

The Hemköp Case

*From one food-lover to another, or should they
even bother?*

MANAGEMENT DECISIONS

The authors prepared this case solely as a basis for class discussion and not as an endorsement, a source of primary data, or an illustration of effective or ineffective management. Although based on real events and despite occasional references to actual companies, this case is fictitious and any resemblance to actual persons or entities is coincidental.

The Hemköp Case

Action & Reasoning

On the 5th of October 2020, Hemköp decided to launch the new bonus system as presented in the case. Hemköp was the first grocery store to launch a bonus system like this. Marcus Nyman, responsible for Hemköp's customer club, believed that those extra points would guide and encourage customers' to make more climate-smart choices. The new bonus system is a typical example of nudging, which means using small means to gently guide people in a certain direction. Hemköp's CEO Simone Marguiles said that they wanted to use their customer group as a platform to test new sustainability initiatives and reward customers for "good deeds".

The new bonus system is, according to Hemköp, a necessary action to achieve the ambition to help consumers half their climate impact from food consumption by 2030. Moreover, this bonus system decision was based on customer surveys where it has appeared that customers request guidance to make more green choices and get more personal offerings.

Reactions from Consumers

It did not take long before the reactions around the new bonus system escalated on social media. On Hemköp's Instagram page, the comment field overflowed with opinions, and on Twitter, Hemköp was trending with hundreds of tweets regarding the initiative's divided opinions. The reactions were both positive and negative and further reinforced the polarization that has surrounded the sustainability debate. Should Hemköp really take a stand in these sorts of socio-environmental issues, and is this the correct way of doing it?

Two of Moderaterna's most loud tweeters, the parliament members Jan Ericson and Lars Beckman, promptly tweeted about their boycott of the grocery chain. "Bye bye, Hemköp", Beckman tweets, "Yes, there ICA got one less competitor. Now there will be no more purchasing from #Hemköp" Ericson follows up.

From this, the comments escalated on social media and many consumers expressed their negative reactions:

Congratulations on your contribution to the polarization of our society. I will join those who are now leaving the Axfood Group and will in the future make my purchases from competitors that do not take such a stand. Thanks and goodbye.

People also complained about what the new bonus program deemed as environmentally friendly:

Do you get double points for buying imported fruit and vegetables? But not if you choose Swedish products?

However, in the midst of the negative reactions, many were also positive to the new bonus system. People thought it was a great initiative and immediately wanted to join Hemköp's customer club:

Super good initiative! I will immediately find my nearest Hemköp store.

Time to become a member of #Hemköp. Good with initiatives for a better world.

The vegetable bonus is probably one of the more successful advertising campaigns this year.

With another person responding to the tweet:

For the companies that aim for the three percent who think like you - absolutely. However, the majority of customers in Sweden are completely normal and eat a versatile and varied diet - without moral cues.

Below are the original comments from social media:

The image is a collage of social media content on a yellow background. In the center, a headline reads: **Hemköp releases their new bonus program that rewards sustainable actions**. Surrounding this are several screenshots of tweets and Facebook comments. The tweets include: Payman Tehrani (@PaymanTehrani) on Oct 4, 2020, saying 'Time to become a member of # Hemköp Bra with initiatives for a better world'; Jan Ericson (@Ericson_ubbhult) on Oct 4, 2020, stating 'Yes, there ICA got a smaller competitor. Now there will be no more action on #hemköp'; Lars Beckman (@beckmansasikter) on Oct 3, 2020, saying 'Bye bye Hemköp #svpol # Hemköp'; Lars Beckman (@beckmansasikter) on Oct 6, 2020, stating 'For the companies that are aiming in itself at the three percent who think like you - absolutely. The majority of customers in Sweden are, however, fully normal and eat a balanced and varied diet - without moral lecturing # hemköp'; and Mathias Ståhle (@MathiasStahle) on Oct 6, 2020, replying to @A_Nelli that 'The vegetable bonus is probably one of the more successful advertising campaigns this year.' Facebook comments include: jonaholsson praising the contribution to polarizing society and suggesting a competitor; wickehlynn praising the initiative and asking for the nearest store; and 610saari asking about the double points for Swedish products.