

SØSTRENE GRENE

Group 7

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introduction

As one of the well-known home decor brands, Søstrene Grene maintains its good position and reputation on both Danish market as well as worldwide.

Starting 44 years ago, the brand crystallized into a wide selection of utensils for households where the tradition of Danish design meets the cosy, “hyggelig” atmosphere.

The strongest marketing pillars for Søstrene Grene are:

1. The shopping experience per se - the customers feel safe, welcomed, comfortable and inspired while shopping.
2. The DIY vibe - customers can buy specific items but the final placement/decoration is up to them. They can absorb and afterwards create a cosy home-like feeling with the Søstrene Grene purchases only.

As consultants, we analysed the macroenvironment in the market.

Furthermore, evaluated the current and future home decor market trends as well as the behaviour of customers whilst shopping at Søstrene Grene.

The gathered data helped us to come up with a deeper market analysis and propose ideas to how you could elevate the concept of Søstrene Grene to another level.

With new technologies developing every day, Søstrene Grene should stay on track with these and blend their rustic, homey approach with various social media promotions and viral ads.



Sbu & target group

Target Group:

women from middle class (mostly between 20 and 40-years-old)

Strategic Business Unit (sbu):

home décor on a Danish market



pestel analysis

political

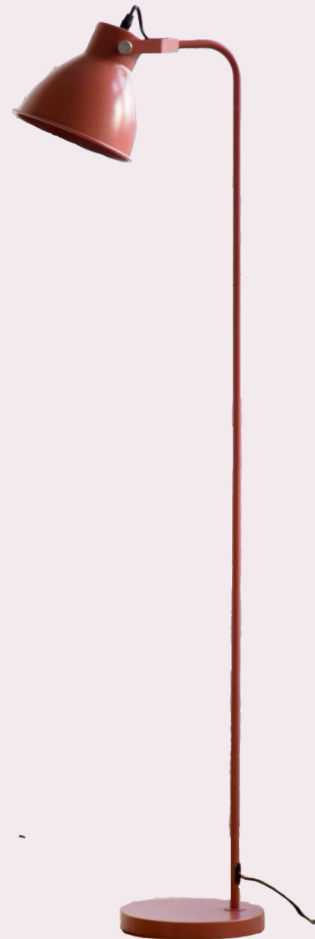
There is a low corruption and bureaucracy level in Denmark. The governmental situation is one of the most stable in Europe, hence the taxes are very high. Both consumers and employees are well protected by Danish and European legislations.

economical

Denmark maintains a high economic position. The unemployment rate is below average in Europe, which in 2016 balanced at 4.3%. The inflation in Denmark is harmonized, which is based upon the Danish harmonised consumer price index. The taxes are one of the highest in Europe, which also influences the wage pattern, where the 'estimated' minimum wage per hour is DKK 110. Globalization continuously has a growing impact on the economic growth.

socio-cultural

When it comes to demographics the most important factors are age, gender and family size. The customers are leading an urban lifestyle, with a deep respect towards tradition and the understanding of Danish minimalist and aesthetically pleasing design. There is an ongoing trend of "following" people in order to get inspired, hence the media has a growing influence in the daily lifestyle. Moreover, customers' occupation impacts their earning capacity.



pestel analysis

technological

The everyday innovations, the speed of technology, the growth of new industries influence the quality and pricing, nevertheless this is the price that the customers are willing to pay. Today's technology gives the essential access to follow up with upcoming trends and improvements.

environmental

There are both Danish and European regulations which aim to protect the environment. By 2020 Denmark has the goal to supply 50% of electricity consumption in the country, empowering it by wind energy. The final goal would be to supply all the country's electricity by using only the reusable energy. Consumers are being more conscious of their choices and that's why they're seeking solutions that are being non-destructive and sustainable. Environmental awareness might influence the future of production and distribution for companies.

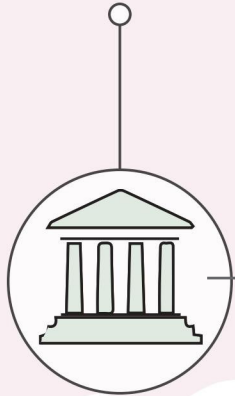
legal

There is all set of regulations and laws regarding taxation, employment, transportation, partnership, advertisement, environment or consumer. The company has to obey both Danish and EU legislation as well as take into account the existing regulatory bodies overlooking their actions and steps.



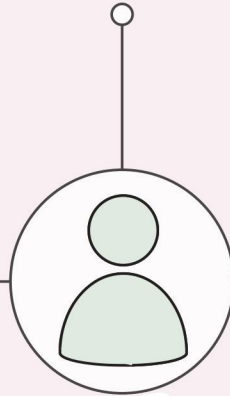
political

- Governmental stability
- Low level of corruption & bureaucracy
- High taxes
- Consumer - protection legislation
- Employment law & CSR
- Trade legislation / restriction



socio-graphics

- Demographics
- Earning capacity
- Population growth rate
- Lifestyle
- Occupation
- Media influence, trends



environmental

- Environmental issues & regulations
- Energy availability & cost
- Infrastructure- shipping
- Ecological consequences
- Environmental values of customers, market, stakeholder/investors



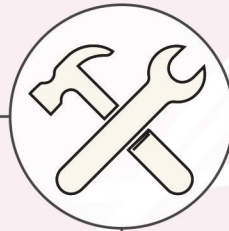
economy

- High GDP pr. capital
- Inflation
- Unemployment - 4.3%
- High taxes
- Wage pattern
- Impact of globalization
- Current & economic growth
- Disposable income



technology

- Transportation, energy use
- Growth of new industries
- Network coverage
- Innovations
- Quality & pricing
- Technology access



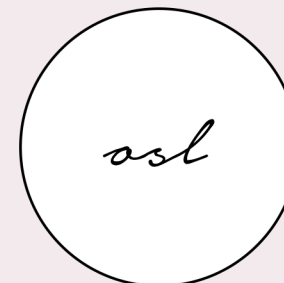
legal

- Taxation
- Danish & EU legislation
- Environmental
- Employment - regulation
- Advertisement regulations
- Regulatory bodies

customer behaviour

- to create the "home vibe"
- to experience the warm & cosy atmosphere (shopping experience)
- the need to buy home décor stuff

- EMOTIONAL (nostalgia, feelings about the Danish tradition of hygge)



- lack of cosiness in a customer's life
- financial stability (Danish economy, pamper your family/treat yourself)
- low prices + good quality

- zone of curiosity, loyal customers (loyal to Danish traditions)

Sociology Consumer behaviour

ROLES IN DECISION MAKING:

deciders - women 20+/mothers

buyers - women 20+/mothers

users - the whole family (+pets)

influencers - bloggers, ads, promotions, social media + collaborations, regular catalogue informing about the newest collection



customer behaviour trends

Behaviour trends

The Danish market and the media has acknowledged your highly successful furniture product which were sold rapidly this fall.

As mentioned by your director, Mikkel Vaupell Grene, the campaign was more successful than anticipated. This just comes to show the importance of promotion.

To continuously have successful campaigns, one must follow the future trends. Therefore, the following trends must be taken into consideration for future campaigns.

Sustainability

Today's consumers are becoming increasingly aware of the production of products. Not just in regards to climate change but also the circumstances and labour standards. The "consumer who cares", feels a responsibility and takes into consideration the brands they engage with. This also includes the growing interest in sustainability.

At the moment, few of your products are organic and/or sustainable.

As a growing company, with a large market share, entering the ongoing, growing trend of sustainability could be a great opportunity for further growth. Sustainability is not just a growing trend, it is also somewhat becoming essential for the environment. It is therefore important to take this trend into consideration and act on it before other competitors in the market, such as Tiger. It will bring attention to your company and create interest for potential customers. Furthermore, producing a sustainable product range will build you a good reputation among environmentally-conscious clientele.

Social Media

Social media is not a new trend. But it is still increasing rapidly especially with promotion with eMarketers. As seen on your Instagram and Facebook, you have a great follower base. Consumers tend to be more active when the products are recommended by others.

Therefore, continuing to develop promotion and campaigns through bloggers, social media influencers and celebrities all have their own follower base.

We are aware that Søstre Grene has already looked into this, such as Bloggersdelight and Instagram. By sponsoring social media influencers and combining their follower base with yours, you will gain further acknowledgement as a brand. It also allows you to update and inspire current and potential customers from their phone. Fewer are visiting physical stores and seek inspiration and shop online. It is important to follow this trend. Therefore we recommend you to continually work with online promotion and create marketing to this media.

conclusion

Our proposition for a future campaign would be to promote for new sustainable product line through social media. Specifically, on the platform of social media influencers. For instance, collaborating with a celebrity whom you have mutual values with. A promotion where the chosen influencers show how these products are used in their daily life.

Nowadays, Danish consumers are getting increasingly aware of the environment they live in. The internet offers an abundance of information on sustainability and environmentally-friendly lifestyle. Taking these facts into consideration, Søstrene Grene could offer its customers a sustainable line of products whilst still sticking into their standards (Danish-design craftsmanship, hygge).

Emphasize the importance of the environment and how your products benefit the climate in order to encourage them to ultimately purchase the products. The result will be mutually beneficial for both the consumer and your brand.

sources

Second country in Europe who buys the most online,
"Forbrugerne elsker fortsat de fysiske butikker" Finans:
<http://finans.dk/live/erhverv/ECE8520566/forbrugere-elsker-fortsat-de-fysiske-butikker/?ctxref=ext>

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Renewable energy in DK:
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Success of furniture collection, Finans:
<http://finans.dk/live/erhverv/ECE8991631/soestrene-grene-det-har-udviklet-sig-til-lidt-af-en-kaehlergate/?ctxref=ext>

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<http://www.portal.euromonitor.com/portal/analysis/tab>

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<https://www.promorati.com/blog/consumer-behaviour-trends-2016-2017/>

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Sostrene Grene catalogue:
<http://sostrenegrene.com/da/e-kataloger/>

Books:
"Consumer Behaviour" By Michael Solomon, Rebekah Russell-Bennett, Josephine Previte, 2013, ISBN 9781442553583