

CASE

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A CATALOGUE



OF SUCCESS



Bang & Olufsen's product catalogue is the company's primary sales tool, reflecting its excellent technical and design values. Not surprisingly, then, the choice of paper for the catalogue is carefully considered.

Bang & Olufsen is based in the small town of Struer on the north coast of Denmark, its distinctive range of high quality consumer electronic products (televisions, music systems, loudspeakers, telephones, medico and multimedia products) are found in the homes and workplaces of affluent, successful and stylish people all over the world. Today, over 80% of the company's sales come from outside Denmark. When Denmark joined the European Free Trade Association in 1960,

Bang & Olufsen seized the opportunity to grow its international sales. Although well-known in its home country, it knew it would have to work hard to be recognised elsewhere.

Its strategy was to create a visual identity that would be immediately recognisable anywhere in the world. It did this so successfully that, in 1978, eleven Bang & Olufsen products were selected for the permanent collection of New York's Museum of Modern Art (MoMA). Indeed,



this emphasis on visual design qualities is central to the ongoing success of Bang & Olufsen. It is of course one of the main factors that sets the products – and the stores – apart from their competitors. It is also a key factor in the design and production of its main product catalogue.

QUALITY COUNTS

“This catalogue is an important sales tool,” says Henrik Holmgaard, Bang & Olufsen’s marketing production and process development consultant. “1.2 million copies go out to our dealers, where our customers can pick it up, and have a chat with the staff in their local Bang & Olufsen store. It is the most important printed item that we produce, and so it is absolutely essential that it conveys our brand values.”

The company produces a new catalogue every year, and Holmgaard reports that the first and most critical stage is always devising the central creative platform. Once they have that in place, the other elements tend to flow from it. The choice of paper is always carefully considered. “Paper makes up around 50% of the total print cost of the catalogue, so we need to consider the cost of the paper we buy,” he explains. “However, it also needs to reflect our brand, and so it must be much higher quality paper than you get in a normal magazine.”

However, the creative platform of the 2006 catalogue required a fresh approach, and B&O asked for something different. In their search for something bulkier, with a natural feel to it, M-real suggested *Galerie One Silk* 115 g/m². *Galerie One* is also a

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coated grade, available at similar basis weights, but provides a slightly rougher, natural feel that they were looking for, together with good picture quality. Holmgaard says that this paper has been popular with the team at Bang & Olufsen. “This is not necessarily the premium art paper in terms of picture quality, but it’s certainly good enough, and it fits well to our creative concept. We chose it because when you hold it in your hands, when you touch it, it feels like a high quality product. It was the right price and a good fit with the creative brief, so we’re very happy.” Of course, the real test will be the reaction of Bang & Olufsen customers. Following its release, the 2006-07 catalogue will be extensively evaluated to compare its performance with that of previous

catalogues. “We always try to improve our catalogue every year,” says Holmgaard. “The paper we use is to a large extent determined by the creative concept we select, but we rely on our printers and paper suppliers to produce good quality, affordable paper that fits in with whatever creative platform we go for.” Perhaps the most telling indication of Bang & Olufsen’s success in recent years has been the growth in its profit ratio and return on its assets. The former has risen from 6 per cent in 2001-02 to 10 per cent in 2005-06, and the latter has risen from 11 to 20 per cent in the same period. This is success which Holmgaard plans to continue and he is certain that his sales catalogue, with its high quality paper, will play a major role.

THE BANG & OLUFSEN STORY

Peter Bang and Svend Olufsen, two engineers with a shared passion for radio, founded the company in 1925. Their first product was developed in the attic of the Olufsen’s manor house in Denmark, where the family still lives today. They sold their first radio two years later, and from the outset their focus was on quality and innovation. In 1939 they launched the first radio with a bakelite cabinet, and a year later they ran the first of their famous eye-catching shop displays. By 1952 the company had launched its first commercial television set. In 1974, it achieved yet another first with its launch of the world’s first colour television with a remote control. Since then, it has continued to expand its range of consumer electronic products, and the reputation it has built up over 70 years for quality, innovation and beauty has translated into impressive financial results. At the end of the financial year 2005-06, Bang & Olufsen products were sold in over 70 countries worldwide, and the company employed 2,400 people. In that year it generated nearly €56 million operating profit from a turnover of around €560 million.