

# GETTING DRESSED FOR SUCCESS

## Explaining SME competitiveness in the Swedish music industry cluster

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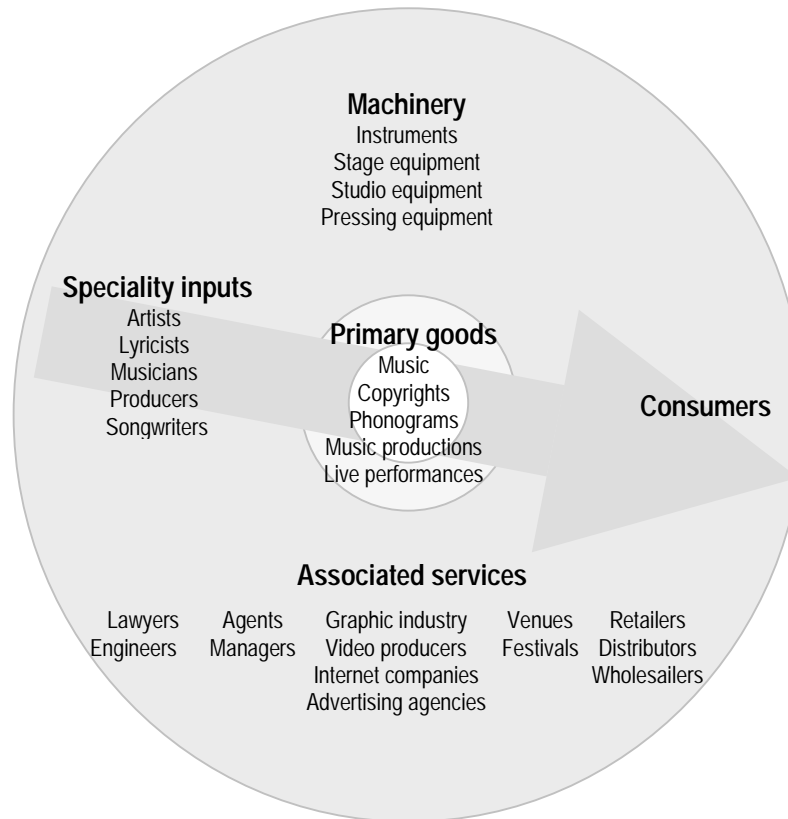
# TRENDS IN THE SWEDISH MUSIC CLUSTER

- ✓ Increasingly competitive export industry
- ✓ A growth of internationally successful artists
- ✓ A growth of internationally competitive SMEs
- ✓ Internationally attractive milieu for music productions
- ✓ An increasingly dynamic interplay with other sectors (e.g. IT, New media, Telecom)

# THE SWEDISH MUSIC CLUSTER IN BRIEF

- ✓ Spans manufacturing-service divide
- ✓ High level of cross-sectorial inter-linkages
- ✓ A glocal production system, dominated by the 'big five' TNCs
- ✓ High 'reciprocity' in the production chain: from demo to distribution
- ✓ 6 000 + firms (limited and trading), Large share of SMEs
- ✓ 10 000 + employed (high rate of project based jobs, freelancers)
- ✓ Low level of formal education
- ✓ Clustered to the major urban area, Stockholm
- ✓ Gendered workforce (male dominated)

# THE MUSIC CLUSTER CHART





# ”THE HIT MACHINE”

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**Artists:** ABBA, Blue Swede, Harpo, Secret Service, Europe, Roxette, Ace of Base, The Cardigans, Rednex, Robyn, E-Type, Sophie Zelmani, Dr. Alban, The Wannadies, Stakka Bo, Clawfinger, Meja, Fireside, Pandora, Jennifer Brown, Whale, Eggstone, Pineforest Crunch, Millencolin, Grass-Show, Komeda, Lutricia McNeal, The Hellacopters, Ebba Forsberg, Melony, Misery Loves Co., The Trampolines, Sonic Dream, Freebee, This Perfect Day, Honeycave, Vacuum, Cloudberry Jam, Eric Gadd, DJ Mendez, Evelyn, Baxter, Emilia, etc.

**Producers and songwriters:** Deniz Pop, Max Martin, Anders Bagge, Andreas Carlsson, Rami, Christer Sandelin, Paul Rein, Johan Åberg, etc

### **FIRM STRATEGY, STRUCTURE AND RIVALRY**

- Lead firms
- Staff turnover
- Key people
- Joint career trajectories
- Interlocking directorates

### **FACTOR CONDITIONS**

- Educational institutions: specialised schools, training establishments etc.
- High exposure to English
- A widespread musical interest (amateur bands, choirs etc.)
- High accessibility of new technology
- High rehearsal premises density

### **DEMAND CONDITIONS**

- Anticipatory buyer needs (mass market and business to business)
- High per capita consumption

### **RELATED AND SUPPORTING INDUSTRIES**

- Supportive workers' associations  
Extensive music festival activity
- Internationally competitive related and supporting industries

# STRATEGIC KNOWLEDGE CREATORS

<b>Factors</b>	<b>Examples</b>
<ul style="list-style-type: none"><li>• Key people</li></ul>	<ul style="list-style-type: none"><li>• Industry mentors</li><li>• Network brokers</li><li>• Role models</li></ul>
<ul style="list-style-type: none"><li>• Lead firms</li></ul>	<ul style="list-style-type: none"><li>• Career breakers</li><li>• Knowledge pools</li><li>• Social network builders</li><li>• Path breakers and pioneers</li></ul>
<ul style="list-style-type: none"><li>• High staff turnover</li><li>• Joint career trajectories</li><li>• Meeting points (e.g. fairs, industry organisations, clubs)</li><li>• Channels (e.g. professional journals, virtual communities)</li><li>• Educational institutions</li></ul>	<ul style="list-style-type: none"><li>• Facilitates knowledge dissemination</li><li>• Facilitates knowledge transfer</li><li>• Facilitates trust building and networking</li><li>• Important for business start-ups and joint projects</li><li>• Important for boosting new business ideas</li></ul>

# POP EXPORT AND PUBLIC SUPPORT...

## ...FROM PROACTIVE WELFARE STATE TO FOCUSED CLUSTER SUPPORT

- ✓ Long period of economic growth in tandem with the evolvement of the Swedish welfare state (e.g. musical education, generous unemployment benefit funds)
- ✓ 1990s: Positive and changing view amongst politicians on cultural-products and design intensive industries as important for the economy (e.g. Music Management Programmes)