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**BULLETIN**



# **ENTERING THE SWEDISH MARKET**

**In this issue you will find:**

- Guidance on how to start preparing to enter the Swedish market
- Tips for finding first customers and how to learn about the market
- Three cultural aspects to consider
- Two interviews with Lithuanian professionals sharing their experience and knowledge in expanding Lithuanian business to Sweden

The Swedish market is attractive for several reasons. Sweden has a stable economy and transparent businesses, which makes it a reliable and predictable market. It has rapidly growing and innovative tech companies as well as prominent players in more traditional industries, successful enterprises in banking, insurance, and other sectors. This diversity offers a wide range of opportunities for Lithuanian companies.

Starting to make business in Sweden can be a great move for a Lithuanian company. Understanding Swedish business ways, such as their friendly meetings and good vibes, is a key. But there is more to it. Sweden is known for fair and equal business dealings, as well as for its people who are open and trust each other. This means there is plenty of room for new ideas and partnerships. For a company from Lithuania, this is a chance to enter a market that values different viewpoints.

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## WHERE TO START?

When preparing to enter the Swedish market, it is worth considering the following:

- 1. Product Suitability:** Are your products or services right for this market? Are there any “pain points” that they seek to address? Understanding the client’s needs and preferences is crucial to ensure that product finds its demand on the market.
- 2. Customer & Competitor Identification:** Where are your potential customers located? Which customers can you realistically reach? Targeting the right demographics is the foundation of effective marketing and sales strategy. In addition, start by doing research on what potential customers currently purchase and their interests to tailor your offerings. If possible, identify competitors in the market and their offerings. This helps in differentiating your products/services and finding your unique selling proposition.
- 3. Market Compliance:** Can we meet market demands, especially regarding environmental standards? In some cases, it may be required to fulfil governmental regulations. Compliance with local regulations and standards is essential for legal operation and brand reputation. Investigate necessary certifications and standards like environmental labels, sustainability reports, CSR policies, ISO9001, ISO14001, and industry-specific requirements. These are often prerequisites for doing business and can be a competitive advantage. Larger companies often have stricter requirements, while smaller businesses may view these as preferences rather than necessities. This distinction helps in prioritizing who to initially contact.



## HOW DO SWEDES BUY?

In Sweden, companies usually strive for good deals. However, they are slow to switch to new suppliers unless they see a clear benefit. This shows how important it is to **show more value than just the basic use or cost benefit of your product or service**. If you want to do well in the Swedish market, you need to focus on showing how your product or service can solve problems, make things better, or help the client succeed in ways others can't. This strategy involves having a thorough knowledge of your potential clients, their challenges, and the industry itself. **By customizing your offer to match their long-term goals and demonstrating that you clearly understand their needs, you can differentiate yourself from the competition**. For instance, if you're offering office furniture, the conversation should focus on how it can enhance the client's profitability or help to grow their business, rather than just the features of the furniture.

### Extra Tip:

Flat organizational structures are common in Sweden, but in the buying process, the decisions might be taken at the higher level. Trying to identify the actual decision-maker is crucial to shorten the decision-making process and avoid the risk of not having a Yes. By asking "Who, besides you, are taking the decision?" you will probably get the name of the decision-maker without making a person you are talking to feeling less important. The next step is to ask if the decision-maker can be present at the next meeting.

## HOW TO FIND FIRST CUSTOMERS AND GET TO KNOW YOUR MARKET?

Uncovering potential customers in the Swedish market involves a thorough exploration of diverse trade registers, governmental institutions, and online resources. While this approach is valuable, it can be time-consuming.

Alternatively, **LinkedIn** platform stands out as an exceptionally effective platform for

pinpointing companies and relevant contacts in the Swedish market. Widely recognized, it boasts a substantial user base, with approximately 4.70 million Swedish users, equivalent to an impressive 44.4 percent of the total Swedish population (early 2023 statistics). LinkedIn offers a streamlined and efficient avenue for targeted business networking and outreach as the platform is especially popular among professionals, industry leaders and decision-makers.

It is quite common that Swedish companies are organized into **industry associations**. Their websites can be a good resource to identify potential clients and understand industry trends.

Selling through **agents or distributors** is beneficial, but having a representative based in Sweden is a distinct advantage for better market understanding and quicker response times. It brings trust but is not necessary working with companies that are used to make business outside Sweden.

Sweden's major cities - **Stockholm, Gothenburg, and Malmö** - are the key areas for initial customer outreach since it will save traveling time, and still in many cases these three cities will cover a large part of Sweden's total potential for any businesses. However, it is important to know that manufacturing industries are often located outside these cities. Currently the northern regions have a lower market potential due to sparse population, but there are large investments planned that will increase northern regions potential, especially for construction companies. In general, the infrastructure is well developed so it is easy to travel in Sweden, despite the distances.

Working with a **consulting firm** to acquire market information and reports might seem appealing. However, consider that these firms also need to compile this data, which can make it a costly method for identifying potential clients and accessing information.

An alternative approach is directly reaching out to companies within the relevant industry to inquire about their requirements and related details.



# HOW TO CONTACT A SWEDISH COMPANY?

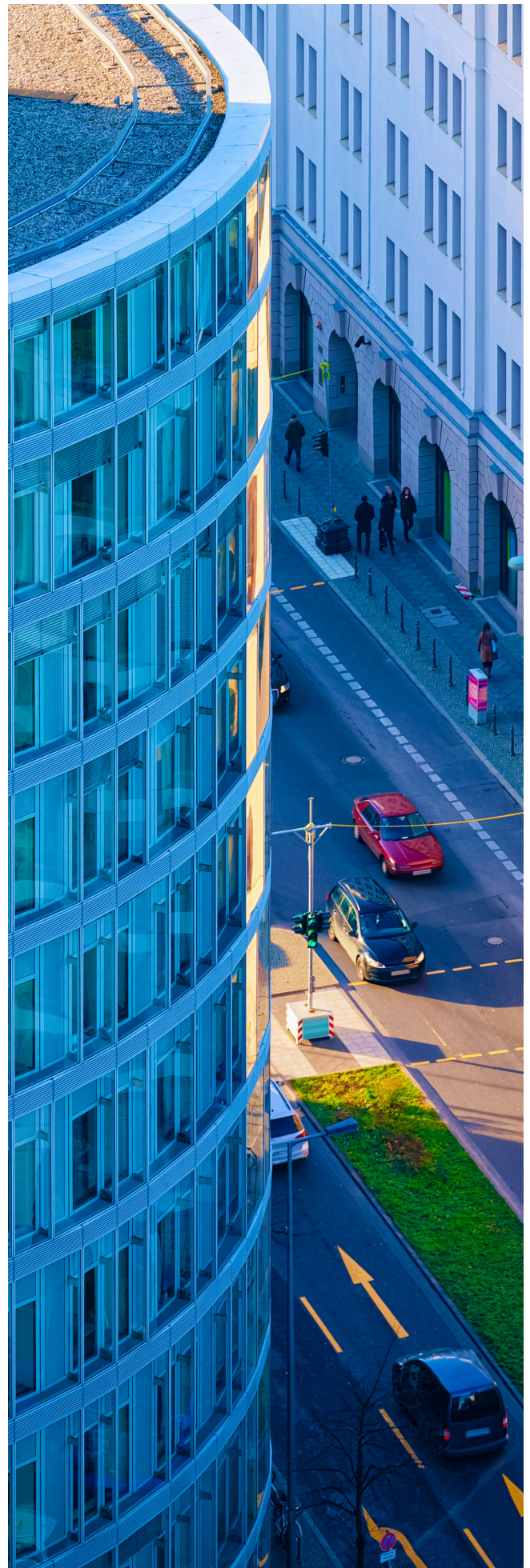
To initiate a contact with a Swedish company, it is often more effective to make a phone call rather than sending an email once you have identified a potential contact.

Many receive **email** inquiries which are easily dismissed, so **calling** can be more effective. Maybe pitch the idea of a virtual meeting. If it makes sense to **visit** them, go for it – Swedish businesses usually value in-person meetings. If possible, set **meetings** using a good reference (it does not have to be a Swedish reference).

## Meeting in person has several clear benefits:

- Direct interactions help both parties to communicate more clearly. You can pick up on non-verbal signals like body language and facial expressions, which aids in understanding each other better.
- It is a good way to start building mutual trust – a key element for any lasting business relationship.

Attending **trade shows** in Sweden can be seen as a fantastic opportunity to establish new business contacts with companies that could be potential customers. However, keep in mind that these companies have invested in having a booth and staffing at the show because they want to meet customers themselves. It is not realistic to expect that they will want to spend time discussing with potential suppliers, so visits to trade shows are best suited for seeing who the market players are and contacting them later. Of course, it is certainly possible to politely collect contact details.



## PLANNING, LEARNING, AND ADAPTATION

Always have a plan but be ready to adjust as you gain more insights. Flexibility is a key in adapting to the Swedish clients' demands. **You must be patient since Swedish companies don't rush their decisions and real deals often require multiple interactions and in-person meetings.** This is especially true for larger companies. They usually want to have several good meetings before they decide buying something. Plan meetings well in advance (3-6 weeks) due to scheduling challenges. Timely planning reflects professionalism and respect for the client's time.

Sales processes may be more challenging and take longer, especially with high-potential customers. **Starting with a couple of small companies can be a smart move.** They tend to be more agile and innovative and can get things moving faster. In addition, they offer a chance to learn important lessons before you deal with larger companies in the same field.

It might also be a good idea to find out more about the company or **the corporate group's structure.** I.e., if the company is part of a chain or group, it could be wise to contact one of these before reaching out to the headquarters. They can also be helpful in providing information about the decision-makers you should contact.

In Sweden, the public sector is a significant buyer of products and services, often issuing **public tenders.** These tenders come with various requirements that can be quite detailed and time-consuming to thoroughly review and meet. Generally, it is advisable to consider participating in public tenders once your business has gained some experience in the market – think of it as a second step. However, if you are establishing your market presence, the private sector will offer attractive opportunities worth exploring.

Swedes generally have a high level of comfort with English language, so there is no need to translate written documents. Additionally, if your offerings include customer support, providing customer services in English should be sufficient.

**However, if a company has the resources to hire someone from the same industry who resides in Sweden, it can be a significant advantage.** This is likely to simplify matters on multiple levels. For example, the individual will probably already know the potential customers, or even will have relationships with many of them, and there will not be any cultural misunderstandings. It also demonstrates a serious commitment to the Swedish market, offering a sense of reliability and trustworthiness.

### Can White Labeling Be an Option?

For a company that makes products, choosing white label goods can greatly cut down costs and help start selling quicker, while also reducing risk.





## WHAT ARE RELEVANT CULTURAL ASPECTS TO CONSIDER?

While it's good to understand Swedish business culture, the real perks of working there – like its openness, safety, and friendly atmosphere – could be very rewarding for a Lithuanian company.

**Swedish 'No'.** Be aware that if you are not making any progress with a company but do not get a clear “No”, it might still be ‘No’ but communicated in Swedish way. In Sweden, it is quite common for people to avoid directly saying “no, thanks” to a business proposal. Instead, Swedes might give a different kind of response because they are not comfortable with outright refusal. This could be as simple as them asking you to come back in six months (hoping you do not) or suggesting a purchase price that is completely unrealistic.

**Politeness vs. purchase intentions.** It is easy to get the impression that the meeting with the potential Swedish client was very promising. However, keep in mind that Swedes often strive to be pleasant and maintain a good atmosphere during meetings. This is not quite the same as having an intention to buy. A better signal of interest is when they themselves invest time or other resources in moving towards a purchase.

**Business confidence.** When starting something new, it is common to sometimes doubt yourself and your business. Feeling uncertain in a new market with a different culture and business environment is not unusual. However, this feeling of being less confident and having doubts is often without basis. It is important to remember that confidence and belief in your business are crucial for success.

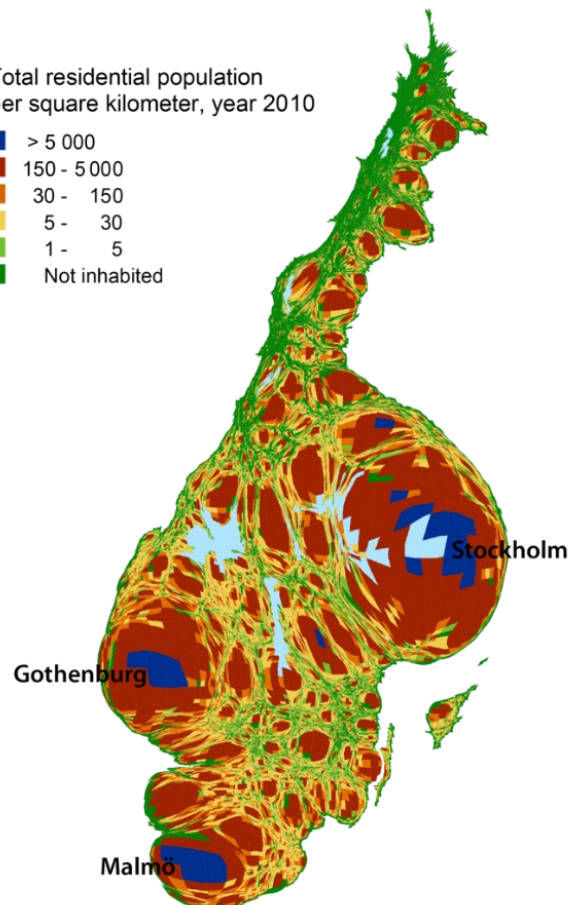
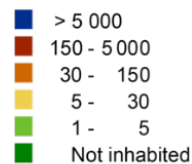
With the right mindset and preparation, you can overcome initial insecurities and successfully establish your business in Sweden.



# FINAL 5 TIPS FOR SUCCESSFUL ENTRANCE TO THE SWEDISH MARKET

- Make sure your products or services are what Swedish customers need and learn what important certifications and standards are needed for doing business.
- Identify where in Sweden your potential customers are. Focus on larger cities and the most agile potential clients to gain sales faster.
- Adapt your sales strategy based on what you learn and plan your meetings and actions carefully. Involve the key decision-makers.
- Keep in mind that Swedish companies look for good value and long-term relationships when they buy.
- Talk about the close relationship and potential untapped opportunities between Sweden and Lithuania, especially if Swedish companies have limited experience with Lithuanian partners. This can create a sense of familiarity and trust.

Total residential population  
per square kilometer, year 2010



Source: European Forum for  
Geography and Statistics

# USEFUL LINKS TO FIND NEEDED INFORMATION

Depending on your area of business there are some examples of valuable online resources that offer a mix of free and paid information and can assist in various aspects of business research and networking:

- **Swedish Tax Agency (Skatteverket):** [Skatteverket](#)

Skatteverket is the Swedish Tax Agency. Understanding the tax regulations and requirements is crucial for any business entering a new market, and their website offers valuable information.

- **Business Sweden:** [Business Sweden](#)

Business Sweden is the Swedish government's official trade and investment promotion agency. Their website offers market insights, industry reports, and essential information for businesses looking to establish a presence in Sweden.

- **Swedish Chambers of Commerce:** [Swedish Chambers](#)

The Swedish Chambers of Commerce network provides a platform for businesses to connect. They organize events, seminars, and networking opportunities, offering valuable support for market entry.

- **Swedish Trade Federation (Svensk Handel):** [Svensk Handel](#)

Svensk Handel represents the retail trade in Sweden. Their website provides insights into consumer behavior, market trends, and information relevant to retail businesses entering the Swedish market.

- **Almi:** [Almi](#)

Almi is a government-owned company that provides loans, capital investment and various services to support Swedish businesses, including financing and business development. Explore their offerings to facilitate your market entry.

- **Swedish Agency for Economic and Regional Growth (Tillväxtverket):** [Tillväxtverket](#)

Tillväxtverket is an agency focused on promoting economic growth and regional development in Sweden. Their website provides information on various aspects of doing business in the country.

- **Swedish Companies Registration Office (Bolagsverket):** [Bolagsverket](#)

Bolagsverket is the official registration office for companies in Sweden. Accessing their website can provide essential information on legal requirements and registration processes for businesses.

- **Largest Companies in Nordics:** [Largestcompanies](#)

The best search and selection engine for companies in the Nordic countries.

- **Official information about companies in Sweden (Proff):** [Proff](#)

Proff is one of Sweden's leading search services with official financial and company information on all Swedish companies.

- **Kompass Sweden:** [Kompass Sweden](#)

Kompass is a global business directory platform. The Swedish version can be utilized to identify potential customers, suppliers, and partners, aiding your market research.

- **Invest Stockholm:** [Invest Stockholm](#)

Invest Stockholm is the official investment promotion agency for the Stockholm region. Their website provides insights into the business environment and opportunities in the capital city.

- **Swedish Association of Local Authorities and Regions (Sveriges Kommuner och Regioner - SKR):** [SKR](#)

SKR represents Sweden's municipalities and regions. Understanding local governance and collaborating with regional authorities can be important for certain types of businesses.

Examples of market information:

- **Upcoming Construction Projects:** [Byggfakta](#)

The center of the construction industry's ecosystem. Encourage to build your business on knowledge and data.

- **Architects Sweden:** [Arkitekt](#)

Here you can search among architectural offices that are connected to Sweden's Architects' Entrepreneur Service.





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## THANK YOU!

We wish to express our huge thank you and appreciation to Anders Norin who has greatly contributed in the preparation of the text of this informational bulletin.

Anders Norin has held the position of CEO for subsidiaries of an international company in Sweden and Finland. His strategic and operational efforts have been focused on establishing a market presence for businesses within the Nordic region.

Anders has an in-depth understanding of Lithuania and its business culture thanks to his experience from his employment at a Lithuanian company and his role as CEO for a Swedish company with a subsidiary in Lithuania. He is also a long-lasting membership in the Lithuanian Professionals Club in Sweden (LPS).

# INTERVIEW WITH DOVYDAS ČEPELĖ

Dovydas Čepelė has more than 9 years of business development and sales experience in Sweden. He began his career in Sweden at Cranbalt Sverige AB, where he held a position as CCO. Dovydas currently works as COO at Hansons Hus Supply, which is a part of Hansons Hus AB (H2). In his current role, he focuses on the development of a new company within H2 which provides both rental of construction equipment and material supply.

## WHAT WERE THE REASONS OF CRANBALT SVERIGE AB SUCCESSFUL ENTRANCE TO THE SWEDISH MARKET?

Firstly, thorough market analysis allowed us to gain a deep understanding of the local business environment, consumer preferences, and competitor landscape. This enabled us to tailor our offerings to meet the specific needs and expectations of Swedish customers.

Additionally, we focused on showing our core strengths and expertise rather than trying to position ourselves as specialists of all kinds. Swedish people value specialized services and tend to place their trust in companies that excel in a particular area. By communicating a clear and targeted message about what we do best, we were able to establish credibility and build strong relationships with our partners and customers in Sweden.

Furthermore, we prioritized reliability and delivering on our promises. This helped us foster long-term partnerships and customer loyalty.



Dovydas Čepelė

## HOW TO POSITION THE COMPANY TO BE ATTRACTIVE TO SWEDISH CUSTOMERS AND PARTNERS?

I would like to distinguish several key steps:

- 1. Understand the Swedish mindset and perceived risks.** It is crucial to gain insights into how Swedes think and what risks they associate with working with foreign companies.
- 2. Define your identity.** Determine whether your company is a local player, operating according to Swedish market rules and preferences, or an exporter targeting international markets.
- 3. Competitive pricing.** Some companies prioritize working with exporters due to better pricing. Competitive pricing strategies can make your company more appealing to Swedish customers and partners.
- 4. Localization.** Being a local company does not necessarily mean having a Swedish AB (Aktiebolag) entity. However, it does require flexibility in adapting to Swedish practices, such as accommodating documents and communication in the Swedish language.
- 5. Focus on specific products or services.** It is essential to identify and highlight the specific products or services that align well with the needs of Swedish customers. By focusing on a niche offering, you can position your company as specialized and unique.

## WHAT ARE THE RISKS THAT SWEDISH COMPANIES SEE WHEN WORKING WITH BALTIC COMPANIES?

Swedish companies highly value quality and expect flexibility in accommodating services according to their specific needs. They prioritize long-term relationships and tend to remain loyal to their service providers if they are satisfied with the quality of their offerings.

When working with Baltic companies, Swedish companies may be cautious about the reliability and consistency of the delivered goods or services. They place a strong emphasis on timely delivery and expect providers to meet established deadlines. Even if the Baltic companies offer lower pricing, Swedish companies may still prioritize quality and reliability over cost savings.

In addition, Swedish companies tend to conduct thorough due diligence before entering into partnerships with Baltic companies. They carefully assess the reputation, track record, and references of the potential partners to mitigate any perceived risks.

## WHAT ARE THE MOST COMMON MISTAKES COMPANIES MAKE WHEN ENTERING SWEDISH MARKET?

One of the most common mistakes is underestimating language barriers. Even though contracts are typically in English, but the following documentation usually is in Swedish. Failure to evaluate the language barrier can lead to difficulties in understanding and negotiating terms.

Companies sometimes overestimate their capabilities to deliver projects in the Swedish market. Companies tend to initiate partnerships with large corporations without being adequately prepared or understanding the intricacies of the market. It is important to be well-versed in the market dynamics and requirements when working with bigger entities.

Companies often overlook the assessment of risks and the potential size of penalties in the Swedish market. Understanding and managing risks effectively is crucial to ensure compliance and success.





## INTERVIEW WITH KRISTINA LIEPONĖ

Kristina Lieponė had been studying, living and working in Sweden for 10 years. She has been running business to support Lithuanian companies to enter the Swedish market and still does the consulting work in Lithuania at her own company MB Lika projects. Her professional experience is based on establishing and maintaining customer relationships, increasing sales and customer satisfaction.

WHEN SHOULD THE MARKETING PLAN BE PREPARED?  
WHAT ELEMENTS OF THE MARKETING PLAN SHOULD BE  
FOCUSED ON TO SUCCESSFULLY ENTER THE SWEDISH  
MARKET?

When consulting companies that intend to enter the Swedish market I start by asking about the groundwork they have done: do they have a website in Swedish or in any of the Nordic languages? Do they have employees who speak Swedish? Although residents of the Nordic countries have a good command of English, they prefer to communicate in Swedish if given the choice. Once the groundwork is in place, I suggest hiring an employee who speaks Swedish. Language proficiency helps build stronger connections and mutual trust. If you demonstrate a serious commitment to working in this market and show adaptability, it will be appreciated.

Sometimes companies underestimate the need for significant investments. As Lithuanians, we strive for immediate results and have ambitious goals. However, this mindset may not be suitable, especially when considering the Swedish market. I recommend planning ahead and creating a marketing plan that spans over a year or two. The third important aspect is having a Swedish phone number. Swedish numbers are often associated with the company's name, so when making calls, the recipient can identify the caller's affiliation. If they can't see this, Swedes may suspect it is a scam.

When a person speaks Swedish, calls from a Swedish number, and provides an offer to visit a webpage with more information in Swedish, it is a significant advantage. The company demonstrates its firm readiness to enter the Swedish market.

Regarding the product or service offered, flexibility is crucial. When we ask companies how we can meet their needs and demonstrate that, for example, we can adapt our production line to manufacture a product according to their requirements, we are viewed differently. Here is one of the shortcomings I have noticed among Lithuanian companies: we are not always prepared to invest the time and energy required to adapt to customer needs.



Kristina Lieponė

## HOW DOES ADVERTISING AFFECT SWEDES? WHAT ARE THE MOST EFFECTIVE ADVERTISING CHANNELS IN SWEDEN?

Advertising can have varying effects on Swedes depending on the industry sector and target audience. However, here are some general considerations:

1. **Patience and long-term commitment:** Advertising in Sweden may require a longer-term perspective and commitment.
2. **Preparedness for significant investments:** Recognize that successful advertising in Sweden may involve significant investments of time, effort, and resources.
3. **The importance of word of mouth:** Building a positive reputation and receiving good recommendations from satisfied customers or influential individuals can greatly impact Swedes' perception of a brand or product. One satisfied customer can lead to a bunch of other new customers.
4. **Leveraging recommendations from other Nordic countries:** If you don't have specific recommendations from Sweden, utilizing recommendations from other Nordic countries can still contribute to building credibility and trust.
5. **The importance of the first customer:** Securing the first customer and obtaining their positive feedback and recommendations is crucial in Sweden, where recommendations hold significant weight.
6. **Prioritization:** Adapt advertising strategies based on priorities that align with the specific industry sector and target audience.
7. **Flexibility and willingness to invest:** Being adaptable and willing to invest resources, such as offering free samples or allowing product trials for 2-3 months, can enhance the effectiveness of advertising efforts

## FOR THE COMPANIES PLANNING TO ENTER THE SWEDISH MARKET, HOW LONG IT USUALLY TAKES TO START OPERATIONS?

The time needed to establish a business and start operations can vary depending on the industry sector. It can take anywhere from 6 months to 2-3 years to acquire the first customer.

## WHAT IS THE IMPORTANCE OF RECOMMENDATIONS IN FINDING FIRST PARTNERS AND CLIENTS IN SWEDEN?

In Sweden, trust is one of the greatest values, and building strong relationships is crucial. Recommendations play an important role

in finding the first partners and clients. Trust is hard-earned but can be easily shattered if a commitment is not fulfilled. To establish trust, it is necessary to take a genuine interest in the company, dedicate time to fully understand their needs, and explore how services can be provided better than the current offerings. In Sweden, we prioritize satisfying customer needs rather than simply offering what we produce and hoping it will appeal to them. It is better to look for solutions together with the client in cooperation by offering specific options, rather than hoping that client will find a solution on his own.

Moreover, regular and consistent communication is essential, even if it starts with a cold call. Regular follow-up calls should be made, and it is acceptable to ask when the best time would be to call again. Pay attention to the company's financial year and the timing of changes in partners or suppliers, as people are often willing to share this information when asked directly. By nurturing relationships and demonstrating a genuine interest in meeting their needs, recommendations can become instrumental in establishing connections with partners and clients in Sweden.

## THANK YOU!

We sincerely thank the interviewed experts for sharing their knowledge and advise to help Lithuanian companies easier enter Swedish market.





## TO BE CONTINUED...

This is the third information bulletin that Lithuanian Professionals in Stockholm Club has issued. The series of bulletins aim to provide local knowledge on various topics that are important for Lithuanian businesses aiming to expand or start in Sweden.

In preparing bulletins we utilize our network and professional contacts that own specific knowledge so that bulletins are comprehensive, competent, and useful for Lithuanian small and medium businesses.

## LITHUANIAN PROFESSIONALS IN STOCKHOLM CLUB - LPS CLUB

We are a non-profit organisation which unites Lithuanian professionals in Sweden to support each other's professional growth, promote Lithuania, and enjoy joint activities. Our Strategic Directions are:

1. Lithuanian business enablement in Sweden
2. Better visibility and image of Lithuania in Sweden
3. Networking, fun, high professionalism and knowledge of our members.

<https://lpsclub.se/>  
[info@lpsclub.se](mailto:info@lpsclub.se)



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<https://swelitfund.org/>



**Sweden-Lithuania  
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Prepared by LPS Club, March 2024

Designed by Gita Juchnevič  
"Coliukės dizainas"

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<https://inovacijuaagentura.lt/>

**Swedish Chamber of Commerce in Lithuania**

<https://swedish.lt/>

**Vilnius Chamber of Commerce, Industry and Crafts**

<https://www.cci.lt/>

**Kaunas Chamber of Commerce, Industry and Crafts**

<https://chamber.lt/>

**Embassy of the Republic of Lithuania in Sweden**

<https://se.mfa.lt/>