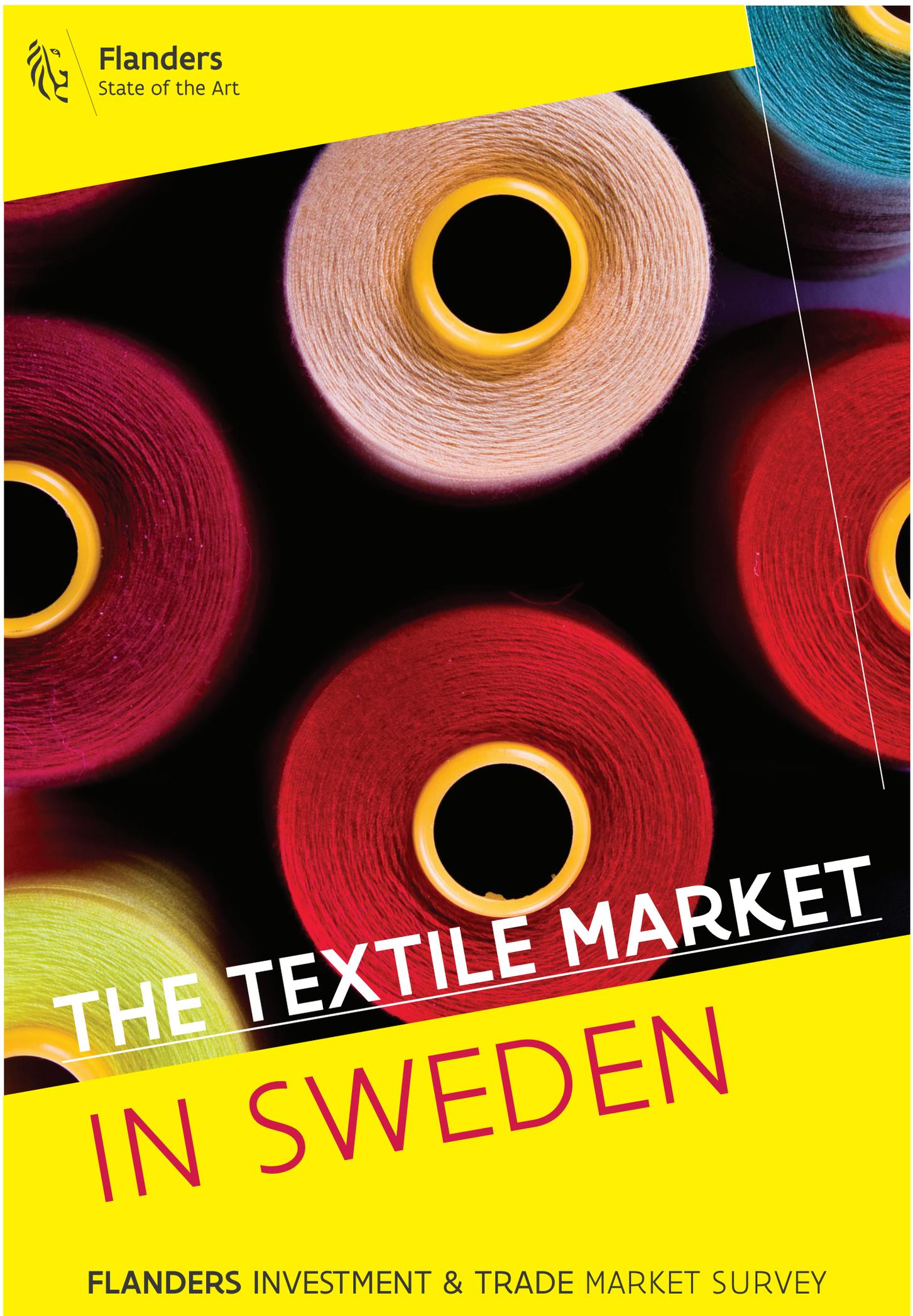




Flanders
State of the Art



THE TEXTILE MARKET IN SWEDEN

FLANDERS INVESTMENT & TRADE MARKET SURVEY

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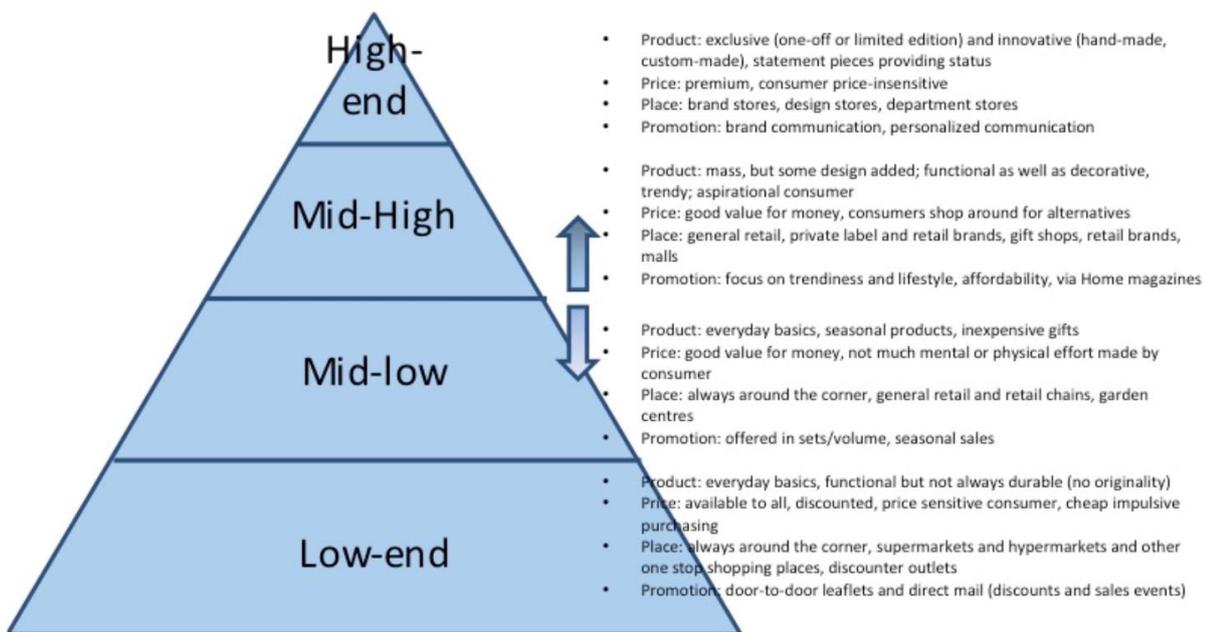
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1. INTRODUCTION

Sweden has a long history in textile and Borås city has long been known as Sweden's textile capital. Sweden's first mechanical cotton weaving mill was established outside Borås in 1835 and it was the first of several major industries that together helped transform Borås into a textile and trading centre. Today textiles have returned home to the Textile Fashion Center, where the pulse of history beats strongly and hints at a rich past. Today research and applications are also made in high tech and smart textiles.

2. PREPARATIONS FOR YOUR COMPANY TO THE SWEDISH MARKET.

Due to high competition of domestic and international brands, a segmentation is essential when you prepare for the Swedish market. This is in order to define where your products fits in. In what segment is your product positioned?



For example:

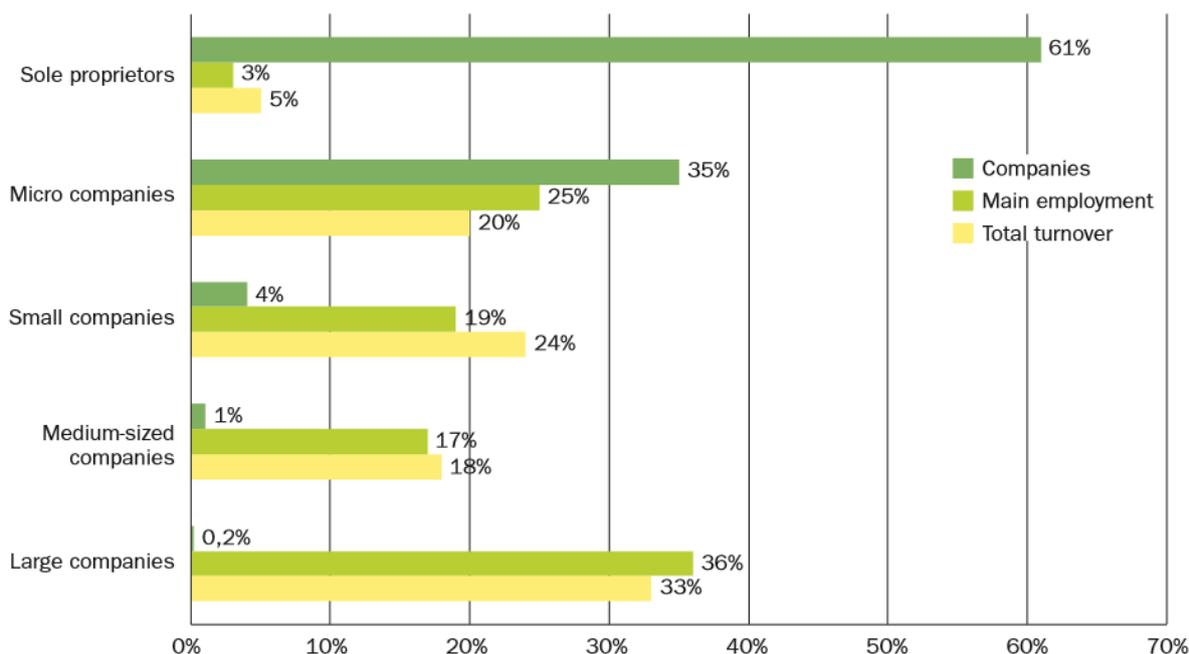
- Target your segment, example: the mid-high and high-end market segments, which offer most opportunities to add value to the product.
- Differentiate your product by ensuring high quality, special raw materials, and telling a unique and personal story.
- Your buyers are likely to be affected by the new competitors in the sector, resulting in new demands. Respond to your buyer's needs by offering short lead times, supply in smaller volumes and supply reliability.
- Supplying textiles to retailers can be interesting if you can meet their quality requirements, so you need to develop new products quickly and ensure short lead times.
- You need to **differentiate yourself** on more than just price when targeting the mid-high and high-end markets.
- Develop clear concepts, either based on "more for less" or "less is more" rather than "everything for everybody".
- Dare to choose a limited set of special values and you will find a meaningful connection with a like-minded importer on interesting and potentially premium markets for home decoration in Europe.
- Only focus on the lower end of the market if you are able to compete with large producers from developing countries such as China, India, Vietnam and, to some extent, Indonesia. These producers benefit from economies of scale (they have low prices and margins, but they can make sufficient profit due to large quantities).
- The middle market can be a good option, but you have to make a clear choice on the benefits to be gained. To supply the mid-end, you must be able to supply large-volume, trendy products at competitive prices.



Business structure and employment

The biggest part, 61 percent, of the Swedish textile industry can be found with sole proprietors. Large companies account for approx. 0.2 percent of the industry, but at the same time has 33 percent of the total turnover. Around 96 percent of the companies have less than ten employees. These numbers show that the textile industry follow the Swedish enterprises in general.

Figure 3.
Business structure divided in sectors, 2013, percent



3. SUSTAINABILITY

Awareness regarding sustainability has increased consumer demand on how products on the market are produced considering environment, production conditions, fair trade, CSR etc. These requirements affects buyers, which in turn places greater demands on their suppliers. There is a growing level of environmental awareness on the market. The global trend is to incorporate environmental considerations into purchasing decisions. Does your company have documentation to show of good sustainable business practice if Swedish companies ask for the origin of your



materials? Also, does your textiles have any standards, and if yes, how is this communicated in your sales and marketing?



4. WHEN YOU APPROACH THE SWEDISH COMPANIES

- Show your buyer you are ready to make an actual commitment. This may involve pre-stocking part of his basics collection, pro-actively investing in product development and sampling, tendering with transport agents to get a better deal for the buyer as well as for yourself etc.
- Think along with your buyer, e.g. by considering possible cost-reducing measures, looking at alternative or new raw materials to reduce cost and increase design flexibility, or consolidating orders on behalf of your buyer.
- Stay involved, also after supplying the order.

5. WHEN YOU TALK TO BUYERS, THESE ARE THE BASIC REQUIREMENTS:

Delivery precision – the right time, to the right place, and in the right quantity.

Quality and finish of the product (including packaging) has to follow the high Scandinavian market requirements. It is also important that the products have consistent quality with little if any variations in the product series delivered.

Ethics and Sustainability – comply with the latest requirements in terms of ethics and sustainability ensuring low environmental impact and fair labour conditions according to the buyer's demands.

Dialogue and cooperation – Scandinavians are non-hierarchical, and look for professional dialogue-based relationships and communication.



