

Research of the Marketing Applicability of the Swedish Lagom Concept in Bulgaria

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Изследване на приложимостта в маркетинга на шведската концепция Lagom в България

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Abstract: In order to understand how a Swedish life concept can be implemented in a marketing strategy in Bulgaria we examine the Bulgarian and the Swedish consumer in order to identify similar traits.

JEL Classification: L83, Z31, Z32.

Key words: marketing; Lagom; applicability.

The price is a primary factor for the Swedes when it comes to their shopping habits. Quality comes second but this does not mean that is taken upon lightly – quite the opposite they have high expectations of it (especially product durability). Other factors influencing the Swedish consumer are value for money, the salesperson's know-how and after sales services. As most of today's consumers, the Swedes use the internet to obtain information for their future purchase. An important fact is that Sweden is a fairly rich country and the standard of life is higher than the average European country thus the purchasing power is above of the average as well. Television reaches the widest audience in the peak hours which is no surprise however an important note here is that Sweden has prohibited all advertising aimed at minors which narrows the audience quite a bit. Swedes love their printed press – nearly 90% of the country's adult populations reads at least one daily paper. Most of the papers or magazines are sold by subscriptions and 93% of printed press is delivered to the consumers doorstep. This fact puts Sweden into the leading position of the world's printed press consumers. Another promising channel for Sweden is the radio. There are nearly 8.3 million radio sets

among a 9.3 million population which makes the radio's reach quite deep. Of course, the digital channels are not left behind. According to Eurostat 95% of households in Sweden have access to the internet and 87% of individuals between 16 and 74 are using mobile devices to access the internet on the move. There are some strict advertising regulations in Sweden. It is prohibited to advertise spirits, wines or beer over 2.25% alcohol on TV, radio and the press. All tobacco advertising is prohibited as well.¹²³

When it comes to the Bulgarian consumer – well things are a bit different. First of all, you can see some really witty TV ads for beer. Also, there is no regulation for advertising to minors so here the audience is more diverse when it comes to age. When it comes to the internet and TV – the Bulgarians love them. For both 73% of Bulgaria has said that they use them on a daily basis whereas the radio gets only 38% and printed press – 15% for newspapers and 8 for magazines.⁴ Clearly Bulgarians get their information a bit differently than the Swedes. Although recent studies show that Bulgarians are starting to value more the quality of the products they buy, it is no secret that the price remains the key factor when it comes to consumer behavior.⁵⁶⁷⁸ This of course is due to the fact

¹ Export Entreprises SA. (2017, 11). *Sweden: Reaching the Consumer*. Retrieved from <https://en.portal.santandertrade.com>: <https://en.portal.santandertrade.com/analyse-markets/sweden/reaching-the-consumers>

² Eurostat. (2017, 12 20). *Level of internet access – households*. Retrieved from [www.ec.europa.eu](http://ec.europa.eu): <http://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&language=en&pcode=tin00134&plugin=1>

³ Eurostat. (2017, 12 20). *Individuals using mobile devices to access the internet on the move*. Retrieved from [www.ec.europa.eu](http://ec.europa.eu): <http://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&language=en&pcode=tin00083&plugin=1>

⁴ IAB Bulgaria. (2015, 05 05). *IAB FORUM 2015 DigiScope CEE, Тенденции в потреблението на медиите, навици на потребителите в диджитал и тяхното влияние за покупка*. Retrieved from www.slideshare.net: <https://www.slideshare.net/iabulgaria/iab-forum-2015-digi-scope-cee-t?ref=https://iabbg.net/%D0%BF%D1%80%D0%BE%D1%83%D1%87%D0%B2%D0%B0%D0%BD%D0%B8%D1%8F/media-scope/>

⁵ Павлова, Б. (2017, 08 05). *Из борсата: Българско или вносно – най-важна е цената!* Retrieved from www.dnes.bg: <https://www.dnes.bg/obshtestvo/2017/08/05/iz-borsata-bylgarsko-ili-vnosno-nai-vajna-e-cenata.349438>

⁶ Цветкова, И. (2015, 07 09). *Българският потребител търси качество и удобство, и внимава за разходите*. Retrieved from www.regal.bg: https://www.regal.bg/novini/tendencii/2015/07/09/2569164_bulgarskiyat_potrebitel_tursi_kachestvo_i_udobstvo_i/

⁷ economy.bg. (2014, 02 03). *Българският потребител е иновативен и търси новото*. Retrieved from <http://www.economy.bg>: <http://www.economy.bg/marketing/view/12091/Bylgarskiyat-potrebitel-e-inovativen-i-tyrsi-novoto>

that the standard of life is not as high as it is in Sweden. In fact, it is significantly lower, thus the purchasing power of the average consumer is lower than the one in Sweden or in fact in Europe as a whole. As per Eurostat the comparative price levels (ratio between purchasing power parities and market exchange rate for each country) where 100 is the index for Europe, Sweden's index is 125.8 which is significantly higher than the standard for Europe and Bulgaria's index is only 47.7 – even less than 50!⁹ This data supports the statement that price is a key factor for the average Bulgarian consumer. Last but not least our general observation regarding Bulgarian consumerism is that we like the luxury, spending more than we have, bragging about our latest purchases and overall not having a structured individual financial management system. Turns out Bulgarians spend much more on their cars than they can afford to – in fact their income must be around 5 times higher so they can afford to properly maintain, service and fuel up an ordinary used car. Furthermore, fast credits in the non-banking sector have skyrocketed in the last years – 11.4% annually (based on 06.2016). Individuals contribute for a little over 80% of all such credits in 2016.¹⁰

So, to sum up for both Bulgarians and Swedes the price is quite important. Also, internet and TV seem to be dominant but in Sweden radio and printed press are quite popular as well. And finally, the purchasing power of a Swedish consumer is much higher than your average Bulgarian with the addition that in Bulgaria we like abundance and excessiveness.

Survey 1 COMPARISON BETWEEN BULGARIA AND SWEDEN ACCORDING TO HOFSTEDE INSIGHTS

Hofstede's online tool¹¹ was used for a comparison between Bulgaria and Sweden to assess on a large scale whether the inherit Lagom culture of Sweden could be transposed to Bulgaria according to the 6-dimension model. The results from the website are presented in Annex I.

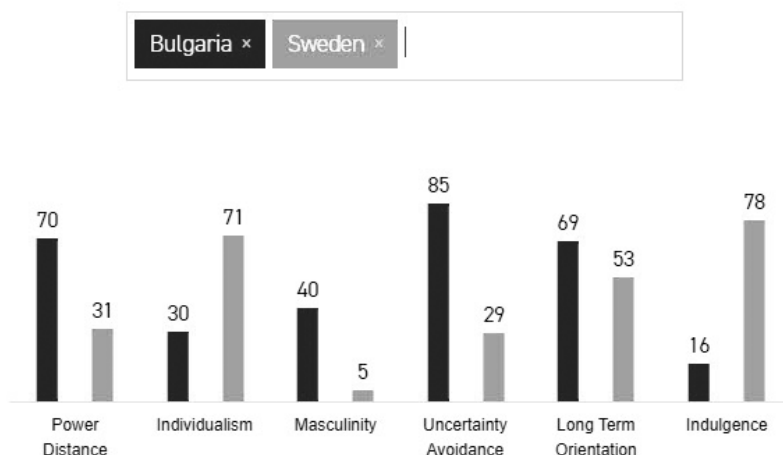
⁸ Димитрова, А. (2015, 06 25). *Nielsen: Българският потребител става все по-визискателен към качеството*. Retrieved from www.regal.bg: https://www.regal.bg/tendencii/2015/06/25/2560446_nielsen_bulgarskiiat_potrebiteľ_stava_vse/

⁹ Eurostat. (2017, 12 14). *Comparative price levels*. Retrieved from [www.ec.europa.eu](http://ec.europa.eu): <http://ec.europa.eu/eurostat/tgm/refreshTableAction.do?tab=table&plugin=1&pcode=tec00120&language=en>

¹⁰ Илиева, В. (2017, 08 20). *Бързите кредити растат с двуцифрен темп*. Retrieved from www.capital.bg: https://www.capital.bg/biznes/finansii/2017/08/20/3025295_burzite_krediti_rastat_s_dvucifren_temp/

¹¹ <https://www.hofstede-insights.com/country-comparison/bulgaria,sweden/> [26/11/2017]

Figure 4 Comparison between bulgaria and sweden according to hofstede insights



Based on this comparison, our **basic assumption** is that Lagom should not be applicable in Bulgarian marketing. However, we duly take note that Scandinavian lifestyle and minimalism in interior design are trending, which allows for a second assumption that despite the concept is not applicable in Bulgaria marketing thoroughly, there could be niches that allow for its successful application (such as design, fashion, wellness, etc.)

Survey 2 Do people in Bulgaria experience Lagom in their lifestyle

Primary research methods

According to Bryman and Bell (2014) primary research is done towards identifying the appropriate research methods via collecting data from original resources. In this research, the author used quantitative data as it is systematic investigation using statistical and numerical data. (Bryman and Bell 2014) This type of data is characterised with closed questions that leave the person answering with two choices – either yes or no, agree or disagree. Consequently, the researcher will be able to create a statistical view of how well people in Bulgaria live by this concept (lagom) and how, according to the participants, marketers use it in the business plan.

Analysis of Data

The data that was collected for the primary research will be analysed with the means of Excel, presented by graphics for clear understanding and visualization.

According to the research, 96% of the people involved in the poll answered that they would like to adopt lagom as a lifestyle at their work place and 21% said that the relationship between customers and organisations can be described as lagom. Therefore, it can be seen that as a business concept, lagom is perceived in a positive way by people in Bulgaria. They would rather work as a team than as an individual, if marketers promote this kind of method in their product development, they would probably be successful. However, as the primary data suggest, the balance between companies and customers is not efficiently established in Bulgaria, consequently, marketers would find it difficult to understand their consumers and to create an effective business strategy in pursuit of targeting the right segment.

Figure 5

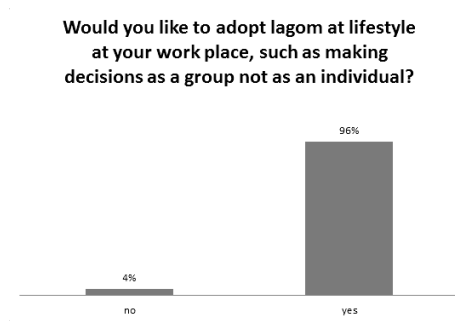
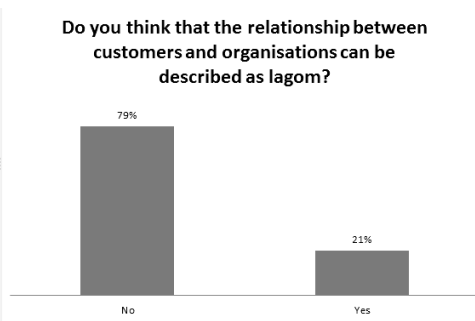


Figure 6



The poll suggests that people in Bulgaria tend to show off their new stuff, around 80%, however, most of them admit that usually they do not buy expensive things – 71%. In the context of lagom and according to the primary data, it can be concluded that lagom exists in people’s life in Bulgaria. Therefore, it can be seen that marketing in Bulgaria that promotes products at low prices is a successful strategy. However, lagom is just the opposite of showing off, and it can be seen that marketers who promote sense of self-centerndness or in order words, standing out in the crowd, will be far from lagom lifestyle, nevertheless, profitable strategy, in Bulgaria.

Figure 7

Do you tend to buy expensive things?

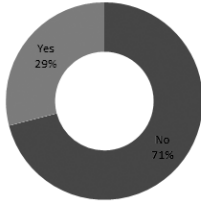
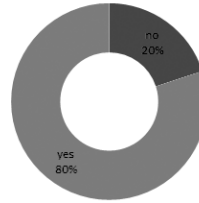


Figure 8

Do you like to show off your new stuff?



As most of the participants are now aware what lagom stands for, the concept's ideas are considerably popular among the population due to the advertisements on TV that promote cost effective products that can be used for a long time. The participants strongly agree (90%) that marketing has adopted lagom as a way to promote different products and this can be seen on a daily basis, especially on TV ads.

Figure 9

Do you think that ads on TV encourage people to buy products that cost less than others?

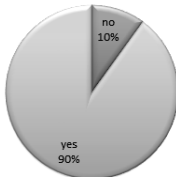
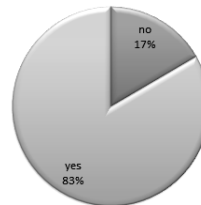


Figure 10

Do you think the concept is adopted by marketers?



The most common element of lagom used in promoting products is the price- „This cost less than the one that you have used until now!“- this phrase is often heard by the TV audience and is responsible for the effective marketing strategy for buying low price products, statement already established above. In conclusion and from the results driven by the graph, can be suggested that marketers in Bulgaria have adopted lagom as a lifestyle concept, mostly when they are promoting products highlighting their material, price, comfort and long life.

One of the lagom aspects is the use of natural products, Bulgarians tend to buy clothes and shoes made from natural materials as they last longer and are more comfortable, however, their price tend to be higher. Nevertheless, the poll shows that natural products are being used by the

nation – (97%). As a matter of fact, marketers use this kind of aspect, especially on shoe/clothes stores where the design matters as much as the material. Therefore, deriving from the knowledge of what people prefer, it can be noticed that most of the stores possess big labels showing that their products are made from natural materials. In addition, the first graphic below suggests that a big percentage of people in Bulgaria consider themselves as modest, following what lagom stands for it can be concluded that bulgarians personal lifestyle has been impacted also by this aspect of lagom. In addition, modesty and showing off are opposite words, this pose an interesting confusion among the marketers and it can be seen as an issue.

Figure 11

Do you consider yourself as a modest person?

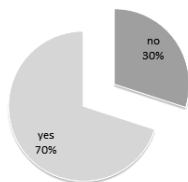
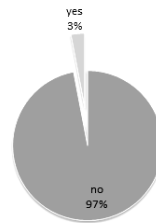


Figure 12

Would you rather use products made from natural materials?



While a large percentage (89%) of the participants shows that they see lagom lifestyle in their lifestyle, most of them would not be able to live by this concept solely. (60%) From a marketing point of view, it can be summersed that lagom exists in Bulgaria, either seen in their lifestyle, work, companies attitude towards their customers. Either way, lagom is felt by the population and is definitely used by marketers, as strong evidence can be the data above. On the other hand, as already mentioned this concept is hard to understand by people who have never been to Sweden, consequently, hard to adopt in other countries. This is why, it is not a surprise that people are not ready to live by this concepts as they have to accept all its aspects, which were identified by the primary research to be deficienced among the people.

Figure 13

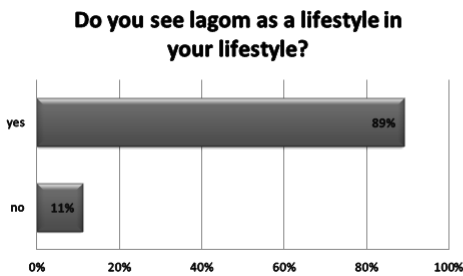
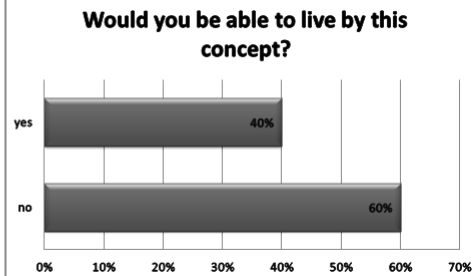


Figure 14



As a conclusion, the primary research, undertaken by the author, was intended to establish at what level marketing in Bulgaria has adopted lagom as a lifestyle, marketing technique and business method. The data suggest that as a lifestyle lagom is felt by people in their everyday life. In addition, they tend to live by most if its aspects such as buying products made from natural materials and at low prices. However, aspects such as modesty and showing off are two opposite words, and in the context of lagom, cannot exist both. This is why, marketers in Bulgaria would see this factor as a threat when a segment needs to be established. Nevertheless, if more studies are carried out a deep understanding might be established of where these two aspects are divided.

It can be summarised that people in Bulgaria experience lagom in their lifestyle. As a result, marketers have utilized this trend and an evidence for that can be seen during the TV ads – their aim and what they are promoting.

Lagom is also about the relationship between a company and a customer. Secondary research suggests that this relationship can be seen as lagom as it represents the balance between the company and the needs of the market which are presented by the customers. In Bulgaria this type of relationship is not that popular and can be seen mostly in big store chains, however, a study suggests that researches have been implemented towards this type of relationship in order to identify how customers feel about the products that they have bought, as lagom would suggest – are they sufficient, enough, at the right cost. In contrast, the primary data suggest that companies in Bulgaria still struggle to implement such a technique. The reason for that could be the fact that the concept is still new to people and to marketers. Consequently, even though, marketing in Bulgaria is still struggling with old techniques, an innovative and creative idea such as lagom is getting more and more attention over the time. Nevertheless, it would take more time, in comparison with other

countries and when it is fully established, this would change Bulgarian marketing in a positive way.

Survey 3 Interview: Does Southern Europe truly understand Scandinavian conceptions and how are they applied

Some countries were more easily seduced than others to the trends of the postwar new world – consumerism, pop-culture, pop-art, „new age“, „new wave“ etc. – to sum up – new lifestyle, defined by abundance. None can say that spending is more attractive than saving and lavishness than humility. Let's have a look what words the South is famous for – first to come in mind are the French *la joie de vivre* and the Italian *la dolce vita*. Both phrases are popularly used with lifestyle connotation, far exceeding the iconic art pieces which titles they are. Both phrases suggest more sun, warm seas and inclination to self-gratification and lavish tastes.

In this context one can't avoid to see the contradiction between the main purpose of marketing (and overall of economics) – to maximizing profit while satisfying demand and the principle of *lagom* – not to demand what you don't existentially need, even if you can afford it. It is important to outline that *lagom* became so advertised after the end of the last world economic crisis. It was not manifested by governments or monetary institutions as a slogan to ease public discontent and weariness of scarcity. In the pique years of crisis 2009 – 2013 *lagom* was far from the popularity of „word of the year“ ratings. And now, when economy growth is back, unemployment is low and money is cheap some xxxxx book on *lagom* is published.

Is Lagom applicable in marketing?

Our brief research couldn't find a single piece of marketing, complying with *lagom* – i.e. inducing non consumption. In the contrary – we have found many items which were advertised for sale with the title *lagom* – mainly books, magazines, but also furniture, home and garden items. This was expected

Is Lagom applicable in Bulgarian marketing?

As a part of our research (survey 5) we have surveyed 11 marketing specialists – both academics and practitioners about the usage and the marketing potential of *lagom* concept in Bulgaria. The survey was held on January 5th 2018 via online poll. It consists of one long-answer and five multiple choice questions. To only one of these more than one answer was possible.

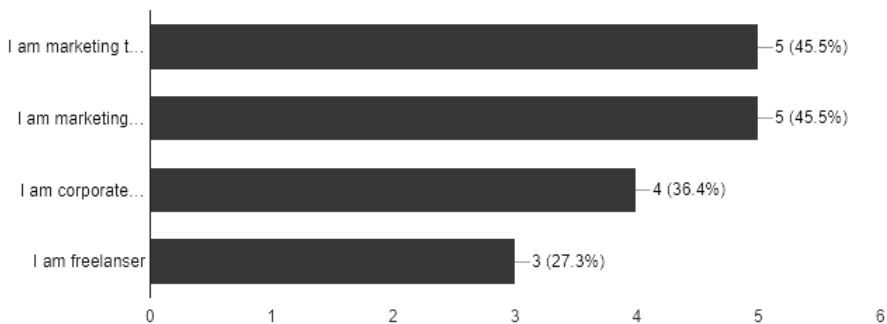
First question is „How does your job relate to marketing?“ Its purpose is to determine whether the respondent belongs to the relevant research group. Four answers were suggested with the possibility of more than one

to be given in order to establish particular involvement with the subject. Results show that all respondents are marketing professionals – university teachers and practitioners simultaneously, except of one who is only a teacher.

Figure 15

How does your job relates to marketing?

11 responses

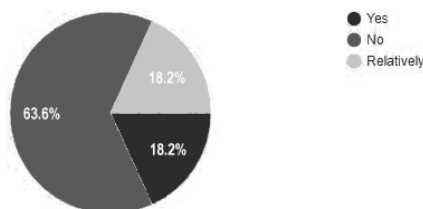


Second question straightforwardly establishes whether the respondent is familiar with the *lagom* concept. Majority answers are NO (63.6%) and YES and RELATIVELY answers are both 18,2%. We may conclude that *lagom* is not popular concept among Bulgarian marketing specialists.

Figure 16

Are you familiar with Lagom concept?

11 responses



Google forms platform has the functionality to track each respondent’s answers. Detailed review of the answers of the first two questions shows that all university teachers, except of one are not familiar with *lagom* and the only one academic who is familiar with the concept is relatively familiar.

Third question – „Do you consider Bulgarian consumer similar to Scandinavian?“ aims to find whether the respondents consider Bulgarian market to have something in common the Scandinavian. Answers are 63.6% NO and 36,4% TO SOME EXTENT. We may conclude that no one of the respondents consider the two markets similar.

Figure 17

Do you consider Bulgarian consumer similar to Scandinavian?

11 responses

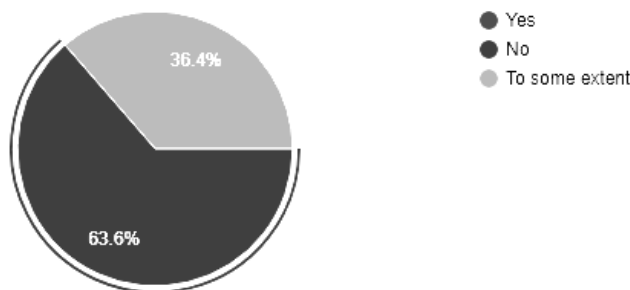
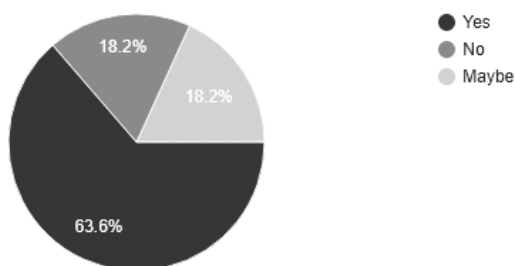


Figure 18

Do you think a successful marketing strategy could promote sales in Bulgaria by advertising moderate consumption?

11 responses



Our last question reveals that *Iagom* was not used at all in marketing in Bulgaria.

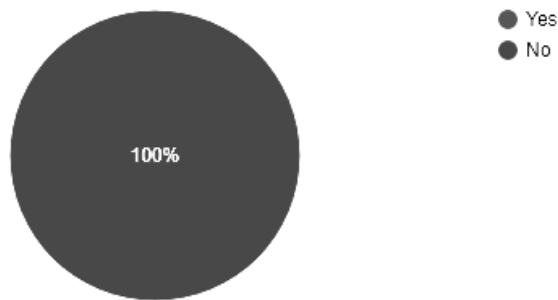
The answers of the next question however, show that despite no one considers Bulgarian market similar to Scandinavian; all professionals think that promoting moderate consumption may become a successful marketing strategy. We received 63,6% YES answers to the question „Do

you think a successful marketing strategy could promote sales in Bulgaria by advertising moderate consumption?“ We may conclude that our respondents see marketing potential in the core *lagom* principle – satisfaction by moderate consumption. NO and MAYBE answers receive equally 18.2% which supports our conclusion.

Figure 19

Are you familiar with the existence of such marketing strategy in Bulgaria?

11 responses



The last question – the only one with long answer question, was „If you answered the previous question with Yes could you please give an example?“ Of course we haven't receive any answer to it.

In conclusion we may definitely say that although our own scepticism, Bulgarian marketing practitioners, rather than the academics, definitely find potential in *lagom* concept. It is a principle that can induce consumers not to consume and therefore it may be used in marketing. We will be expecting such future examples with interest, impatient not to overconsume – in line with the core principle.

Survey – Group discussion

The purpose of this study is to inform a wider group of stakeholders in order to gain a better understanding on the subject of marketing and how it can be approached by different methods. Throughout the evolution of marketing to the state that it is in today, many marketing gurus have presented various strategies, which result in fascinating results. In addition to this statement, a recent trend shows how the following principle of living, which originates from Sweden – „Lagom“, may impact Bulgarian marketing in a way which we will cover in detail further on in

this study. To back up our point of view we will accompany this study with the results of the survey conducted between ten students.

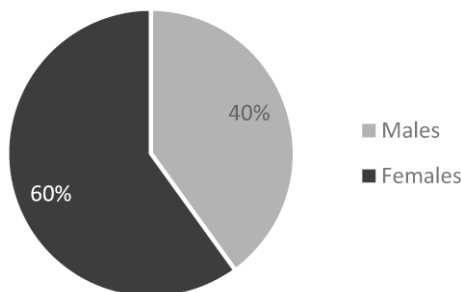
The subject of this study are the possible effects that this „new“ way of thinking may have when incorporated into business marketing strategies, especially in Bulgaria. Mainly influenced by foreign marketing strategies, the present state of Bulgarian marketing is highly successful, however this type of approach may result in failure. Although for the time being results are highly positive, some say that we are „rocking the boat“ of the mindset of typical Bulgarian consumer. So in order to reach a more stable state of consumption, adequate to the needs and resources of Bulgarian individuals, a new type of marketing mindset must be discovered and proven effective.

Questionnaire survey was conducted on the basis of a group questionnaire prepared according to the specifics of the assigned topic. The survey was decided to be in a form of a group discussion in real time and on a voluntary basis principle in January 2018 among 10 students of „European studies“ in Sofia University. A group of colleagues was gathered and asked about their opinion on the designated subject through a series of leading questions. Based on their knowledge and opinion we deduced this survey. The results of the survey are presented in text and graphical form and are accompanied by relevant analyzes and conclusions.

Figure 20

1. QUESTION №1: Are you male or female?

A = males		B = females	
quantity	%	quantity	%
4	40	6	60



The main principle behind „Lagom“ is quality over quantity. „Lagom“ preaches that there is no need to overwhelm yourself with any unnecessary possessions, but also not to deprive yourself. Swedes say that

in balance – there is modesty and in modesty – there is just the right amount of everything you are actually in need. However, when asked – „How do you feel about today's marketing situation in Bulgaria“ 10 out of 10 people from our survey expressed their concern about overmarketing and that there is too much advertising in recent years.^{12,13} Therefore the main purpose of this study is to provide „food for thought“ on how to bring balance in Bulgarian marketing strategies through the sole principles of the Swedish way of thinking which is „Lagom“.

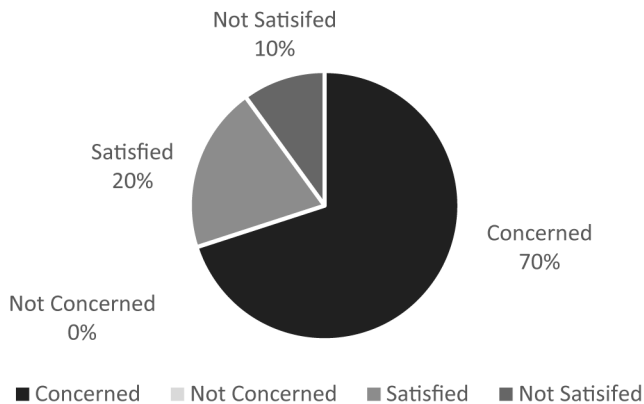
Figure 21

2. QUESTION № 2: How do you feel about today's marketing situation in Bulgaria?

A = Concerned				B = Satisfied			
Yes		No		Yes		No	
Quantity	%	Quantity	%	Quantity	%	Quantity	%
7	70	0	0	2	20	1	10

Figure 22

How do you feel about today's marketing situation in Bulgaria?



¹² <https://www.linkedin.com/pulse/over-branding-marketing-kenneth-shinabery>

¹³ <https://www.forbes.com/sites/marketshare/2011/09/26/is-there-such-a-thing-as-too-much-advertising/>

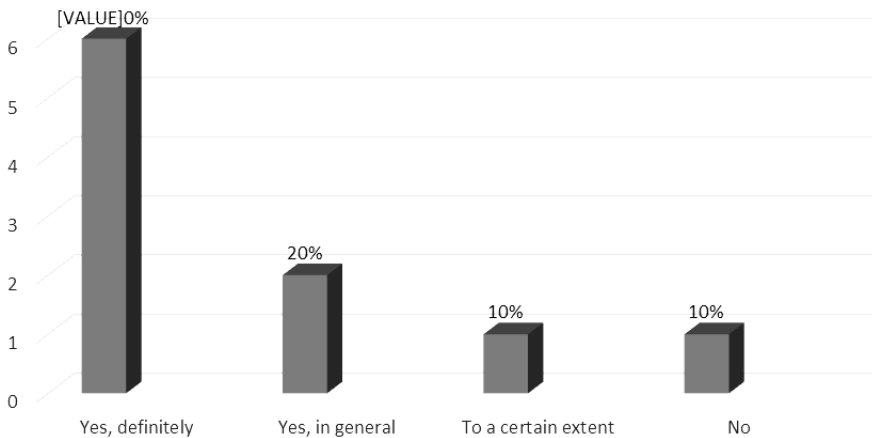
Figure 23

3. *Question №3:* Is it more thoughtful to spend your resources in a modest way?

A = Yes, definitely		B = Yes, in general		C = To a certain extent		D = No	
Quantity	%	Quantity	%	Quantity	%	Quantity	%
6	60	2	20	1	10	1	10

Figure 24

Is it more thoughtful to spend your resources in a modest way?



Our survey showed that the inquired representative sample in terms of consumerism agreed with the statement that it is more thoughtful to spend your resources in a modest way rather than excessively spending it. So to speak, they do not want to put their money „down the drain“.

However, judging by the present market situation in Bulgaria consumers are flooded with problem solving products that they must have in order to have a „normal“ life. Even more, commercials advertise that there are certain products that are a must in order to fit in a „proper“ social status and to add up they evolve so fast that keeping up with the newest ones is utterly challenging.¹⁴

Consumers are now faced with obtaining new skills, skills that will help them research thoroughly products, market state and condition and

¹⁴ <https://techcrunch.com/2016/08/07/how-google-analytics-ruined-marketing/>

finding out which product suites their needs the best for the longest period of time. This shows that there is an ongoing shift on the way people evaluate their needs. This can further on bring us to the conclusion that many feel the bourdon of being bombarded with numerous new products, which are highly commercialized but with little to no use of. Consumers are willing to buy a product with a higher price but with a better quality, which will last for a longer period of time, rather than making the poorer choice, and paying for the same product over and over again, due to its inefficient qualities. Without even realizing, many have adopted the „Lagom“ method of thinking already.

Figure 25

4. Question №4: „Do you know the meaning behind the word „Lagom““?

A = Yes		B = No	
Quantity	%	Quantity	%
2	20	8	80

However, when asked „Do you know the meaning behind the word „Lagom“, our survey showed that more than half of the participants did not know what „Lagom“ actually is. In order to help them gain a better understanding on the subject we explained them that „Lagom“ is simply the art of „living well“. This is the Swedish word for a lifestyle in moderation and balance. Its minimalistic approach towards life results in spending much more thought on how you spend your resources and moreover – spending them with reason. A balanced way of life is one without surplus so that everything is in moderation and to be enough, to be in the right quantity and proportion. In two words – contentment and sufficiency. Its main purpose is to contribute to the surroundings we are all living in and the leading principle is to „reduce-reuse-recycle“. We concluded that this way of thinking and living is more of a contrast to the current consumer culture and it’s acting like a counterweight to the principle of immediate indulgence.

Figure 26

5. Question №5: „Do you agree that the „Lagom“ method would be better in terms of productivity in the workplace“?

A = Yes		B = No	
Quantity	%	Quantity	%
9	90	1	10

Further on we asked them whether they agree that the „Lagom“ method would be better in terms of productivity in the workplace where in addition we explained to them what is the Swedish short coffee work break – „fika“ and how Swedes work for 6 hours a day (not the usual 8).¹⁵ As a conclusion everyone stood up for the point that a shorter work day may result in higher productivity meter, mainly due to the effect of lowering the stress levels and due to the fact that there will be more free time for personal activities.

After the participants acknowledged this information, we asked them several more questions. One of them was whether they see this way of thinking possible of being incorporated in business marketing strategies in Bulgaria. Half of the participants stated that although the „Lagom“ concept may not sound far-fetched from our everyday routine it may not be easily confined within a successful marketing strategy. Despite even the ongoing trends toward blended products, our participants stated that in order to be able to incorporate „Lagom“ into businesses, finding the perfect balance between the market state and product makers is something highly sought after.

Figure 27

6. Question №6: „Do you see this way of thinking possible of being incorporated in business marketing strategies in Bulgaria“

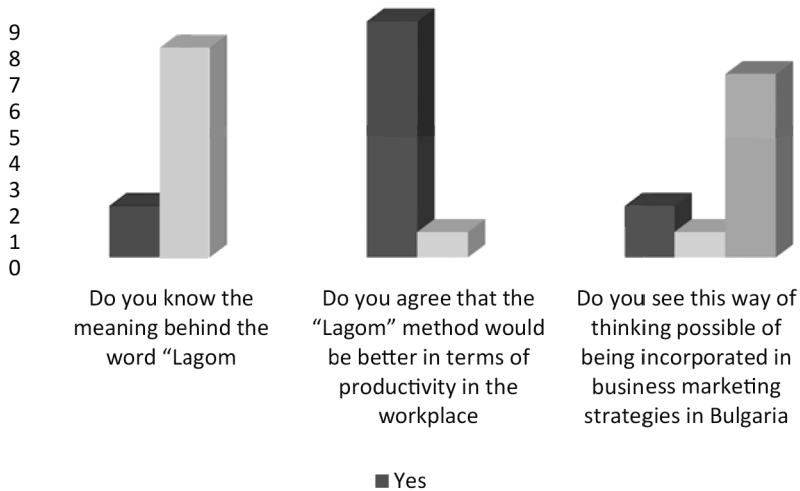
A = Yes, with ease		B = Yes, but with a lot of effort		C = No	
Quantity	%	Quantity	%	Quantity	%
2	20	7	70	1	10

However, as an opposition to the previous statement the other half of the participants, pointed out that this concept of precise focusing of the available resources should result in more efficient way of thinking and living. Some suggested that marketing strategies could become more successful by adopting more „Lagom“ into their development, rather than continuing with the same old methods.¹⁶

¹⁵ https://www.huffingtonpost.com/entry/sweden-workplace-happiness_us_5718fc23e4b0c9244a7b235b

¹⁶ <https://techcrunch.com/2016/08/07/how-google-analytics-ruined-marketing/>

Figure 28



On the question „How do you think „Lagom“ would impact small businesses?“ we can conclude, based on the given answers, that 90% of the participants see „Lagom“ principles as an effective tool in successful marketing strategies of small enterprises. Some gave interesting examples for small businesses such as neighborhood shops and minimarkets. They stated that many owners may adopt „Lagom“ in order to sufficiently rise their customer satisfaction levels. This can be achieved by highly increasing the range of variety of their merchandise but slightly lowering the amount of supply, rather than „overflooding“ their enterprise with a lower amount of offered goods in addition to a higher supply. This will provide excellent feedback for the owner on what his customers demand the most and on how to focus correctly on provisioning this sought after demand.

When we asked our participants what is their understanding of a marketing that is not too little, not too much, but „just right“, many stated that in order to successfully grow a business a much more „organic“ approach should be taken into account.¹⁷ This would mean a slower, but a mindful and much more creative way of unfolding your business plan. There are numerous examples of entrepreneurs who create an imbalanced approach towards their products and end up searching for the wrong set of users.¹⁸ This is why „Lagom“ may be the key in succeeding.

¹⁷ <http://www.dalamuses.com/2017/05/06/apply-swedish-lagom-marketing/>

¹⁸ <https://www.forbes.com/sites/ericwagner/2013/09/12/five-reasons-8-out-of-10-businesses-fail/#1c29a53e6978>

Blinded by their passion for inventing a specific solution, many take up the mistake of flooding every channel, highly risking to fail in the pursue of their potential customers. „A great product only sells if it satisfies a market that is willing to pay for the solution“¹⁹.

Entrepreneurs can make a much more genuine connection with the community by precisely targeting their territory. By doing so they can attract the customers which are just perfect for them and this may happen only after unraveling their customers innermost feelings and thoughts. In order to make better decisions in the future marketers should actively seek their customers market insights. Because at the end of the day „Which would you rather do – talk to customers now and find out you were wrong or talk to customers a year and thousands of dollars down the road and still find out you were wrong?“²⁰

Conclusion

To conclude, when expanding to new markets, companies should be aware of the cultural differences across the world. Existing traditions and norms may drive consumer behavior in unexpected ways. Beliefs of natives may be different from what a firm thought them to be. All cultural values nowadays ought to be integrated with every element of the marketing strategy. Companies should understand the elements of foreign cultures and adapt to them in order to be competitive, create trust and stimulate consumer interaction and interest.

Most of the Scandinavian countries have their own concept for many things, among these things the way they live. Their ways and culture became significantly popular in the last few years, mostly due to the fact that a lot of people around the world are unhappy with the way they live or are stressed and are looking for ways to fix this. Few examples of such concepts are the Danish „hygge“ or to feel cosy. The concept was a huge sell point for a lot of companies during 2017 and was used by these as a tool to boost sales in various ways. Sweden, to defend its glory as the Scandinavian capital has the so called „Lagom“. „Lagom“ is indeed a very interesting concept that Swedes apply not only in their day to day life, but also in their jobs, having the majority of Swedish companies apply it on a managerial level. „Lagom“ is about the moderation in everything we do, it is about achieving your goals without having to sacrifice everything. The term directly translates to „team around“, the meaning however is a bit deeper than that, it originates from the Vikings and the way they distributed food. So, what it initially meant was that you have to take

¹⁹ Darshan Mehta, „What Is Lagom, and How Can It Create a More Balanced Approach to Work and Life?“, HubSpot (2018, 2 January).

²⁰ Nathan Furr and Paul Ahlstrom, „Nail It, Then Scale It“, (June 1, 2011).

LAGOM portion, so that everyone in the group can have their own share as well. One example of the ways Swedish citizens has applied „Lagom“ in their day to day life is with their working hours, Swedish are allowed to leave earlier from work or do the so called „Lagom hours“ (6h working week) where they leave work early in order to better balance their family life. This does not mean that they work less in these 6h; in fact, studies show that such employees have maintained or even increased their productivity level. „Lagom“ is not about being lazy or doing less, rather it is about doing everything in moderation and finding balance in order to do more. „Lagom“ is also very often referred to as the „stress-fighting state of mind“. This Swedish culture has adapted „Lagom“ by prioritizing basic needs first at the best possible quality they can afford, so one can already set the stage for contentment in their lives before pursuing their wants and dreams in life.

„Lagom“ can often be misunderstood, having people thinking the concept is much like the minimalistic approach, but while minimalistic is taking the least possible in order to achieve freedom, „Lagom“ is about taking as much as you need but not more than what is needed.

„Lagom ar bast“ which roughly translates to „the right amount is best“ is very similar to the English phrase – Everything in moderation. To better understand what this means and how is used by the Vikings a good example of the common usage would be: The water is lagom warm, or the sugar is just lagom.

In order to start our exploration of what „Lagom“ really is, we wanted to better understand the concept and its principles, one of the principles is the „how“ of the approach, there is few key words, which can sum up what „Lagom“ really is about: moderation; slow but steady; connection.

While doing the research, it became clear that the approach is **no suitable to just any business**, so we focused on finding out which businesses can take advantage of „Lagom“ and how it can be applied around the world as well as Bulgaria; we came to find results that were a bit of a shock to us at first. Other than finding that most that answered our poll haven't heard of what „Lagom“ is and how it is applied, we found few interesting facts that make a lot more sense as of why one would apply the concept and succeed with it. The results showed that most people do not trust products or services that have gained their reputation too fast (within few months of the initial stage of deploying), meaning that fast results may not be what most new businesses are looking for. Unless you are a very successful start-up you may be better off doing things in moderation. What does moderation means when it comes to marketing, shouldn't we always want to get the best out of each campaign and the best out of each project? Well not always, according to customers they would prefer a

campaign that connects with them individually, rather than a mass campaign to reach them all. Of course, this is only applicable in small or new businesses, a bigger and well established company of a product for everyday use or mass usage should always focus on reaching as many as possible, but what if you are a smaller business, a sole owner, a new Brand, a craft studio? „Lagom“ may be just be the right strategy for you, regardless of your location.

Although so far this may sounds like a concept that is applicable to a lot of things we do on a daily basis and it probably is, in business this may not be the case. Not too much, not too little and just enough may be a successful concept for your business, but this depends on a lot of factors that you need to study prior.

The base idea of „Lagom“ is to have genuine connection with your customers and by applying this principle to be able to attract the right people, not just anyone. This is the key difference and the key approach with „Lagom“, and it does sound very reasonable, as a company would we rather have your staff spending time and have your corporate account shrinking for a project that is not going to bring your company the desired revenue? Of course not, this is when „Lagom“ comes in handy; we want to attract the right customer base and not just anyone, those customers that will indeed be buying and hopefully will be classified as returning customers going forward. So rather than spending a huge amount of time and money and attract 10 000 people or how many we have had as a goal, but from those only 500 actually turn into customers, we can instead spend less time, less money, use the LAGOM concept and its principles and attract only 1000. Now one would think, wait a minute, these are 9000 less! Yes, but what if all of these 1000 make a purchase? Chances are this happens as the Swedish concept is made to connect with our customers and according to our research, customers are more likely to buy if you have connected with them prior.

In any case, as any other concept, you have to take few things in consideration before jumping into the idea. Although it may be just the right strategy for one business, it can also be the absolute wrong for another. There are certain situations where „Lagom“ might be your best bet, but there are also plenty of situations where it is not a good choice. If a business does go for the Swedish concept as a main tool to support their marketing goals, there are a few things you must keep in mind in order to make your mission less stressful and more successful, bellow you can find the main principles of the „Lagom“ approach in marketing, the way we see them:

1) for your company, meaning used in the right time, for the right people. Just like anything else it may be an entirely wrong approach for your company, so make sure it suits your goals and customers first.

2) If you do decide to „Lagom“ just like any other marketing concepts is only good tool if it is right go ahead with applying the „Lagom“ approach and concept to your marketing strategy, then make sure not to compare yourself with your competitors. The reason for that is that this concept is very individual and as such it has very different results than what most businesses are used to.

3) The last principle when it comes to applying this concept is understanding that just because things are happening slow, it does not meant that they are going to fail, in fact this is one of the biggest misconceptions when it comes to applying this approach, people think that it will bring success right away as it is the kind of futuristic approach that flashes dollar signs when initially heard of, truth is success is not tied to any approach, but if it is about to happen with this one, it will come slowly, but steadily.

4) Our main concern while reviewing the data and understanding the concept was that we think „Lagom“ is not applicable to businesses that look for monetary profit or to Start-ups, in fact it may be totally wrong to apply the concept or the exact opposite of what your company needs, marketing wise. In other words, products or services which excel at what they do, such that have exactly what the consumer is looking for, should definitely not go for this concept, instead the companies should do what is expected of them, pull all their forces into becoming more profitable, promoting it as much as possible – no moderation needed there.

This is why we are definite that „Lagom“ is only right for certain companies, at certain stages of growth and in certain areas/markets. Perhaps the best application of the concept can be applied to online art stores, handcrafting, personal readings, personal training and other businesses that require you to connect to your customers on a more personal level. Of course, this same approach would work wonders for bigger companies, however it requires huge investments and enormous man power in order to individually approach each and every customer. Imagine a company with the size of Samsung, a large company applying such approach may make a lot of customers to switch, however how much money and time would that cost to Samsung? Would it be worth investing in? It probably won't. This is why we have come to the conclusion that the Swedish concept is best suited for companies of smaller sizes, perhaps such companies that rely on customers' satisfaction, alike having your own brand. Another great example for implementation of the „Lagom“

concept would be using it alongside a well-rounded mixed marketing strategy within a company selling more than one product/service.

Digging deeper in our research we have found different, yet very intriguing usage of the concept. „Lagom“ as a marketing tool has been applied very successfully when it comes to companies that are producing items made from renewable resources or from earthly resources. The „Lagom“ culture has been successfully used by IKEA, one of the biggest furniture companies worldwide. Their main goal was to promoting sustainability as a selling point. The principles of the concept are applied in the opposite direction, rather than applying the concept within your marketing (inside-out), it is applied to your product targeting specific customers that also believe in this semi-minimalistic approach. For IKEA this has worked wonders and they have created a whole line of products under the hashtag LAGOM.

IKEA had an easier time implementing such strategy mainly due to the fact that it was selling on their home market – the Swedish market as this mentality already exists within Swedish businesses and is accepted and understood by Swedes. However it may be frustrating for foreigners to understand. In Sweden employees often focus on doing exactly what’s needed and doing it well, rather than doing unnecessary things. Many who moved to Sweden unable to understand the „Lagom“ lifestyle were frustrated with the lack of appreciation by their line managers or colleagues, however for Swedes is not about how well you have done your task, as long as you have completed it. This made us question whether such mentality can be applied world-wide.

Unlike the concept „Lagom“, we Bulgarians have completely different mindset, both in our personal and work life. We, like many other nationalities, want everything to be optimal and to its full potential. We want to grow our networks faster than anyone, we want to triple our businesses social followers in a month, and we want to grow our business enormously in a matter of hours. We sometimes waste so much time trying to achieve something, which simply takes longer, in these moments we need to appreciate that some things take longer than others and this is where patience and moderation comes in handy. Both patience and moderation has always been hard to apply, therefore „Lagom“ is considered a skill that not everyone have and perhaps it is difficult to achieve although it sounds like a simple task. Most people would disagree that it would be difficult, they would say that if they are able to do something and be rated as GREAT, they surely can do that same thing and be graded as GOOD. However moderation may be difficult, especially when most of us are pressured to be their best self in order to keep jobs, relationships and so on, but in business moderation is sometimes helpful,

depending on the stage and the type of business you own, the concept might be just the right things to apply to your marketing strategy.

In Bulgaria the concept can be adapted by businesses for their marketing purposes, same as anywhere. It is important to note that this strategy should not only be applied as it is considered the „now trending“. Below one can find information that we concluded after investigating the best suited business types and sectors in Bulgaria that can take advantage of Lagom and make it a success (given as example, but not limited to):

- Hand-crafted items; Personal coaching/training; Art brands; Blogs/Writers; Companies producing items that are made of renewable sources, Producing of items made with earthy goods. Newly deployed products/services that have 1v1 sale process within;

With the same data, we concluded that the concept is not applicable for:

- Large/medium companies with steady growth, oriented to monetary goals, profit increase etc; businesses with mass production or with product/service of everyday use; long established businesses with already succeeding marketing strategy and steady revenue;

Who then can apply the concept and succeed in doing so? In the last few years we have noticed a big movement and interest in the online presence by Bulgarians bloggers, vloggers, brands, sole traders, influencers, crafters and so on. A lot of them already apply the principles of the Lagom concept without actually knowing it. In fact most of these people made their own brands after they realised the amount of followers they already have and the power their connection with their followers have. Needless to say achieving that usually takes a long-long time and most of these establishments were just people with dreams that slowly but steadily grew a group of followers that then became their customers. Some of these are only selling a T-shirt with their logo and are already making more a month than most of us with a good paying „9 to 5“ o'clock job. What did they do to achieve that? Well they were there, everyday, providing content, replying to comments, building their channel from zero. Not too much, not too little, just enough to be able to keep going and create steady growth. However the most important thing they did was creating trust between them and their followers and connecting with them on a personal level. Why is Lagom applicable to these businesses in Bulgaria, the answer is simple. These types of businesses are dependent on their audience in order to establish any kind of profit. They have to keep developing and investing in their audience, approaching their followers and finding more ways of connecting with them is ultimately what makes them more successful, expand, grow and make profit. Furthermore, according to the answers of our questionnaire, people are a lot more likely to buy a product because it was recommended to them by

someone they trust, as well as in general buy products by a brand/influencer they are following just because the product is made by them. This does not mean that the product is the best quality or exactly what they look for, no, not at all. This all comes a bit natural, which is totally in line with what the Lagom principles require. Usually most people would only have interest and follow someone they like, and because of that the same people would feel natural to purchase a product or service made by the people they follow, putting second the usual consumer criteria alike quality and price. We have seen this plenty of times in social media and we are likely to see that going forward. So why not start your own little business, applying the Lagom approach by connecting to the people that you want to call customers in the future.

Annex 1. Hofstede’s Insights results (comparison between Bulgaria and Sweden via the online tool)

	Bulgaria	Sweden
High vs Low power distance	Bulgaria scores high on this dimension (score of 70) which means that people accept a hierarchical order in which everybody has a place and which needs no further justification. Hierarchy in an organization is seen as reflecting inherent inequalities, centralization is popular, subordinates expect to be told what to do and the ideal boss is a benevolent autocrat	Sweden scores low on this dimension (score of 31) which means that the following characterises the Swedish style: Being independent, hierarchy for convenience only, equal rights, superiors accessible, coaching leader, management facilitates and empowers. Power is decentralized and managers count on the experience of their team members. Employees expect to be consulted. Control is disliked and attitude towards managers are informal and on first name basis. Communication is direct and participative.
Individualism vs collectivism	Bulgaria, with a score of 30 is considered a collectivistic society. This is manifest in a close long-term commitment to the member ‘group’, be that a family, extended family, or	Sweden, with a score of 71 is an Individualist society. This means there is a high preference for a loosely-knit social framework in which individuals are expected to take care of themselves and

	<p>extended relationships. Loyalty in a collectivist culture is paramount, and over-rides most other societal rules and regulations. The society fosters strong relationships where everyone takes responsibility for fellow members of their group. In collectivist societies offence leads to shame and loss of face, employer/employee relationships are perceived in moral terms (like a family link), hiring and promotion decisions take account of the employee's in-group, management is the management of groups.</p>	<p>their immediate families only. In Individualist societies offence causes guilt and a loss of self-esteem, the employer/employee relationship is a contract based on mutual advantage, hiring and promotion decisions are supposed to be based on merit only, management is the management of individuals.</p>
<p>Masculinity vs Femininity</p>	<p>Bulgaria scores 40 on this dimension and is thus considered a relatively Feminine society. In Feminine countries the focus is on „working in order to live“, managers strive for consensus, people value equality, solidarity and quality in their working lives. Conflicts are resolved by compromise and negotiation. Incentives such as free time and flexibility are favoured. Focus is on well-being, status is not shown.</p>	<p>Sweden scores 5 on this dimension and is therefore a Feminine society. In Feminine countries it is important to keep the life/work balance and you make sure that all are included. An effective manager is supportive to his/her people, and decision making is achieved through involvement. Managers strive for consensus and people value equality, solidarity and quality in their working lives. Conflicts are resolved by compromise and negotiation and Swedes are known for their long discussions until consensus has been reached. Incentives such as free time and flexible work hours and place are favoured. The whole culture is based around 'lagom', which means something like not too much,</p>

		<p>not too little, not too noticeable, everything in moderation. Lagom ensures that everybody has enough and nobody goes without. Lagom is enforced in society by „Jante Law“ which should keep people „in place“ at all times. It is a fictional law and a Scandinavian concept which counsels people not to boast or try to lift themselves above others.</p>
<p>High vs Low uncertainty avoidance</p>	<p>Bulgaria scores 85 on this dimension and thus has a very high preference for avoiding uncertainty. Countries exhibiting high Uncertainty Avoidance maintain rigid codes of belief and behaviour and are intolerant of unorthodox behaviour and ideas. In these cultures there is an emotional need for rules (even if the rules never seem to work) time is money, people have an inner urge to be busy and work hard, precision and punctuality are the norm, innovation may be resisted, security is an important element in individual motivation.</p>	<p>Sweden scores 29 on this dimension and thus has a very low preference for avoiding uncertainty. Low UAI societies maintain a more relaxed attitude in which practice counts more than principles and deviance from the norm is more easily tolerated. In societies exhibiting low UAI, people believe there should be no more rules than are necessary and if they are ambiguous or do not work they should be abandoned or changed. Schedules are flexible, hard work is undertaken when necessary but not for its own sake, precision and punctuality do not come naturally, innovation is not seen as threatening.</p>
<p>Long-term vs short-term orientation</p>	<p>With a score of 69, Bulgaria has a Pragmatic culture. In societies with a pragmatic orientation, people believe that truth depends very much on situation, context and time. They show an ability to adapt traditions easily to changed</p>	<p>With an intermediate score of 53 Sweden is seen to not express a clear preference on this dimension.</p>

	conditions, a strong propensity to save and invest, thriftiness, and perseverance in achieving results.	
Indulgence vs restraint	Bulgaria has a very low score of 16 in this dimension, making it a strongly Restrained culture. Societies with a low score in this dimension have a tendency to cynicism and pessimism. Also, in contrast to Indulgent societies, Restrained societies do not put much emphasis on leisure time and control the gratification of their desires. People with this orientation have the perception that their actions are Restrained by social norms and feel that indulging themselves is somewhat wrong.	A high score of 78 in this dimension indicates that Swedish culture is one of Indulgence. People in societies classified by a high score in Indulgence generally exhibit a willingness to realise their impulses and desires with regard to enjoying life and having fun. They possess a positive attitude and have a tendency towards optimism. In addition, they place a higher degree of importance on leisure time, act as they please and spend money as they wish.