

HIDDEN TREASURES: THE REDESIGN OF THE “SFINX” CHOCOLATE

Astrid Skjerven, Kunsthøgskolen i Oslo, Norway

Introduction

As a young nation with an economy mainly based on raw materials Norway has weak traditions in the field of design. Increasing competition and more open borders has forced the country to put more emphasis on cultivating its products, including the use of professional design. How does the business sector make use of design in this situation, and with what results? Is it possible to identify critical factors of failure or success? Due to limited experience, unpublished information and little research this is a topic that we know very little about. The following case study will hopefully throw some light on the matter.

The case I have chosen is the sweet company Nidar's rejuvenation of one of its main products, *Sfinx*, in 1996. The years that have passed since then makes it possible to look at the matter at some distance. At the same time, the general situation has changed only marginally, which means that the case is still relevant. Nidar was more geared towards design than many other firms at the time, but otherwise the case is fairly representative. My analysis is based on interviews with previously employed and the engaged designers, material in the National Library and on the Web, and the rather limited information Nidar was willing to give.¹ Therefore I at some points have had to do like Oidipus, try to solve the riddle of the *sfinx*.

The change

The sweet factory Nidar in Trondheim was established in 1912, as a challenger to the great pioneer company Freia in Oslo. With its 600 employees and a domestic market share of more than 30% Nidar is today our largest national supplier of sweets. Since 1992 the company has been owned by Orkla, our biggest concern of brand products in the food industry. Norwegian sweet consumers are generally conservative, meaning that few new products are introduced, and that changes in existing products are made gradually and in a way that is almost innoticeable to the consumer. Contributing to the careful handling of change are the high costs related to this kind of activity and the small size of the Norwegian market, which makes it crucial to reach a large segment and avoid mistakes. An important factor is also that the food market is dominated by four foodstore chains, who have great influence on which products one can find on the shelves.

In 1992 the old, originally family owned factory situated in one of Norway's regions underwent a major change. Under Orkla's leadership it was transformed into a process oriented company with emphasis on innovation, and its ambitious strategic goal was to reach not only the Norwegian, but the Nordic market.² To rationalise the production a new, fully automated machinery was installed. One also took a more daring stance as regards product development and even aimed at creating new products. Particularly in relation to the shape of the sweets one saw an undeveloped potential. Even internationally this approach represented something new, with the Swiss

¹ Nidar has been rather strict about what information they have made available. Also, the graphic design firm Design House has given limited information. The designer Johan Verde has been very helpful. So have the previously Nidar employees John Obstfelder, Dagfinn Røyset and Jari Takala, as well as Robert Sjøborg at Orkla Merkevaerskole and Vilhelm Lange Larssen at Norsk Designråd.

² *Nidars mål og strategier*. Trondheim: Nidar, 1996.

Toblerone as an exception. Out of this situation rose the idea of hiring not only graphic designers, which the firm had done on several occasions, but also industrial designers to create the forms of the products. The idea represented a pioneer attitude in the development of Norwegian sweets and an extension of the use of design. Because of the company's lack of experience with such competence one consulted Norsk Designråd (The Norwegian Design Council). Two designers were suggested, and one of them was hired to design a new chocolate. It was called *Soho* and had a young and international concept which was very different from the rest of Nidar's assortment. It was no success and was withdrawn from the market within few years.

The challenge and the work process

The existing assortment was also subject to change. So was even *Sfinx*, one of the company's major products. It was one of Norway's two most popular confectioneries and a brand icon.³ Its traditional forms and decor were still mostly hand made and could not be transferred to the new production system. Neither did the slip and box meet the demands of efficient distribution. Additionally, the production volume tended to stagnate, and market research revealed that its buyers were of high average age. In order to maintain the production Nidar was forced to let it go through an extensive alteration. Its economic significance and high status combined with the consumers' conservatism made the situation critical. The potential of increasing the efficiency of the production was obvious, and the possibility of making it attractive to a larger market was tempting. But how far should one go in making changes in the product? And whom should one trust the demanding task of redesigning its forms?

The management decided to turn to the second designer that had been suggested to them, Johan Verde, who had industrial experience and high expertise on form. He came up with a concept consisting of pieces, slip and box, but not graphic design. It was designed to reach young and demanding consumers in all the Nordic countries in addition to the regular ones. It also fulfilled the requirements of rational production and distribution. Market research showed that his design had strong appeal among young people. Within the group his proposition was mainly met with enthusiasm, but there were also negative attitudes towards Verde's rather avantgardistic proposition. The temperature of the discussions was high. Also, some of the employees seized working for Nidar, and new people joined the team. One reached a second and more sober phase of the project. Finally one decided to go for a less drastic change. The confectionery got four new pieces in addition to the existing ones. Verde's proposal for the interior parts, i.e. pieces and slip, were accepted fully. On the other hand, the box and its graphic design underwent a modest change, made by the firm Design House. This means that what was inside the box and that had to be changed in order to maintain the production was altered, while the outside and what people could actually see when considering to buy the product, looked very much the same. In this way it was possible to keep the existing customers, but hardly to reach new ones. Compared to Nidar's original ambitions this was obviously a half way solution.

The product

To understand the challenges Nidar was faced with, one has to take into consideration what kind of product *Sfinx* actually was. It had been introduced in 1939 as "a first class confectionery at a

³ The high importance of brands is often stated. See for instance: Chernatony, Leslie de and Malcolm McDonald, *Creating powerful brands in consumer, service and industrial markets*. 3rd ed. Oxford: Elsevier, 2003.

really low price”.⁴ It constituted a ”democratic” counterpart to the competing company Freia’s conservative, aristocratic and luxuriously packed *Kong Haakon*. *Sfinx*’s elaborately decorated pieces had been picked from the very best of Nidar’s production, while the box was strict, black and exotic. The sfinx is associated with the agency of hiding. In Greek mythology it is described as a monster that kept a riddle which Oidipus finally managed to solve; according to Egyptian traditions it was a protector of shrines. The appearance of the product signalled a content of an exotic and exclusive kind. Additionally, the lack of decoration expressed an emphasis on the contents. It was the obvious choice for the modern, democratic, sensible human being who did not care about appearance, and who felt free to follow one’s desires.

Since then *Sfinx* had been one of Norway’s best selling confectioneries in a continuous war with its only competitor, *Kong Haakon*. But as time went by there gradually took place a distortion of the product’s message which made it inconsistent. Its appeal became more strongly attached to its potential as a gift between friends, while the modernity and exoticness lost significance.⁵ With a few exceptions around 1990, varying from conservative populism to glam, it was human care and community which were the main features of the advertisements. Consequently, there also took place a change in the iconography of the box. About 1980 a red rose surrounded by green leaves appeared beside the name of the product, and became the dominating image of the box. As a symbol of love it conveniently signalled the message of the giver. The red rose is also an old social democratic symbol, and therefore harmonised with the products’s status as ”democratic”. The word sfinx in combination with the image of a rose does not give any consistent meaning. Such distortions often occur in non-professional, folkloristic development of themes, but are avoided in professional branding.⁶ In this way *Sfinx* had created its own iconographic tradition, only comprehensible to the initiated. It had become a product with a certain internal character where previous knowledge and recognition was decisive for the act of buying.

The solution

How did the new solution relate to the product and its identity? The designer’s proposition was very contemporary, but still based on the original concept of 1939. The minimalistic, soft pieces entangled by the undulating forms of the slip gave associations to treasures which could be discovered in the desert sand. The two dimensional ”footprints” of the original pieces were kept and repeated in the slip, and their three dimensional shapes were still recognisable. The old and the new pieces constituted a visual whole. They even had a particular sculptural quality, which is Verde’s hallmark as a designer. In this way the pieces functioned on two levels of meaning. To the regular customer they were still identifiable pieces of the traditional confectionery. But at the same time they could be experienced as stimulating and avantgardistic objects. They were even appreciated in the design milieu.⁷

If one had decided to go for a corresponding solution for the box and its graphic design the concept could have got back its consistency as brand product, and thereby the opportunity to reach a market outside Norway. But this would have made it necessary to omit its most distinctive

⁴ <http://www.nidar.no>

⁵ The conception of the product as a gift between friends is documented in: Obstfelder, John, *Nidar AS: posisjonering av merkevaren Sfinx*. Oslo: J. Obstfelder, 1996.

⁶ In the development of a long-lasting brand it is regarded as essential to keep to its core values and communicate them clearly. Chernatony, Lesley de and Malcolm McDonald, *Creating powerful brands in consumer, service and industrial markets*. 3rd ed. Oxford: Elsevier, 2003, 402-04.

⁷ ”Johan Verde.” *Norsk form* no. 23 (1999), 7.

visual feature, the rose, which could have led to a negative reaction from the regular customers. In the end Nidar chose to play safe. The rose was kept, although in a more minimalistic version by omitting its green leaves. The product's message therefore remained inconsistent. In this way Verde's redesign had become hidden treasures in a double sense, buried in a box that did not give any hint of its precious content.

The result

The relaunching was directed only towards the Norwegian market. It was created by marketing people, not designers, and in a more trivial visual language than that of the product itself. The relatively extensive alterations that it had undergone, both visually and otherwise, were toned down rather than emphasized. The new pieces were introduced as additions to the old ones, and its gift potential extended to all ages.

According to Nidar market surveys indicated that most people, but not everybody, liked the new version better than the old one. One assumed to have reached more young people because of the "designed" appearance, a more varied use, and the previously documented popularity of Verde's pieces among this group. The company has also stated that sales figures raised after the relaunching. In 1999 the yearly figure of sold boxes was 900.000, which meant that it had kept its position as one of the two most popular confectioneries in Norway. Profit had increased because of the new production and distribution systems.

The reason

What the firm had gained besides making it possible to continue the production, was to consolidate the product's already established position as a bestseller among Norwegian chocolate boxes. One might ask whether this was worth the probably rather large investment. Since the general economic situation was relatively stable during the work process, the reason has to be ascribed to internal matters.

At the time Nidar was going through great and rapid changes, including the implementation of brand building as a strategic tool of management. Previously their brand products had generated from a more traditional organisational culture with less expert knowledge, and familiarity with a stable group of consumers. The marketing experiments around 1990 indicated that one was uncertain of how to communicate even with the regular customers.

The *Sfinx* project was mainly managed by newly engaged and by externally hired expertise. Unfamiliar with the product and with little concrete information available they had a weak foundation for evaluating its potential of conquering new markets. At the time the decision about change and expansion was made the group had some, but probably too little understanding of the product's identity seen in a cultural perspective.⁸ With its iconic status, long history attached to a stable and protected situation and its inconsistent iconography, it was not just an ordinary brand product. It tended towards being a piece of Norwegian folklore. To reach young persons and foreigners with such a product is a demanding task and requires either developing its exoticness or extensive alterations.

⁸ In branding theory it is stated as vital that the culture of the society consuming the brands is appreciated. Chernatony, Leslie de and Malcolm McDonald, *Creating powerful brands in consumer, service and industrial markets*. 3rd ed. Oxford: Elsevier, 2003, 133.

Nidar's management had openly expressed their lack of experience with design and had turned to Norsk Designråd for consultancy. Even within Orkla and its merkevareskole (Orkla Brand School) knowledge in this field was limited, but the interest was increasing. The *Sfinx* project was an example of this situation. But with little experience among the leaders it was impossible to use it as an integrated strategic tool. Basically, they had very optimistic, one might even say too optimistic expectations, and an according will of commitment. But they did not have substantial understanding of how it could be exploited to lead the process to ultimate success for the company. In the first phase of the process the designer therefore got relatively free hands and had an exceptional possibility to influence his employers. The second phase reveals a more sceptical attitude, and even signs of cold feet. Contributing to this was the negative development of the *Soho* project. Verde's proposition was so radical that it resembled a new product, and implied an according risk. The management was of the opinion that they could not afford two such projects. Thereby it becomes clear that the direct cause for the amputation was the wish to minimize risk. It became vital to keep the *Sfinx* project safely within the border of a rejuvenation and to limit or even hide its daring ingredients.

As mentioned, reaching new market segments required an extensive redesign. That was what Verde had given a proposal for. What would have happened if it had not been amputated? His solution was consistent and elegant, but far-reaching. Actually, it represented a new generation of the confectionery. Compared to market demands it was ahead of its time. Today we can see how the brand oriented supermarkets fight to stand up to the general consumer's increasing demands of quality, and even to reach niches. But the concept also shows signs of his personal ambitions to create a "designer's confectionery" with aesthetic dimensions on his own terms. There is reason to ask whether these ambitions were consistent with a product of optimal profit based on mass consumption.

Conclusion

Who was right, the project group in its first optimistic phase, in its second and sober, or the designer who had ambitions of making a "designer's confectionery"? The question is hypothetical. Seen in relation to its lack of experience Nidar reached an astonishingly good result, and even gained a position in Norwegian design history. But the goal to conquer new domestic consumers and the vision to reach the export market were not fulfilled. This means that the main problem remained unsolved.

There were two critical factors. The first one was the willingness to risk. The high ambitions of the company were not followed up by a corresponding economic attitude, which actually made it impossible to reach one's own goals. The second one was the capability to make strategic decisions. The deficient basis for this was neither lack of competence in management nor in design. It was the insufficient integration between the two, as well as the weak understanding of the cultural context of the task.

What makes Norway's situation special is above all our limited experience. Success is not built on concrete knowledge alone, but just as much on the development of experience and understanding. In particular, the cultural dimension of the innovation process is underestimated. Our products, although successful on the domestic market, may not be suitable for the export market, which means that new products have to be developed. To build not only knowledge, but understanding, takes time. In the meantime the "folkloristic" tradition remains to exist in Norwegian branding. One day it might become a value of its own, tradeable to the outside world, hopefully in addition to a more streamlined design tradition.