of the Danish governments globalization strategy where one of the goals is to promote Denmark as a design nation (Erhvervs- og Vækstministeriet). Consequently, Fritz Hansen may be emphasizing

their national identity in this case because the company are collaborating with the Danish government. A project like this will most likely be assigned millions of Danish Kroner and therefore it would be foolish for Fritz Hansen to renounce a part of that money and the awareness the project generates, especially since the company are deeply affected by the financial crisis. As mentioned in the section on elaboration and delimitation of the research questions, I have conducted a series of graphs with key figures from both companies. These graphs will be discussed briefly in the comparative analysis, however they clearly show that Fritz Hansen are struggling financially.

### **8.10 Conflicting messages in the Republic brand**

Fritz Hansen are sending a lot of conflicting messages when communicating their brand identity. The company's transformation from Danish manufacturer of furniture into a global brand has created problems in regards to who they are and who they want to be. To emphasize the corporate brand Fritz Hansen try to monopolize the story of Danish Modern and reduce the importance of the individual architects. The idea of selling history, timeless design, being democratic, and producing furniture based on Danish Design tradition conflicts with being global, being a Republic in tune with the times, and selling Bauhaus products. It seems as if they are trying to be a fashionable global brand but in many respects are becoming more of a nostalgic brand. There seems to be a problem in finding out what the company's focus should be and therefore they are trying to embrace a great amount of different expressions, which in the end send a lot of conflicting messages about their brand identity.

### **8.11 Summary**

Danish Modern would not have attained as much success if it was not for the social network that surrounded it. The constant circulation of narratives referring to the unique qualities of Danish Modern furniture generated a great amount of publicity from which also Denmark benefited. Furthermore, the co-operation of Danish Design and different actors including the Danish state played a vital role in the success of Danish Modern on the US market. According to the narratives, both products and nation represented ideas of simplicity and democracy, and this appealed to certain groups of Americans who felt they needed to detach themselves from the mass-production and mass-consumption society in which they lived. Fritz Hansen played an important part in the 'Golden Age of Danish Design' as a great deal of their furniture from that period are considered to be icons. After the success of Danish Modern Fritz Hansen needed to redefine their identity and this resulted in a more global focus. Despite the fact that the company have transformed into a global Republic, they still communicate that their design philosophy is based on Danish Modern, and it

even seems as if they are trying to monopolize the narratives surrounding Danish Modern in order to emphasize the importance of the cabinet makers. In this case study I argue that Fritz Hansen send many conflicting messages in regards to their brand identity. On one hand, the company want to be a global republic working with designers and architects from all over the world but, on the other hand, they still focus most of their attention to the Danish Modern icons. Consequently, one might argue that the company's utilization of national identity has become blurred because Fritz Hansen try to embrace too many different expressions.

## **9. Socio-cultural background of Sweden and Denmark**

The purpose of this section is to provide a short overview of the different business structures in Sweden and Denmark as an introduction to the comparative analysis. Both business systems have been affected by the countries' national histories, cultures and values (Iversen & Thue, 2008, p. 2). I will briefly look at the socio-cultural background of these two countries in order to see how their national business systems have been formed, and how this is a contributing factor to IKEA's and Fritz Hansen's different branding approaches. This may help to uncover why it continues to be an advantage for IKEA to utilize an explicit national identity, while, in Fritz Hansen's case, the utilization of national identity has become unclear.

### **9.1 Sweden**

The Swedish model combines capitalism and socialism, which is seen in the close co-operation between government, trade unions, commercial banks and business elites (Sjögren, 2008, pp. 22-23). The Swedish business system can be traced back to the middle ages, where multinational firms were created from the exploitation of natural resources, such as wood and iron ore (Sjögren, 2008, p. 24). Unlike Denmark, the Swedish business system has from an early stage been dominated by large innovative multinational corporations (MNCs), which worked in close co-operation with the state (Sjögren, 2008, pp. 67-68). By 1900 the country had a leading position in the industrial world and the next 50 years Sweden had the highest economic growth rate among all industrial countries (Sjögren, 2008, p. 32+46). Consequently, Sweden was not reluctant to join the industrial development and many of the MNCs were, and still are, family owned (Larson et. al., 2008, p. 76).

### **9.2 Denmark**

The Danish business system is based on British liberalism, German corporate governance systems and Nordic egalitarian co-operatism (Iversen & Andersen, 2008, p. 265). In the mid-nineteenth century the influence of the Danish state was limited and most economic changes were handled locally (Iversen & Andersen, 2008, p. 266). With the Danish Free Constitution of 5 June 1849, Denmark had changed from a country ruled by monarchy to a liberal democracy and therefore people were reluctant to grant the state too much influence (Iversen & Andersen, 2008, p. 268). As the political scientist Harald Westergaard noted in 1922: *'...the chief aim must be to organize the community with reference to the free development of the powers of the individual. ... The task of the state was to be limited so far as possible to the protection of rights and the maintenance of order'* (Iversen & Andersen, 2008, p. 269).

The essential element in Danish economy is the historic importance of the agricultural sector, which was based on co-operative ownership (Iversen & Andersen, 2008, p. 279). The domination of the agricultural sector and the Danish ‘small is good’ mentality can, according to Mads Mordhorst, be traced back to the devastating war against Germany in 1864 (Mortensen, 2012, 5 February). The loss of territory and position as a medium-sized country meant a change in focus towards things that were local, small and safe. As Denmark had suddenly become a very small country, the rest of the world seemed big and dangerous. Consequently, the nation looked inward and concentrated on building the infrastructure (Mortensen, 2012, 5 February). The co-operative movement was one of the front runners in this new development and, together with the Danish farmers, they gained more influence than any other business sector has ever had. Based on the ideology of the co-operative movement, co-operation on a local level has become a part of the Danish narrative. Thereby, with time, the concept of co-operation has moved beyond the borders of the co-operative movement and today, the Danish mentality praises local co-operation. Traditionally, the state was not part of co-operations due to a general distrust in the system. While countries like England, Germany and Sweden were industrializing fast, Denmark went back to its agricultural tradition (Mortensen, 2012, 5 February). Thus the Danish business structure was characterized by many small factories and workshops, which either were a part of the agricultural sector, or worked to facilitate this sector on the domestic market (Iversen & Andersen, 2008, p. 274). Creating counter narratives was a way to distance oneself from the outside world, and when being small and running a farm was good, ultimately being big and industrial was bad (Mortensen, 2012, 5 February).

### **9.2.1 Co-operative and liberal tendencies in Fritz Hansen’s business structure**

The combination of liberal and co-operative ideologies is evident in the way Fritz Hansen brand themselves. On one hand the Republic are branded as an international company without borders and thereby no connection to the Danish state. On the other hand Fritz Hansen communicate their ‘Danishness’, by referring to the company’s connection to the Danish Design tradition and by co-operating with the Danish state. The liberal and co-operative structures are also present within Fritz Hansen’s business structure. The Republic represents the co-operative ideology because it contains the products, which are manufactured by Fritz Hansen and designed by the different architects. Equally, the individual architects represent the liberal ideology because they are not a part of the company, but merely collaborate with them for a period of time. With this construction the Danish mentality of ‘small is good’ stays intact. Another example on the importance of tradition and the ‘small is good’ mentality is clearly portrayed in the stories of Danish Modern, as the cabinet makers insisted on the ideals of traditional craftsmanship and rejected industrial furniture production. Per

Hansen provides an example of this mentality in his academic article *'The rise and decline of Danish Modern Furniture Design, 1930-1970'*. Here, Hansen describes how the cabinet maker, Johannes Hansen, felt that he had to explain himself when moving into a larger workshop. The attachment to the traditional methods was so strong that the cabinet maker found it important to ensure his colleagues that he was not becoming an industrialist (2006a, pp. 478-479).

In conclusion, the Danish business system is based on 'small is good', a certain amount of distrust in the state, and co-operation. The Swedish business system is based on 'large is good', and close co-operation between company and state. In the comparative analysis I will examine how these elements emerge in the case of IKEA and Republic of Fritz Hansen.

## **10. Comparative analysis of IKEA and Fritz Hansen**

IKEA and Fritz Hansen are two very different companies built on the foundations of business structures that have been formed by the socio-cultural development in each country. However, in terms of drawing attention to both country and products, our Swedish neighbours have the upper hand. Anholt's Nation Brands Index confirms that Sweden and products originating from that country tend to benefit from the image of Denmark and Danish products (Nation Branding). Despite the fact that Fritz Hansen have powerful narratives connecting many of their products with their country-of-origin, the company have chosen to focus on a more globalized identity, where country images are less explicit. This identity came to life with the creation of the Republic and is practised through collaborations with international designers. The national identity still lurks in the background though. Just like the Danish socio-cultural structure for the past 150 years has been a combination of both co-operative and liberal ideologies, so do Fritz Hansen communicate that they are an international republic without borders, but still Danish. Equally, the Danish 'small is good' mentality stays intact with the co-operative function of the Republic. This mixed communication of being independent from state and nation but still attached to them creates conflicting messages about the company's brand identity. IKEA, on the other hand, are the largest furniture retailer in the world and they are in constant expansion. Here, it appears, the big industrial family business constantly grows stronger via their co-operation with the Swedish state.

This comparative analysis section starts with an analysis of the theory of categorization in regards to co-branding. Co-branding is an essential part of both companies' branding strategies and the theory of categorization provides a theoretical basis as to how co-branding works. This is followed by a discussion of the pros and cons when using a country-of-origin branding strategy versus a

globalized branding strategy, where country images are less explicit. My empirical research indicates that, in the case of IKEA and Fritz Hansen, country-of-origin is an important category, and that implementing a global strategy is a difficult task because it is a complex concept to define. As mentioned in the theoretical field, I will discuss Wally Olins thesis, which states that traditional nation brands are in terminal decline. My research falsifies, to a certain extent, Olins claim that nation brands are dying. Equally, in some areas it falsifies Jaffe & Nebenzahl's thesis, which states that country-of-origin is usually only seen when a product first enters a given market. The next section called Perceived price and quality, is a part of the previous section. Here, research show that perceived quality is high within product categories with high reputation. However my empirical research suggests that in IKEA's and Fritz Hansen's cases, country-of-origin strategy and global strategy appear primarily to symbolize a cultural category instead of a quality category. The following section deals with the transitional phase Fritz Hansen went through after the golden age of Danish Modern, where IKEA entered the international market and became a successful brand. Finally, I will take a closer look at some key figures from the two companies. These figures clearly show the continued success of IKEA, but also show that despite a less explicit national identity and some conflicting messages in their brand identity, Fritz Hansen were quite successful before the financial crisis.

### **10.1 Categorization and co-branding**

In the Theoretical Field section I described the theory of categorization, which explains the basic learning processes in the perception of different objects, such as products. People's actions and attitudes are highly affected by an objects image (Jaffe & Nebenzahl, 2006, p. 15). Unlike identity, which comprises how a company wish to be perceived by the public, images are a result of how the outside world actually perceives the company (Jaffe & Nebenzahl, 2006, p. 15; Mordhorst, 2010, p. 33). Thereby, identity is in the minds of the companies, while image is in the minds of the consumers. In the case studies of IKEA and Fritz Hansen focus has been on how the companies wish to be perceived by consumers. With the theory of categorization the consumers' perception process takes over. The image of an object consists of the attributes of the category in which it is classified. Classes that relate to the image of products are for instance price range, brand name and related country images. In addition, country image is affected by, for instance, the perception of its inhabitants, economic development and quality of its products (Jaffe & Nebenzahl, 2006, p. 18). If we apply the theory of categorization in connection with country image in the case of IKEA, it is clear that the company use explicit country cues, e.g. Swedish national colours and Swedish-

sounding product names, to influence the image of the products which is to be formed in the consumer's mind.

The theory of categorization can also provide a theoretical basis for explaining how co-branding works (Jaffe & Nebenzahl, 2006, p. 21). Both IKEA and Republic of Fritz Hansen use co-branding as a part of their branding strategy. IKEA collaborate with the Swedish Tourist Council and thereby, IKEA are closely intertwined with the image of Sweden (Bjarnestam, 2009, p. 103). This collaboration with the Swedish state may be characterized as a superior partnership, which unites all the other co-branding activities with organizations such as Unicef, Save the Children and WWF (7. IKEA) with Swedish values and way of life. Fritz Hansen's co-branding initiatives include collaborations with high-fashion brands, for instance Louis Vuitton and Paul Smith, as well as established brands within the art community, e.g. New York Museum of Modern Art (MoMA), National Art Center Tokyo, and Statens Museum for Kunst (Vestergård & Christensen, 19 June 2008; Map Tokyo, 6 August 2011; Statens Museum for Kunst, 9 September 2010). With co-branding, the companies attempt to transfer the positive associations of the partner brand into the new co-brand (Washburn et. al., 2000, p. 591). All brands are associated with a set of categories formed in the minds of the consumers, so when Fritz Hansen, for instance, collaborate with Louis Vuitton all categories from both brands will merge into a new image (Jaffe & Nebenzahl, 2006, p. 21). The idea is that when two different brands are marketed together in a new form it will add value for the consumer, which in return may lead to a competitive advantage and increase brand equity for the brands involved (Prince & Davies, 2002, p. 51). IKEA's close collaboration with the Swedish government has meant that the two brands practically have become synonymous. However, as both desirable and undesirable properties are a part of a new image, the outcome may not always be positive (Jaffe & Nebenzahl, 2006, p. 21). Thereby, choosing the correct partner is of great importance if the collaboration is to be a success. Ultimately, there should be a match between each of the brands' needs, motives, perceived personality and positioning, such as functional attributes and emotional values (Prince & Davies, 2002, p. 52). According to Anholt's Nation Brands Index, for the past several years, the Swedish government has been ranked as one of the most reliable, responsible and trustworthy governments in the world. In addition, the Swedish people are characterized as some of the most honest and trustworthy people among all the rated countries (Anholt, 2005, p. 2). This incredible positive country image transfers positive brand associations to IKEA. Furthermore, co-branding with organizations such as Unicef and WWF appear to be good matches for IKEA as it strengthens the company's communication of their social



and environmental values, which, in the end, contributes to their strong brand identity. In Fritz Hansen's case, co-branding with the fashionable house of Louis Vuitton seems to be a good match for the company because they wish to be an essential part of the international art and fashion communities. In Addition, both brands sell high-end designer items that are targeted towards consumers who wish to portray a certain kind of luxurious life-style. Thereby, co-branding with international high-end fashion brands makes sense for Fritz Hansen as they wish to target a section of the population who they consider to be global citizens, i.e. cosmopolitans.

The co-branding of IKEA and Sweden provides a strong example of the co-operative tradition that is a part of the Swedish business system. Often when a company co-brands with its country-of-origin meaning primarily transfers from nation to product. With the co-branding of IKEA and Sweden meaning also transfers from product to nation. Thereby, an organic process occurs where the IKEA have come to define the image of Sweden, just as Sweden has come to define IKEA. Consequently, it is a joint project where IKEA and the Swedish Tourist Council work together to enhance the company's and the nation's position internationally. The close collaboration between the company and the nation is possible because of the Swedish co-operative tradition. The tradition may be seen as a narrative that works in reality, as it has become a common work method in Sweden. The co-branding of Denmark and Danish Modern had a similar effect as Danish Modern also, in many respects, came to define the image of Denmark. This arrangement was made possible by the Danish tradition of keeping things small and local, as many different actors were involved in branding Danish Modern. Thereby the Danish state was only one out of several other actors. However, there was no organic process in this co-brand where Denmark and Danish Modern could form each other. In stead Danish Modern furniture design was stuck in old traditions and narratives, which prevented it from moving forward. Denmark, on the other hand, was developing. In the end the joint narratives no longer made sense in the eyes of the consumers and the success of Danish Modern faded.

## **10.2 Pros and cons when branding country-of-origin versus a globalized brand strategy**

Both IKEA and Fritz Hansen are global brands because they operate across the borders of their domestic market. However, IKEA draw heavily on their country-of-origin, while Republic of Fritz Hansen focus on a globalized brand strategy, where country images are less explicit. So, what are the pros and cons when using these different branding approaches in IKEA's and Fritz Hansen's case? And how do these approaches affect elements of perceived quality and culture?

The traditional concepts of country-of-origin no longer apply as most companies spread their activities, for instance design and production, to several countries (Papadopoulos & Heslop, 2002, p. 296). Olins claim that traditional national brands are dying because they are becoming ‘fantasy national brands’ (2003, p. 147). In connection to this, research shows that what seems to matter to consumers is not where a product is made but where they *think* it is made (Thakor and Lavack, 2003, p. 406). Olins support this claim by stating that the national heritage is maintained because the association between the nation and the brands are entrenched in the collective psyche (2003, p. 147). To a certain extent, my empirical study falsifies Olins' claim that national brands are in terminal decline. Instead it suggests that national brands are simply changing form. It has become the constructed narratives built around the company and its country-of-origin that are powerful. Just like Danish Modern became synonymous with Denmark in the 1950s so has IKEA become synonymous with Sweden, and this association helps consumers to evaluate the products and make purchase decisions (Kotler & Gertner, 2002, p. 250). Olins has two theses in regards to the future of national brands. The first thesis states that national brands in most cases are dying. The second one states that national brands will only continue to matter in sectors where traditional products are associated with particular and traditional skills or made unique by the nature of the soil, and thereby in many respects will be marked by nostalgia (2003, p. 147). My empirical study of IKEA show that the national element has only become stronger over time and the company are not marked by nostalgia, as they continue to move forward and develop in tune with the times. In addition, Olins claim that national stereotypes get in the way of global business (1999, p. 33). However, according to my research, IKEA successfully utilize stereotypic country associations in their branding. This was also the case with Danish Modern 50 years ago, which Fritz Hansen still benefit from today. It is interesting to note that Fritz Hansen, which to a large extent have renounced their nationality and communicate a global identity, primarily seem to be turning into a nostalgic brand. So, by toning down national affiliations, which Olins argue a global brand identity entails (1999, 28), the company are in fact becoming nostalgic. Ultimately, my empirical studies of IKEA and Fritz Hansen indicate that, in these cases, country-of-origin is a very important category. IKEA utilize these categories explicitly while the Republic try to tone them down, but in both cases the category is impossible to ignore. However, my study also illustrates that the concept of national brands and their importance on the international market is a complex field, which contains other aspects than the ones presented by Olins.

According to Jaffe & Nebenzahl, the use of country-of-origin image when promoting products in foreign markets is usually only seen when the products first enter a given market. Here it can help speed up the market penetration of products previously unknown to the market. Once the product becomes more established in the market, it is common to see a declining use of national image (2006, p. 133). Jaffe & Nebenzahl's thesis is, to a certain extent, falsified by my empirical study. Their assumption may apply to Fritz Hansen, as the connection between Danish Modern furniture and their country-of-origin were heavily branded when the company entered the US market in the late 1940s, while Fritz Hansen today focus more on being a global brand. Furthermore, with the creation of the Republic, Fritz Hansen wished to expand internationally with one visual identity and collaborate with designers from all over the world. As mentioned earlier, such a global brand identity will, according to Olins, inevitably mean toning down the company's national affiliations (1999, p. 28). However, neither Jaffe & Nebenzahl's nor Olins' claims apply to the case of IKEA, as they have only increased their national attachment over the years. In my empirical study I claim that IKEA's country-of-origin has become the backbone of the company. Along with the concept of family, the concept of nation encapsulates all the values that IKEA attach to their brand, thereby providing complete and consistent narratives explaining who they are and why they are this way. The fact that IKEA have managed to make such perfect use of their country-of-origin makes the company unique and helps increase the positive awareness of Sweden as well. The reason why neither Jaffe & Nebenzahl's nor Olins' claim seem to fit the case of IKEA, could be because of IKEA and Sweden's co-branding. As indicated earlier, the co-branding of IKEA and Sweden seem to be a constant organic process where the nation and the company form each other. Thereby, the country-of-origin effect doesn't only revolve around transferring meanings of the country into the brand, which is Jaffe & Nebenzahl's primary focus in their thesis. Meanings of the brand are also transferred into the country. Ultimately, IKEA are such a powerful brand that they contribute in characterizing Sweden. It could be argued that this mutual dependence means that IKEA will never decrease their utilization of national identity.

For a company to brand its country-of-origin as a part of its brand identity is not without risk, and can therefore in some cases become a disadvantage. Unlike corporate image a nation's image is beyond the marketer's control (Papadopoulos & Heslop, 2002, p. 295) and sudden occurrences involving the nation may harm the company's brand. Similarly, the connection between brand and country creates stereotyping in the minds of consumers, which can be damaging to a brand.

However, as mentioned earlier, my empirical research suggests that in the case of IKEA and Danish

Modern, the utilization of national stereotypes have been a successful part of the branding strategies. Ultimately, there are many different factors which might affect country image, and this can, according to Jaffe & Nebenzahl, only be successfully exploited through the collaboration between companies and governments (2006, p. 111).

My empirical research indicates that Fritz Hansen have difficulties in implementing a global identity as part of their branding strategy because the concept of globalism is difficult to brand, as there are no national stereotypes and characteristics to define it from. The Republic try to tone down national elements but still have to draw on them because, in their case, country-of-origin is an important category in the minds of the consumers. One of the reasons for creating the Republic and becoming a global brand was to introduce new designs and extend consumers' images of the products, as they practically only revolved around the Danish Modern icons. However, Fritz Hansen still focus most of their attention to these icons. The attachment to Danish design tradition and Danish Modern permeates the entire structure of the company as their design philosophy and brand DNA are based on these concepts. This indicates that the company, to a large extent, are becoming a nostalgic brand. The problem is that the Republic do not want to become a nostalgic brand, they want to expand internationally and work with interesting new designers and architects from all over the world. Thereby, Fritz Hansen wish to be an essential part of the international fashion and art communities, and ultimately be a global lifestyle provider to cosmopolitan consumers. My research indicates that this dilemma has been a contributing factor in the many conflicting areas apparent in the company's communication of brand identity. Equally, because they are unsure of how they should address their target group, the company end up embracing too many different expressions. Consequently, these conflicts have resulted in Fritz Hansen's blurred and unclear utilization of national identity.

### **10.2.1 Perceived quality and culture**

Research suggests that consumers make inferences about a brand's attributes from their knowledge of the brand's origin (Balabanis & Diamantopoulos, 2011, p. 96). Country-of-origin effect is being positively related to perceived quality, prestige and purchase intention. These attributes are, however, mostly influenced by country stereotypes (Johansson & Ronkainen, 2005, p. 340). Equally, country-of-origin effect varies by product type (Chattalas et. al., 2008, p. 56), thereby a country image is positive in regards to some products but not others (Jaffe & Nebenzahl, 2006, p. 128). Consequently, perceived quality is high within the product categories with high reputation (Johansson & Ronkainen, 2005, p. 340). As mentioned earlier, my studies show that in the case of

IKEA and Fritz Hansen country-of-origin is a very important category. Fritz Hansen have benefited from the extensive co-branding of Denmark and Danish Modern as Denmark's image is positive in regards to design and furniture. Thereby, according to Jaffe & Nebenzahl country-of-origin should be continuously emphasized (2006, p. 129). However, my study also indicates that country-of-origin appear to primarily symbolize a cultural category in stead of a quality category. Both companies communicate the significance of product quality but it is seen in connection to their cultural background. Thereby, in Fritz Hansen's case the traditional Danish production methods are emphasized while IKEA refer their sense of quality to the fact that Sweden is renowned for its quality products. Everything IKEA communicate in regards to country-of-origin relate to a cultural value set founded in Sweden, and Fritz Hansen's values relate to the philosophy of Danish Modern. One might argue that in connection with the transformation of traditional national brands to what Olins call 'fantasy national brands', focus has shifted from a main focus on product quality to a focus on cultural values such as identity. As my research suggests, in the case of IKEA and Fritz Hansen, it is the narratives containing cultural elements that are important in the minds of the consumers.

### **10.3 IKEA take over**

In 1979 Fritz Hansen were bought by Skandinavisk Holding, and thereby the company announced that they were no longer a family owned business. The new ownership brought a lot of changes with it, which were to prepare Fritz Hansen for the future (1. Republic of Fritz Hansen). Consequently, Fritz Hansen experienced a break after the golden period, where they had to reinterpret themselves and this marked the beginning towards becoming a global brand and communicating an international brand identity. IKEA entered the international market in the 1970s, around the same time the success of Danish Modern started to fade. In connection with the international expansion, IKEA began collaborating with the Swedish Tourist Council in 1980 and keywords such as 'functional', 'simple', 'democratic' and 'Scandinavian design' were emphasized as the company's design philosophy. Equally, IKEA mention that their designs are 'modern but not trendy' (4. IKEA). It is interesting to note that IKEA appear on the global market with the exact same design philosophy as Danish Modern around the same time the era of Danish Modern ended. It seems as if IKEA took the narratives of these concepts and then brought them new meaning. They have added the Swedish tradition of big industrial business combined with a strong co-operation with the state. Equally, IKEA communicate economic, social, and environmental values, which are then encapsulated by a superior value I refer to as 'identity values'. Identity values contain family and nation values, which unite all the other values. Consequently IKEA manage to communicate that

everything they do and everything they encompass are associated to Sweden and the Swedish way of life.

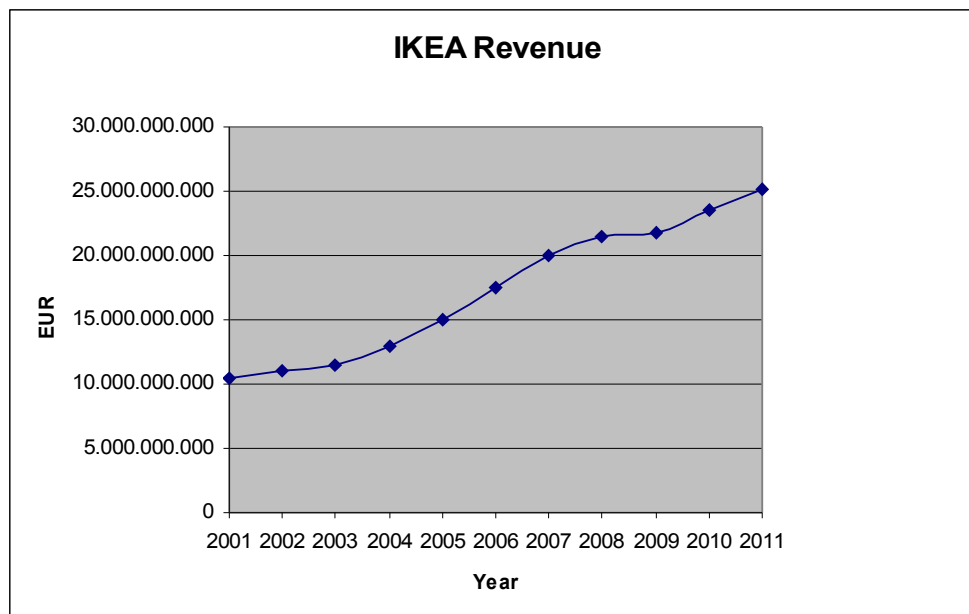
Despite the fact that both IKEA and Fritz Hansen communicate that their designs are democratic they assign somewhat different meanings to the concept of democratic design. The two different narratives of democratic design seem to reflect the differences in Swedish and Danish business structure. IKEA explain that their designs are democratic because the company's goal is to cut costs but not quality, so as many people as possible can afford the products. It is a concept that entails a partnership with the customers, as they must do their part by finding and assembling the furniture themselves, so IKEA can lower the price. For IKEA, production itself does not need to be democratic. Of course production methods act in conformity with international protocol within this area, but IKEA's primary focus in regards to democratic design is to keep prices low so as many people as possible can afford the products. Thereby, IKEA's democratic design is based on economies of scale with lower costs through increased production, which results in low product prices. In Fritz Hansen's case, democratic design is linked to the philosophy of Danish Modern where production had to be kept small and local and abide by traditional methods. In the Danish narrative democratic design had to be democratic both in regards to design and production and this resulted in products that were too expensive for the masses. Ultimately, it was difficult to reconcile a basic idea of 'small is good' with mass production.

#### **10.4 IKEA and Fritz Hansen's development in figures**

In this section I will shortly discuss the graphs that I have conducted based on some of IKEA's and Fritz Hansen's key figures. The companies' financial development in terms of revenue over the past ten years is seen in the two graphs below, while graphs on annual profit and number of employees are found in appendix 1 and 2, respectively. IKEA's key figures support the fact that IKEA are constantly expanding. Over the past ten years IKEA's yearly revenue has gone from of EUR 10,4 billion to EUR 25,2 billion. In addition, their profit has increased from EUR 9,7 billion to EUR 11,4 billion over the past four years, and number of employees has increased from 90,000 in 2005 to 131,000 in 2011<sup>2</sup>. Thereby, IKEA's global success is evident. Even during the financial crisis the company continue to expand their 'flat-pack empire'. Consequently, IKEA's key figures indicate that their branding strategy continues to be an advantage for them.

---

<sup>2</sup> IKEA's annual profit prior to 2008 has not been made public. Equally, there are no official data on employment numbers prior to 2005. I have contacted IKEA in order to access the data, but they were unable to comply with my request.

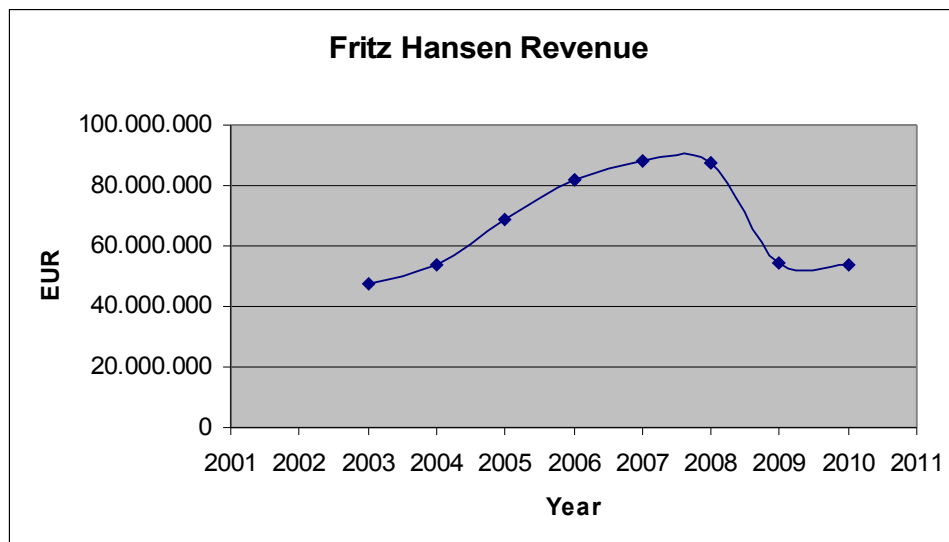


(6. IKEA Yearly Summary 2011).

Fritz Hansen on the other hand are deeply affected by the financial crises. From 2003 to 2007 their annual revenue increased from EUR 47,3 million to EUR 88,3 million<sup>3</sup>. The Republic were at their peak when the financial crisis struck and the last three years the annual revenue has decreased. With an annual revenue of EUR 53,9 million in 2010 the company are far from the success they had before the crisis. The financial downturn has also meant that Fritz Hansen's annual profit was quite low in 2010 (EUR 1,8 million), compared to before the crisis (EUR 9,3 million in 2007). Equally, employment numbers has gone from 330 employees in 2001 to 181 employees in 2010. The graphs show that despite the fact that Fritz Hansen's utilization of national identity has become blurred and their global strategy has resulted in some conflicting messages in regards to brand identity, they have still been successful up till the financial crisis. Thereby, their global strategy and their conflicting messages in regards to brand identity do not appear to have affected the company poorly in terms of sale.

---

<sup>3</sup> As the graphs show, I have been unable to access some of Fritz Hansen's key figures. I asked Fritz Hansen for these figures but only received a table on employees, which is enclosed in appendix 3.



(6. Republic of Fritz Hansen).

### 10.5 Summary

In this comparative analysis I have analysed and discussed different areas within IKEA's and Fritz Hansen's branding strategies. Both companies use co-branding as part of their branding strategy. IKEA co-brand with the Swedish Tourist Council, and this superior partnership encapsulates IKEA's other partnerships with, for instance Unicef, Save the Children and WWF. Thereby, these co-brands become part of the Swedish values and lifestyle. IKEA and Sweden's collaboration works as an organic process, where the two brands form and define each other. This close co-operation between company and state is possible because it is rooted in the Swedish business structure. Equally, the co-branding of Denmark and Danish Modern was possible because it was conducted within the frames of Danish tradition, where things remained small and local, and the influence of the state was limited. Today, Fritz Hansen co-brand with key players within the fashion and art communities. This supports their aspiration to become an essential player in that field and helps target wealthy cosmopolitan consumers.

There are pros and cons when branding a country-of-origin strategy versus a globalized branding strategy, where country images are less explicit. Olins claim that national brands are dying because they are becoming 'fantasy national brands', but my research suggests that they are simply changing form. It has become the narratives surrounding the national brands that have become important. In IKEA's case the national element has only become stronger over time, and nationality is also a factor that is impossible for Fritz Hansen to ignore. Branding country-of-origin is not without risk as negative country images and stereotypes may damage the brand. However my study shows that both companies have successfully utilized country stereotypes. In addition, branding a global



strategy may be problematic because it is a difficult concept to define without the use of national images and stereotypes. Thereby, the Republic end up sending some conflicting messages, which have resulted in a blurred utilization of national identity. Perceived quality and culture are elements which also affect the branding strategies. However, my research indicates that it is primarily the cultural category that is important as both companies' attributes and values are communicated as cultural values. IKEA entered the international market around the same time the golden age of Danish Modern ended. Like Danish Modern, IKEA's designs are communicated as being functional, simple and democratic. However, the Swedish and Danish versions of democratic design are quite different. In IKEA's case, it is based on mass-production and economies of scale, while in the case of Danish Modern it meant keeping things small, local and co-operative. Finally, IKEA's key figures clearly show that they are a successful business in constant expansion, apparently unaffected by the current financial crisis. Equally, Fritz Hansen were quite successful before the financial crisis, and sales do not seem to have been affected by conflicting messages in their brand identity or a less explicit national identity.

## 11. Conclusion

Sweden's image is so positive that it benefits from Denmark's image and national products. One of the few brands that Sweden does not benefit from is Danish Modern which was, as the name imply, explicitly branded as Danish. In this thesis I argue that one of the main reasons behind Sweden's positive image is IKEA's explicit utilization of national identity and co-branding with the Swedish state. The purpose of the case studies was to examine how IKEA and Republic of Fritz Hansen communicate their brand identities to consumers and how they utilize national identity and the values associated with their national identity, when branding their companies. In the comparative analysis I discussed and analysed the main topics of both cases, and connected these findings with the socio-cultural background of each country. Equally, I discussed the pros and cons when branding country-of-origin versus a globalized branding strategy. Ultimately, these different elements have enabled me to answer the main research question; *How come utilizing an explicit national identity continues to be an advantage for IKEA but has become blurred in the case of Fritz Hansen*. In the case of IKEA I argue that the company's co-branding with Sweden makes them unique. The company have managed to connect all their values to the Swedish way of life. According to my study, IKEA, family and nation appear to form a trinity which frames every aspect of the company's brand identity. IKEA's co-branding with Sweden is rooted in a long tradition of close co-operations between Swedish companies and the state. My research suggests that it continues to be an advantage for IKEA to utilize an explicit national identity as a branding strategy because the co-branding with their country-of-origin is a constant organic process, where company and nation form and define each other.

My empirical study of Republic of Fritz Hansen indicates that the company's globalized branding strategy has resulted in conflicting messages in their communication of brand identity. Fritz Hansen have tried to tone down the national affiliations but the narratives surrounding the Danish Modern icons are too powerful to ignore. Because Fritz Hansen constantly draw on the old furniture icons, it seems that the company are becoming a nostalgic brand instead of the global life-style provider they wish to be. Consequently, by communicating themselves as being both global, Danish and a republic the company try to embrace too many identities, which I argue has resulted in a blurred utilization of national identity. Country-of-origin is an important category for both companies because their value-sets and business' structures are rooted in their social-cultural background. Thereby, a globalized identity is difficult for Fritz Hansen to brand because there are no country images and stereotypes to define it from. Furthermore, my research suggests that national brands

have changed form because it, in many cases, appears to be the narratives surrounding these brands have become important. The fact that IKEA have continued to increase their attachment to Sweden since they entered the international market, and seem to thrive and constantly expand because of it, falsifies, to a certain extent, Olins' claim of national brands being in terminal decline. Equally, the fact that Sweden tend to benefit from the image of Denmark and Danish products suggests that the power of these so-called 'fantasy national brands' should not be undermined.

## Bibliography

- Andersen, Ib (2009). *Den skinbarlige virkelighed – videnproduktion indenfor samfundsvidenskaberne*. Frederiksberg: Samfundslitteratur
- Andresen, Carl Erik (1996). *Dansk Møbelindustri 1870-1950*. Århus: Forlaget Systime A/S
- Anholt, Simon (2002). *Foreword*. *Journal of Brand Management*, 9 (4/5), 229-239
- Anholt, Simon (1998). *Nation-brands of the twenty-first century*. *Journal of Brand Management*, 5 (6), 395-406
- Anholt, Simon (2005). Anholt-GMI Nation Brands Index Q1. Retrieved 29 March 2012 from <http://www.simonanholt.com/Publications/publications-other-articles.aspx> via Google
- Bjarnestam, Eva Atle (2009). *IKEA - design och identitet*. Malmö: Bokförlaget Arena
- Bruun Rasmussen. *7'eren på catwalk*. Retrieved 20 February 2012 from <http://www.bruun-rasmussen.dk/vfs/articles/1.1/seven.html> via Google
- Burt, Steve, Johansson, Ulf & Thelander, Åsa (2011). *Standardized marketing strategies in retailing? IKEA's marketing strategies in Sweden, the UK and China*. *Journal of Retailing and Consumer Services*, 18, 183-193. Elsevier Ltd
- Den Permanente Udstilling af Dansk Kunsthåndværk og Kunstindustri, København (1972). Fritz Hansen 1872-1972
- Dinnie, Keith (2002). *Book Review "National Image and Competitive Advantage: The Theory and Practice of Country-of-Origin Effect"*. *Journal of Brand Management*, 9 (4/5), 396-398
- Dinnie, Keith (2008). *Nation Branding: Concepts, Issues, Practice*. Oxford: Butterworth-Heinemann
- Duguid, Paul, Lopes, Teresa da Silva & Mercer, John (2010). Reading Registrations – An Overview of 100 Years of Trademark Registrations in France, the United Kingdom, and the United States. In Lopes, Teresa da Silva & Duguid, Paul (Eds), *Trademarks, brands and Competitiveness* (pp. 9-30). New York: Routledge Ltd.
- Edvardsson, Bo & Enquist, Bo (2002). *"The IKEA Saga": How Service Culture Drives Service Strategy*. *The Service Industries Journal*, 22 (4), 153-186. London: Frank Cass
- Edvardsson, Bo, Enquist, Bo & Hay, Michael (2006). *Values-based service brands: narratives from IKEA*. *Managing Service Quality*, 16 (3), 230-246. Emerald Group Publishing Limited

- Erhvervs- og Vækstministeriet (2011, 20 December). *Innovation og Design*. Retrieved 12 March 2012 from <http://www.evm.dk/arbejdsomraader/vaekst-og-konkurrenceevne/innovation-og-design> via Google
- Eurofound (2007). Codes of conduct and international framework agreements: New forms of governance at company level. Case study IKEA. Retrieved 20 April 2012 from <http://www.eurofound.europa.eu/pubdocs/2007/927/en/1/ef07927en.pdf>
- Fleischer, Jo (2004, September). *The IKEA Effect*. *InFurniture*, 5 (11), 25-32
- Fleischer, Jo (2006, 28 March). *Say what? Doing things the IKEA way*. *InFurniture*, 7 (1), 54-54
- Han, C. Min (1989, May). *County Image: Halo or Summary Construct?* *Journal of Marketing Research*, 26 (2), 222-229
- Hansen, Per H. (2006a). *Networks, Narratives, and New Markets: The Rise and Decline of Danish Modern Furniture Design, 1930-1970*. *Business History Review*, 80 (3), 449-483
- Hansen, Per. H. (2006b). *Da danske møbler blev moderne. Historien om dansk møbeldesigns storhedstid*. Copenhagen: Aschehoug/Syddansk Universitetsforlag
- Hansen, Per H. (2010). Cobranding Product and Nation – Danish Modern Furniture and Denmark in the United States, 1940-1970. In Lopes, Teresa da Silva & Duguid, Paul (Eds), *Trademarks, brands and Competitiveness* (pp 77-101). New York: Routledge Ltd.
- Holt, Douglas B. (2004). *How brands become icons. The principles of Cultural Branding*. Boston: Harvard School Business Press
1. IKEA. History – 1920s. Retrieved 23 March 2012 from [http://www.ikea.com/ms/en\\_US/about\\_ikea/the\\_ikea\\_way/history/index.html](http://www.ikea.com/ms/en_US/about_ikea/the_ikea_way/history/index.html)
  2. IKEA. History – 1940s-1950s. Retrieved 11 November 2011 from [http://www.ikea.com/ms/en\\_US/about\\_ikea/the\\_ikea\\_way/history/1940\\_1950.html](http://www.ikea.com/ms/en_US/about_ikea/the_ikea_way/history/1940_1950.html)
  3. IKEA. History – 1990s. Retrieved 23 March 2012 from [http://www.ikea.com/ms/en\\_US/about\\_ikea/the\\_ikea\\_way/history/1990.html](http://www.ikea.com/ms/en_US/about_ikea/the_ikea_way/history/1990.html)
  4. IKEA. Swedish heritage. Retrieved 23 March 2012 from [http://www.ikea.com/ms/en\\_US/about\\_ikea/the\\_ikea\\_way/swedish\\_heritage/index.html](http://www.ikea.com/ms/en_US/about_ikea/the_ikea_way/swedish_heritage/index.html)
  5. IKEA. IKEA. How to shop at IKEA. Retrieved 24 January 2011 from [http://www.ikea.com/ms/en\\_US/customer\\_service/how\\_to\\_shop\\_at\\_ikea.html](http://www.ikea.com/ms/en_US/customer_service/how_to_shop_at_ikea.html)
  6. IKEA. Yearly Summary – Welcome inside 2011. Retrieved 23 March 2012 from [http://www.ikea.com/ms/en\\_US/pdf/yearly\\_summary/Welcome\\_inside\\_2011.pdf](http://www.ikea.com/ms/en_US/pdf/yearly_summary/Welcome_inside_2011.pdf)

7. IKEA. Partnerships. Retrieved 29 March 2012 from  
[http://www.ikea.com/ms/en\\_US/about\\_ikea/our\\_responsibility/partnerships/index.html](http://www.ikea.com/ms/en_US/about_ikea/our_responsibility/partnerships/index.html)
  8. IKEA. IKEA kataloget 2012. Retrieved 15 April 2012 from  
<https://secure.ikea.com/dk/da/customerservices/catalogues>
  9. IKEA. 2012 IKEA catalog. Retrieved 15 April from <http://info.ikea-usa.com/Catalog/>
- IKEA catalogues: 1965, 1981, 1984 and 1995. Viewed at Designmuseum Danmark's library
10. IKEA. Facts and Figures 2004/2005. Retrieved 20 April 2012 from  
[http://www.ikea.com/ms/en\\_CN/img/about\\_ikea/facts\\_figures\\_05/IKEA\\_FF\\_0405\\_GB.pdf](http://www.ikea.com/ms/en_CN/img/about_ikea/facts_figures_05/IKEA_FF_0405_GB.pdf)
  11. IKEA. Facts and Figures 2007. Retrieved 20 April 2012 from  
[http://www.ikea.com/ms/de\\_AT/about\\_ikea/pdf/IKEA\\_FF07\\_ENG.pdf](http://www.ikea.com/ms/de_AT/about_ikea/pdf/IKEA_FF07_ENG.pdf)
  12. IKEA. Facts and Figures 2008. Retrieved 20 April 2012 from  
[http://www.ikea.com/ms/en\\_AA/about\\_ikea/pdf/FF08GB.pdf](http://www.ikea.com/ms/en_AA/about_ikea/pdf/FF08GB.pdf)
  13. IKEA. Facts and Figures 2009. Retrieved 20 April from  
[http://www.ikea.com/ms/en\\_US/about\\_ikea/facts\\_and\\_figures/index.html](http://www.ikea.com/ms/en_US/about_ikea/facts_and_figures/index.html)
  14. IKEA Facts and Figures 2010. Retrieved 20 April 2012 from  
[http://www.ikea.com/ms/en\\_JP/about\\_ikea/facts\\_and\\_figures/index.html](http://www.ikea.com/ms/en_JP/about_ikea/facts_and_figures/index.html)
- Iversen, Martin Jes & Andersen, Steen (2008). Co-operative liberalism: Denmark from 1857 to 2007. In Fellman, Susanna, Iversen, Martin Jes, Sögren, Hans & Thue, Lars (Eds), *Creating Nordic Capitalism* (pp. 265-334). New York: Palgrave Macmillan
- Iversen, Martin Jes & Thue, Lars (2008). Creating Nordic capitalism – the business history of a competitive periphery. In Fellman, Susanna, Iversen, Martin Jes, Sögren, Hans & Thue, Lars (Eds), *Creating Nordic Capitalism* (pp. 1-19). New York: Palgrave Macmillan
- Jaffe, Eugene D. & Nebenzahl, Israel D. (2001). *National Image & Competitive Advantage – The Theory and Practice of Country-of Origin Effect*. Copenhagen: Copenhagen Business School Press.
- Jefferys, James B, Whiteley, Laura E. and Wernick, Ellen (2008) IKEA Group. In Tina Grant (Ed) *International Directory of Company Histories* (pp 248-253). Detroit: St. James Press
- Kling, Katarina & Goteman, Ingela (2003) *IKEA CEO Anders Dahlvig on international growth and IKEA's unique corporate culture and brand identity*. *Academy of Management Executive*, 17 (1), 31-37

- Kotler, Philip (1973). *Atmospherics as a marketing tool*. *Journal of Retailing*, 49 (4), 48-64  
Retrieved 28 November 2011 from  
<http://www.hakonswenson.se/publikationer/CFR102%20Butiksformat/Kursiva%20artiklar/Kotler%201973%20JR.pdf> via Google
- Kotler, Philip & Gertner, David (2002). *Country as brand, product, and beyond: A place marketing and brand management perspective*. *Journal of Brand Management*, 9 (4/5), 249-261
- Kristoffersson, Sara (2009, 7 March). Framgångar kräver sina sagor. *SvD*. Retrieved December 1 2011 from [http://www.svd.se/kultur/understrecket/framgangar-kraver-sina-sagor\\_2563577.svd](http://www.svd.se/kultur/understrecket/framgangar-kraver-sina-sagor_2563577.svd) via Google
1. Kunde & Co. *The Republic grows*. Retrieved 20 February 2012 from <http://health-care.dk/Default.aspx?ID=1234> via Google
2. Kunde & Co. *Republic of Ants, Swans and Eggs*. Retrieved 20 February 2012 from <http://health-care.dk/Default.aspx?ID=1236> via Google
- McGoldrick, P (2010). *Retail Marketing*, 4<sup>th</sup> edn. Berkshire: McGraw-Hill Education
- Moon, Youngme (2004, 14 September). *IKEA Invades America*. Boston: Harvard Business School Publishing
- Mortensen, Silas (2012, 5 February). 1864 gav danskerne mindreværds kompleks. *Videnskab dk*  
Retrieved 14 March 2012 from <http://videnskab.dk/kultur-samfund/1864-gav-danskerne-mindrevaerds-kompleks> via Google
- Nation Branding. Nation Brands Index 2010 released. Retrieved 1 November 2011 from  
<http://nation-branding.info/2010/10/13/nation-brands-index-2010/> via Google
- The Observer (2005, 12 June). *Ikea – brand of the many*. Retrieved 1 November 2011 from  
<http://www.guardian.co.uk/business/2005/jun/12/theobserver.observerbusiness4>
- Olins, Wally (1999). *Trading identities: Why countries and companies are taking on each others' roles*. London: Foreign Policy Centre
- Olins, Wally (2003). *OnBrand*. London: Thames & Hudson Ltd
- Papadopoulos, N & Heslop, L (2002). *Country equity and country branding: Problems and Prospects*. *Journal of Brand Management*, 9 (4/5), 294-314
- Pine II, Joseph B. & Gilmore, James H. (1998, 1 July). *Welcome to the Experience Economy*. Harvard Business Review
- Prince, Melvin & Davies, Mark (2002, September/October). *Co-branding partners: What do they see in each other?* *Business Horizons*, 45 (5), 51-55
- Pulos, Arthur J. (1988). *The American Design Adventure, 1940-1975*. Cambridge: Massachusetts Institute of Technology

1. Republic of Fritz Hansen. History. Retrieved December 22 2011 from <http://www.fritzhenzen.com/da/fritz-hansen/the-republic/Historie.aspx>
  2. Republic of Fritz Hansen. Main Catalogue 2011. Retrieved December 22 2011 from <http://viewer.zmags.com/publication/073eab6c#/073eab6c/1>
  3. Republic of Fritz Hansen. Republic magazine 2011. Retrieved 11 March 2012 from <http://viewer.zmags.com/publication/e055d6eb#/e055d6eb/31>
  4. Republic of Fritz Hansen. Republic magazine 2011. Retrieved 11 March 2012 <http://viewer.zmags.com/publication/79e95aa7#/79e95aa7/17>
  5. Republic of Fritz Hansen. Tal R Eggs travels to Rome. Retrieved 21 March 2012 from <http://www.fritzhenzen.com/en/fritz-hansen/contact/Press-Room/news.aspx?News=TAL+R+EGGS+TRAVEL+TO+ROME>
  6. Republic of Fritz Hansen. Annual Accounts 2007, 2008, 2009, 2010. Retrieved 21 April 2012 from <http://www.fritzhenzen.com/en/fritz-hansen/contact/HQ-and-Management.aspx>
- Salzer, Miriam (1994). *Identity across borders, a study in the "IKEA-World"*. Linköping: Linköping University
- Shimp, Terence A. & Sharma, Subhash (1987). *Consumer ethnocentrism: Construction and Validation of the CETSCALE*. *Journal of Marketing Research*, XXIV, 280-9. Retrieved September 24 2011 from <http://iba8010kelly.alliant.wikispaces.net/file/view/%EF%BC%92.pdf> via Google
- Sjögren, Hans (2008). Welfare capitalism: the Swedish economy, 1850-2005. In Fellman, Susanna, Iversen, Martin Jes, Sögren, Hans & Thue, Lars (Eds), *Creating Nordic Capitalism* (pp. 22-74). New York: Palgrave Macmillan
- Statens Museum for Kunst. (9 September 2010). The New Café Republic at Statens Museum for Kunst. Retrieved 29 March 2012 from <http://www.smk.dk/en/about-smk/news/artikel/the-new-cafe-republic-at-statens-museum-for-kunst/> via Google
- Suhr, Annette (2009, 17 December). Obama vil også sidde I Wegners stol. *FRI*. Retrieved 14 February 2012 from <http://www.fri.dk/bolig/obama-vil-ogsaa-sidde-i-wegners-stol> via Google
- Urde, Mats (2009). *Uncovering the corporate brand's core values*. *Management Decision*, 47 (4), 616-638. Emerald Group Publishing Limited
- Washburn, Judith H., Till, Brian D. & Priluck, Randi (2000). *Co-branding: brand equity and trial effects*. *Journal of Consumer Marketing*, 17 (7), 591-604



Yin, Robert K. (1994). *Case Study Research. Design and Methods*. Thousand Oaks: Sage.

Retrieved October 7 2011 from

[www.soberit.hut.fi/.../Research\\_Methods/Case\\_Stu...](http://www.soberit.hut.fi/.../Research_Methods/Case_Stu...) via Google

Økonomi- og Erhvervsministeriet (2008, 25 March). *Jacob Holm i spidsen for dansk design center*.

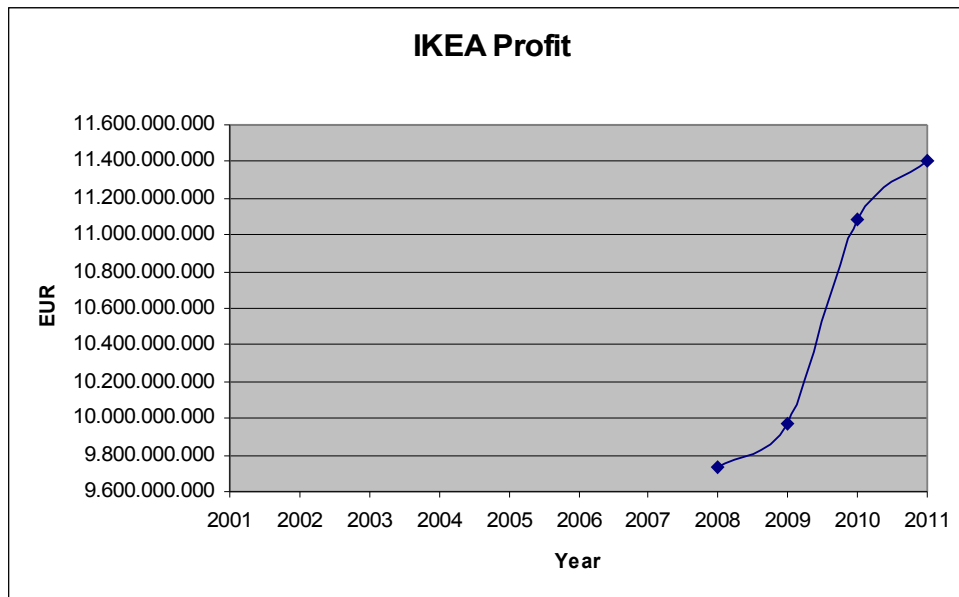
Retrieved 6 March 2012 from <http://ny.oem.dk/sw21137.asp> via Google

Ørholst, Henrik (2011, 9 February). Lego er da dansk, spansk og tysk. *Berlingske Nyhedsmagasin*,

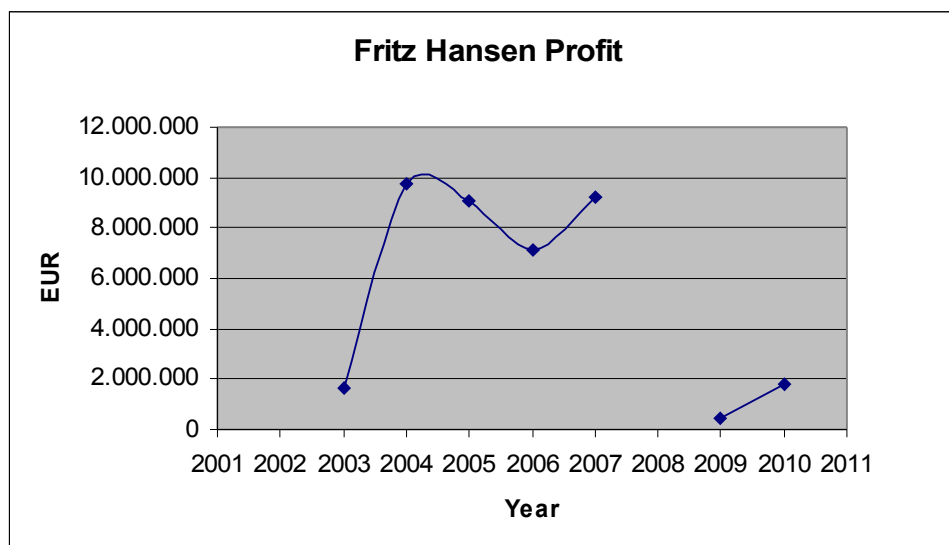
24-25. Retrieved July 20 2011 from [www.cbs.dk/.../Lego%20er%20da%20dansk,](http://www.cbs.dk/.../Lego%20er%20da%20dansk,%20spansk%20og%20t...)

[%20spansk%20og%20t...](http://www.cbs.dk/.../Lego%20er%20da%20dansk,%20spansk%20og%20t...) via Google

## Appendix 1

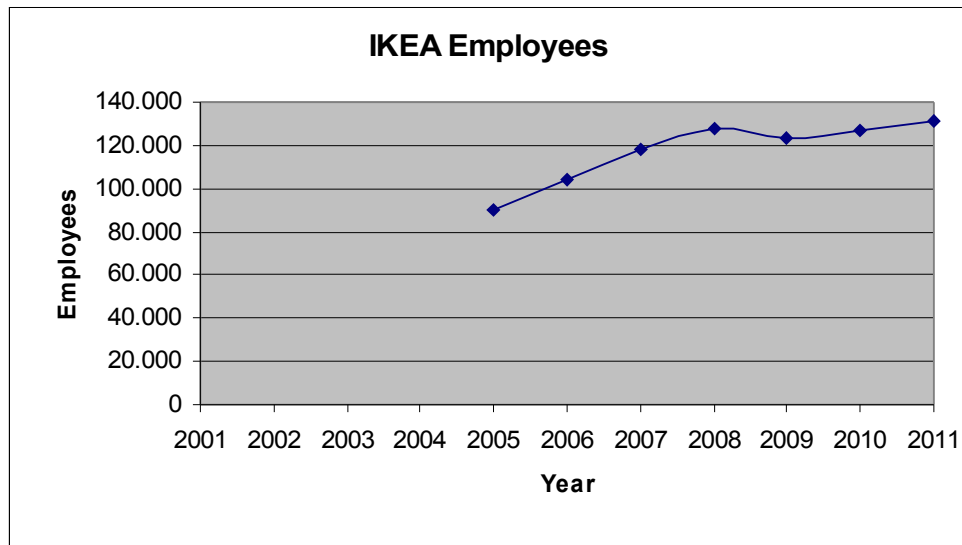


(6. IKEA Yearly Summary 2011).

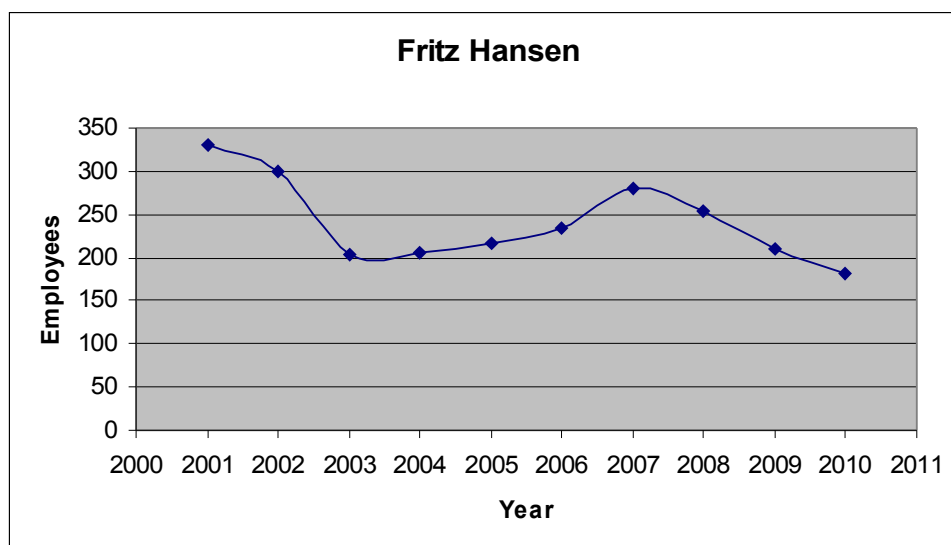


(6. Republic of Fritz Hansen).

## Appendix 2



(6. IKEA Yearly Summary 2011; 10. IKEA; Eurofound, 2007, p. 1; 11. IKEA, 12. IKEA; 13. IKEA; 14. IKEA).



(6. Republic of Fritz Hansen; Fritz Hansen table on Employers – see appendix 3).

## Appendix 3

### Fritz Hansen's Employment numbers

