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H&M – documenting the story of one of the world’s largest fashion retailers

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Documenting the history of a fashion retailer can be a tricky business. It is one thing to document fashion history in general. A variety of works and institutions have, especially during the last few decades, done this, drawing on different perspectives (Breward, 2003; Laver, 1969/2002; Roche, 1989/1994). But when it comes to documenting and securing the story of a specific fashion retailer one comes up against quite different problems. The whole matter boils down to one basic question: has the company significant documents, photographs and, most of all, samples from its collections that are worth saving? Or have such artefacts been disposed of because they are only commodities, not representing any real value and therefore seen as non-valid, space-consuming and – most of all – obstacles to immediately embracing a new season with a new fashion and new clothes?

How can such a documentation project be conducted?

This is the underlying question I want to discuss in this paper. And, more specifically, what methods can be used in gathering information for such a project? This study is based on a new project that started in Sweden in 2008. The Centre for Business

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History in Stockholm was commissioned by the Swedish fashion retail chain H&M to document the history of the company, which dates back some 60 years.

The Centre for Business History is an independent organisation working in the area of corporate and industrial history in all its forms. It is a non-profit association founded in 1974 with the mission of preserving and presenting Swedish corporate history. With professional academics (mostly historians) and certified archivists, it also has a research secretariat that collaborates with colleges, universities and academic scholars from various fields. The operation is self-financed and based on corporate membership fees as well as payment for rendered services, for example storage and different levels of archive services.

A unique collection of corporate history
The Centre for Business History claims to have the world’s largest collection of corporate history – more than 7000 companies are represented in the archives. The oldest was founded in 1746, and among the youngest are newly formed enterprises in the consulting industry. The collections comprise over 60,000 shelf metres of archives that cover everything from banking and finance, industry and retail to media and entertainment. Large-scale Swedish and foreign enterprises dominate among member companies, but there are also small and mid-sized companies in the archives. Some of Sweden’s largest international companies are represented here with their entire historical archives, for example, the telecom company Ericsson, originally named LM Ericsson after its founder. ‘Having a history also means that companies often realize and understand the advantage of communicating their background, both to internal and external target groups’, says Alexander Husebye, CEO of the Centre for Business History (April 2009).

We can assist them in doing it properly and with a high degree of professionalism to meet the needs of academic researchers, while at the same time being aware of the fact that the materials are owned by the company. You could describe our role as being a platform, where the needs of preservation and presentation meet under the supervision of highly skilled archivists and historians. (Alexander Husebye, interview April 2009)

In 2007 a Design Archive was opened, with a mission to document and present the processes behind the design of industrial products. The work is conducted in collaboration with the Swedish Society of Crafts and Design and has also resulted in a new web portal on Swedish design history on the Internet, accessible to members and scholars. However, among the wide range of enterprises in the Design Archive, there has to date been no fashion company represented, either from the industry or from the retail side.

Fashion – an area without priority in Swedish business history
Even though the Swedish ready-to-wear and textile industries dominated the national market up until around 1950 with several well-known fashion and textile designers, it is worth noting that none of these industries are mentioned in one of the main works on Swedish Industrial Design from the twentieth century, Svensk Industridesign (Brunnström, 1997). Well-known and successful fashion designers (e.g. Katja of Sweden, working for the knitwear company MMT) do not seem to have been considered an important part of Swedish industrial production and design, whereas
cars, vacuum cleaners, telephones and household goods are given as examples of good and aesthetic national design (Geiger & Åhlander, 2000). And no example of fashion production was yet to be found in the archives of the Centre for Business History when it was commissioned to document the story of H&M. ‘History seems to have had low status especially in many of Sweden’s big retail businesses where fast changes and perspectives for the future are in focus and innovation and change is necessary for the success of the company’, says Husebye (quoted in Schug, 2010, pp. 8–9). Here, H&M must be seen as a pioneer, being the first Swedish fashion-related company to understand the importance of securing their history for the future.

One of the world’s largest fashion retailers
The history of H&M (originally named Hennes, meaning ‘Hers’ in Swedish) began with the opening of a small shop in the country town of Västerås in Sweden in 1947. The founder, Erling Persson, an industrious Swedish entrepreneur, had been travelling in the US in the post-war years and discovered new ideas in retailing women’s apparel (see Figure 1). He was especially influenced by the American retail chain Lerner Shops, which offered inexpensive garments with a fashionable touch to a wide audience (Bengtsson, 2008, p. 88). The Swedish retail scene was, at the time, dominated by nationally produced ready-to-wear which was sold by private apparel retailers. Persson early on had an idea of building a retail chain with ‘fashion at prices that will suit everyone’ (Pettersson, 2001, p. 51). This original concept is remarkably close to today’s business concept: ‘to offer fashion and quality at the best price’ (H&M Annual report 2008, part 1: H&M in words and pictures 2008, p. 13). The company was very successful, and after opening stores around Sweden, H&M expanded into Norway in 1964, followed by Denmark and the UK and later on into

Figure 1. Erling Persson, founder of H&M, at the time he started the company in 1947.
most countries in Western Europe. In 2000 H&M crossed the Atlantic to the US and opened its first highly successful flagship store on Fifth Avenue. Since then the company has been growing with explosive speed and is today one of the world’s largest fashion retail chains with some 75,000 employees and approximately 2000 stores in 35 countries worldwide. China, Japan, Russia and Korea are some of the most recent new markets. Annual turnover in 2009 was SEK 118bn. The founding family (who still holds a controlling stake) remains the biggest shareholder. Stefan Persson, son of the founder, is Chairman of the Board. His son, Karl-Johan Persson, representing the third generation of the family, was appointed CEO of the company in June 2009.

The H&M merchandise collections, representing fashions for women, men, teenagers and children, are created centrally in the company’s headquarters in Stockholm by more than 100 in-house designers together with buyers and pattern makers. H&M does not own any factories but instead works with around 700 independent suppliers, primarily in Asia and Europe. Here H&M operates through some 16 production offices. Cosmetics, accessories and footwear are other parts of the business as well as a Home line. In certain European countries H&M fashions are also offered via the internet and catalogue sales.4

Company culture and values

H&M founder Erling Persson rarely gave interviews. In one of the few interviews that exist he points out two fundamental business ideas behind the success of his company. One of them he discovered during his trip to the US in 1946: ‘I realized the value of being spot-on. In everything. You’ve got to find the right timing and you have to look for the perfect location where the customers are. You cannot be on a side street’ (Edsta, 2006, pp. 6, 11). Here was a Swedish entrepreneur discovering the ideas of mass-market pioneer F.W. Woolworth, who built one of America’s earliest chain-store empires beginning in the 1870s. Persson would update this decades-old strategy for the Swedish market in the twentieth century.

The other pillar of his corporate philosophy is the strong conviction that self-financing is critical in creating a successful company. Using the company’s own capital, as opposed to debt, is the backbone of this approach. ‘The only way to secure open capital is to accept taxation, pay taxes and keep around half. This is the spine of our company, open capital.’ The result of this philosophy is well documented: H&M is an expanding and financially strong company. The objective is to grow in a controlled manner while maintaining profitability. In the past five years, sales including VAT have increased by 73% and earnings per share by 139%. All investments have been entirely self-financed. H&M has been the most successful company on the Swedish stock market since its IPO in 1975. ‘We have experienced fantastic growth, but we are always heading towards the next challenge’, says former H&M CEO Rolf Eriksen, who retired in 2009 (H&M Annual report 2008 part 1: H&M in words and pictures, 2008).

Using sources – but how?

However, as mentioned earlier, the interest of fashion companies in documenting their history has been almost non-existent in Sweden. For the Centre for Business History, the commission to secure the history of Sweden’s largest fashion company
therefore offers new challenges. When the project started in 2008, a wide range of questions concerning methodology had to be dealt with. Some of them go back to remarks in the introduction to this paper – why has the fashion retail business been so uninterested in its history and saved so little from the past? If one considers the social nature of fashion, the development of consumption in a business highly influenced by media and the understanding of fashion in general, I believe these are some reasons to consider:

- Clothes early on lost their prior status as valuable objects in the sense of being artefacts associated with expensive textiles, exquisite craftsmanship and individual design (Wilcox & Mendes, 1991).
- New technology and improved logistics plus modernised production and transportation, especially during the first half of the twentieth century, increased access to diverse fashion in combination with the renewal of textiles and new man-made fibres (Blaszczyk, 2008).
- The post-war creation of the consumer society, where fashion became a fast-moving good. ‘Short-lived fads became the norm, clothes were disposed of long before they were worn out and a youthful image was suddenly desirable’ (Mendes & de la Haye, 1999, p. 158).
- Fashion knowledge is usually understood as an aesthetic knowledge, yet unstable and constantly changing (Entwistle, 2009). And fashion has always been associated with change. The sociologist Elizabeth Wilson notes that fashion cannot exist without changing. Its core is about mutability and renewal: ‘The next style is always hovering in the wings, while the very arbitrariness of the next latest thing – inviting yet refusing a plausible explanation – defeats the sense of an ending’ (Wilson, 2003, p. 276).
- Fashion often looks back and seeks inspiration from past trends. But in Swedish history museum collections and dress museums there are few items from the retail side. Retail garments seem to have been more important as consumer goods than as historical archive material. The same thing is true of documentation and historiography around fashion in Swedish retail. To do retail business with fashion means dealing with the present and the future – not the past.
- A small but current example of the fashion industry’s unwillingness to see its product as anything other than perishable are the ‘hot or not’ lists that are regularly published in the fashion and popular press. Items no longer wanted are quickly passed to the ‘out’ list and popular new styles get the honour of a slot on the ‘hot’ list. This is about quickly abandoning ‘old’ items from last season and to get fashionistas to see them as no-nos.
- In the past decade the concept of fast fashion has entered the picture, meaning that new fashion trends, launched on the international catwalk, can be found in less than a month in the shops (Reinach, 2005). The fashion forecaster Catriona Mcnab, Head of Trends at WGSN, London, sees H&M as one of the forces behind this development (Giertz-Mårtenson, 2006, p. 28). Rapid and constant changes in collections satisfy the demand of the postmodern consumer for never-ending novelty.

From the Centre for Business History’s collections, it is clear that consumer products originating from technology (such as telephones, vacuum cleaners, household goods)
are frequently documented and preserved in company archives. In most cases the
designer is an engineer and a man. Fashion products sold in chain retail stores are
overwhelmingly created by women. Fashion is still associated with femininity and a
large number of researchers have observed that fashion is therefore seen as
superficial and less important (Kawamura, 2005). Has the gender issue influenced the
view of fashion products as carriers of historical significance and therefore whether
they are worthy of preservation? Or is it a simply a question of enabling high
turnover which leads to an unwillingness to preserve – and a focus on the quarterly
perspective which comes with modern short-term economics?

Looking for information from the past
H&M was founded right after World War II, in 1947, and this presents unique
collecting challenges. The main goal of this project is to collect, save and digitise
existing documentation on the firm’s clothing collections, advertising campaigns and
store concepts in a variety of media: films, photos, media, publications, internal
documents and annual reports. Recorded oral histories with a range of employees are
also an important component. Sources in academic research from various disciplines
in connection with H&M during its 60 years of existence will also be documented.

Today, H&M company activities, apart from questions related to Finance and
Investor Relations, are divided into areas like Buying and Design, Production,
Logistics, Sales, Marketing, Expansion, Communications and Human Resources. A
fairly new and very important section of the company is related to Corporate Social
Responsibility (CSR), dealing with issues like the environment, ethics, social issues
and economics. All these areas and the history behind them need to be carefully
examined and documented to understand the whole historical picture of the
company.

Oral history interviews
To ‘fill out’ where historical artefacts are missing, the documentation project will be
heavily based on semi-structured oral history interviews, to preserve the ‘silent
knowledge’ and experience of past and current employees. These interviews will deal
with a number of questions important to scholars engaged in contemporary business
history. What perspectives should be considered in posing questions? Which ones
should be chosen as subjects?

The Centre for Business History sees oral history interviews as an important part
of the documentation of Swedish business history. The archives kept by the Centre
for Business History in Stockholm are by far the most important collections of
interviews with key figures in Swedish industry that have been preserved from the
last two generations. The method for gathering oral source material is entirely
empirical and has been adapted to collect and archive information that is as widely
useful as possible. The goal is that information can be used by different researchers
and be robust enough for the source requirements of various disciplines. After the
recorded interviews have been transcribed, there is no editing or processing of any
kind. Both the digital audio file (the original) and transcript (use copy), are archived
and made searchable through the Centre for Business History’s filing system.

Several aspects must be considered in the H&M interviews. To what extent have
external factors (technology, social change, barriers to trade, transport, etc.), outside
the direct control of the company, influenced its evolution? What opportunities have
these factors created in the shape of increased demand, lifestyle change, views on
gender and a globalised market? Are there values in the original corporate culture
that are still viable, and how are they being implemented in other territories and
markets as the company globalises? Which are the key factors behind its enduring
success – industry, independence, flexibility, creativity and fashion sense, marketing,
financial strength? What are the secrets behind building a strong design and buying
team in a fashion company and how can a strong fashion sensibility be linked to a
strong commercial sense? How is ‘fashion knowledge’ communicated, and how is it
circulated from one section to the next, from one season to the next? When a
company is rooted in a country, in this case Sweden, does this reveal certain national
characteristics, e.g. aesthetics, traditions and corporate culture? Or is it a
precondition for success in the fashion industry to follow international fashion
trends? And last but not least, what has human capital, the employees, meant? What
has been the view of their potential for growth, for practical experience and team
spirit?

Looking for the history and focusing on the future – how can the archives of the Centre
for Business History be used?

This project will take approximately three years. The rights to all materials in the
prospective archive will remain with H&M. The chief aim of the project is to give the
company access to its own history going forward. When finished, the archive will be
made accessible to academic research (subject to permission by H&M). In its
capacity as a membership-based organisation, the Centre for Business History has a
responsibility to confidently safeguard its members’ integrity and interests regarding
accessibility of materials to external users. It therefore secures its members’ archives
on a professional archivist level and at the same time helps them to direct the use of
those archives. Through its research secretariat, led by two senior researchers with
certified archivist staff (mostly historians), it has the competence to give qualified
answers to qualified questions from researchers and at the same time preserve the
need for confidentiality.

Summary

All the documentation in the future H&M archive will hopefully be a valuable base
for academic research concerning fashion and retail. The oral histories will add to
the picture of a company in rapid international evolution. All these sources can also
be seen as records of late twentieth century social changes and the meaning of
entrepreneurship as well as the potential of the individual: the H&M story is a story
about how selling fashion became the starting point for one of the Swedish consumer
industry’s most successful companies. This is a project where business history will
meet the fashion industry at its core. Through new information new opportunities
will open up for future research – and a better understanding of the history behind a
giant in global fashion.

Notes

1. Fashion companies that have established foundations, preserving and exhibiting
documents as well as samples of collections, are found in the haute couture world.
One example is the history of the designer Yves Saint Laurent (http://www.fondation-pbs-ysl.net/fr/Accueil-Fondation-Pierre-Berge-Yves-Saint-Laurent-471.html).


4. H&M does not provide figures in order to document the relative size of the various business segments that are described here.


Notes on contributor

Ingrid Giertz-Märtenson, MA in Ethnology and Art History, is the former CEO of the Swedish Fashion Council and initiator of the Centre for Fashion Studies, Stockholm University. She is today Senior Advisor at the Centre for Business History, Stockholm. Her current research is devoted to questions regarding identity, expressed through fashion, as well as documentation of the fashion business in Sweden.

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