

LIKE A FUNGUS AMONG US:

Swedish Firms and Virus Marketing

“Think of a virus as the ultimate marketing program. When it comes to getting a message out with little time, minimal budgets and maximum effect, nothing on earth beats a virus. Every marketer aims to have a dramatic impact on thinking and behavior in a target market; every successful virus does exactly that”

(Jeffrey Rayport: The Virus of Marketing).

The term “virus marketing” may be unfamiliar to you, but the concepts are not. They apply to successful marketing strategies that have entered your awareness, which makes them “virus.” If it’ll make you more comfortable, we’ll call it v-marketing. Here’s how it works for Swedish companies:

Rule 1: Stealth is the essence of market entry

Stealth is about getting into the customers’ mind without being louder, bigger and flashier. Like a stealth bomber, the product bypasses your radar screen and comes in via an unrelated activity. The New York restaurant Aquavit has created a national name for itself—and Swedish food. And they don’t even advertise. You can earn mileage points on FinnAir at Aquavit and find their display at IKEA. Their stealth in market entry was based on exhaustive market research and public relations. Care for some Carpaccio of Reindeer—Foie Gras Terrine and Pickled Mushrooms in a Warm Game Broth followed by an Apple Tart—Apple Sorbet and Passion Fruit-Calvados Coulis?

Elfa of Västervik, Sweden is an example of transforming a fifty-year-old product to an accessory for the 1990s: organizing your lifestyle. Working closely with storage and organization specialty retailers, such as The Container Store chain, Elfa products offer systems for home organization.

You may find similar products at a local hardware store, but what do you do with them? Elfa’s v-marketing strategy is to sell solutions. Employees that sell their systems attend courses at the Elfa Business School. This means that an Elfa customer finds all the right components to get organized the first time. According to owner Jan Söderberg: “In 1989 we had twenty-two competitors with identical Elfa copies. Today there are three. They have tried to buy out our distribution, but haven’t succeeded in a single case.”

Rule 2: What’s up front is free; payment comes later

Viruses are patient and can lie dormant for a long time before they kick in. The simplest example of this is the worn-out phrase “Buy now, pay later.” A more sophisticated approach is to guarantee clients that you will create their budget to buy your service. Winner of the Swedish Trade Council’s 1996 Achievement Award, Compass America’s success is built on this guarantee: “In one year, your costs will be cut by at least double our fee, or you we will reimburse fifty percent of our fee.” Competing firms in information technology management may have lower rates, but lack the confidence to match this guarantee. According to Compass’ co-founder Thomas Blitz, “In six years, we have only reimbursed three out of 200 clients. Our results more than justify the extra expense.”

Rule 3: Let the target community carry the message

Viruses have a way of finding their way into public places with a high frequency of contact to be further spread. Manton International in Göteborg manufacturers highly legible currency exchange boards. It was not just a coincidence that they placed one of their first U. S. boards in LaGuardia airport. A simple attached sticker with their name and phone number enabled the vice president of a major U. S. bank to establish contact and eventually place a large order. The sign board spoke for itself; its prominent place spoke even louder.

Rule 4: Look like a host, not a virus

Viruses masquerade as something they really aren’t to avoid getting rejected by the immune system. A good example is the publication *News & Views*, put out by Dataton, a Swedish multimedia company with offices in Linköping and Cincinnati. This quarterly glossy



Has Elfa’s organization virus hit your closet?

magazine is sent free of charge to corporations, museums and entertainment facilities that simultaneously coordinate large amount of audio-visual equipment. *News & Views* has become a cross between the *Bible* and *National Geographic* of the industry. People save the issues and pour over them for ideas and technology updates. Dataton's own product may be only one of many discussed in the publication, but it is the hub that makes all the systems work.

Rule 5: Exploit the strength of weak ties

Both people and viruses thrive on casual social contacts and parties. This is old news for marketers such as Tupperware and Avon. Retailers of Husqvarna Viking sewing machines build on similar networks with clubs and courses. The difference is that Husqvarna Viking has gone hi-tech. In 1994, they introduced a sewing machine with a computerized memory for sewers to design and create their own embroidery. In 1995, they were recognized as winners of the Swedish Trade Council's Annual Achievement Award. On the Internet, social ties created themselves with chat lines on major servers. In May, 1996, Husqvarna created their own web site (www.husqvarnaviking.com) that had 700,000 hits in one month alone. In addition to providing a forum for new products, Husqvarna Viking is also selling patterns that can be directly downloaded on line.

Rule 6: Invest to reach the tipping point

Viruses become an epidemic once they have reached a tipping point. In the beginning, they are scarcely noticeable, but soon they're everywhere. It didn't take many years for Sweden's best known trademark, Absolut Vodka, to become ubiquitous. The distinctive bottle and Warhol-inspired advertisements made it stand out from the standard vodka-on-ice-with-hidden-Freudian-message advertisements. Suddenly your mother-in-law is requesting Absolut screwdriver, and she's not even Swedish.

The American market is seen as the most complex market in the world. This makes it both extremely dynamic and competitive. It's enough to scare the socks off smaller Swedish exporters. They are correct to realize that they can't make a million dollars overnight. Yet it doesn't take a million dollars to build up product awareness and sales. v-marketing offers several models how to do this. To conclude with a successful Saab ad: in the United States, there's still enough opportunity out there to "find your own road."

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