

▶ Case Insight 1.1

Systembolaget AB was the world's first alcohol monopoly and remains the only retailer of alcohol in Sweden. It has a government mandate to limit the harm that might come to Swedish society from alcohol consumption. We speak to Fredrik Thor, to find out how a state alcohol monopoly with a prohibition remit can possibly market itself.



It all started in 1850 with the formation in Dalarna, Sweden, of a company that was granted exclusive rights to operate outlets for the sale and serving of alcoholic drinks. This was the world's first ever alcohol monopoly and it worked so well that the model spread nationwide. In 1955, the various local monopolies were merged to form a single one—Systemaktiebolaget.

Systembolaget's mandate is to help limit the medical and social harm caused by alcohol and thereby improve public health. It aims to do this by limiting alcohol availability through: the number of retail outlets (opening hours and selling rules); not endeavouring to maximize profits; not promoting additional sales; being brand-neutral; providing good customer service; and being financially efficient. But if the company is essentially designed to limit societal harm from alcohol—in effect, implementing and ensuring compliance with the government's alcohol policy—how can it market alcoholic products responsibly?

The company's marketing communication is steered by legislation, such as the Swedish Marketing Practices Act and the Swedish Alcohol Act, by Systembolaget's agreement with the State, and by the company's own internal guidelines for marketing communication in relation to alcohol products.

So, the monopoly exists to ensure alcohol-related problems are, as far as possible, minimized. If it were abolished, it is generally believed that people would drink more and social problems would increase. But the monopoly isn't a given. It will only continue to

exist as long as it has public support. Therefore, the company does everything it can to ensure that when you visit us, you like what you get.

The goal of all our communication measures has been to persuade more Swedes to support the monopoly. Or at least to ensure more people understand why it exists. The problem was in 2002, only 48% of Swedes actually supported the monopoly—a risky proportion of the public in other words didn't. As Systembolaget's President said, "If everyone knows why it exists, and people still don't want it, we shouldn't have an alcohol monopoly. But it would be awful if it were to be abolished because no one understood why it existed".

The company therefore defined a concrete goal in its strategic plan to boost support for the monopoly to 54% over the course of two years.

The question is how does an alcohol monopoly increase public support for its existence without promoting alcohol consumption?



Refreshing lack of promotional material at Systembolaget