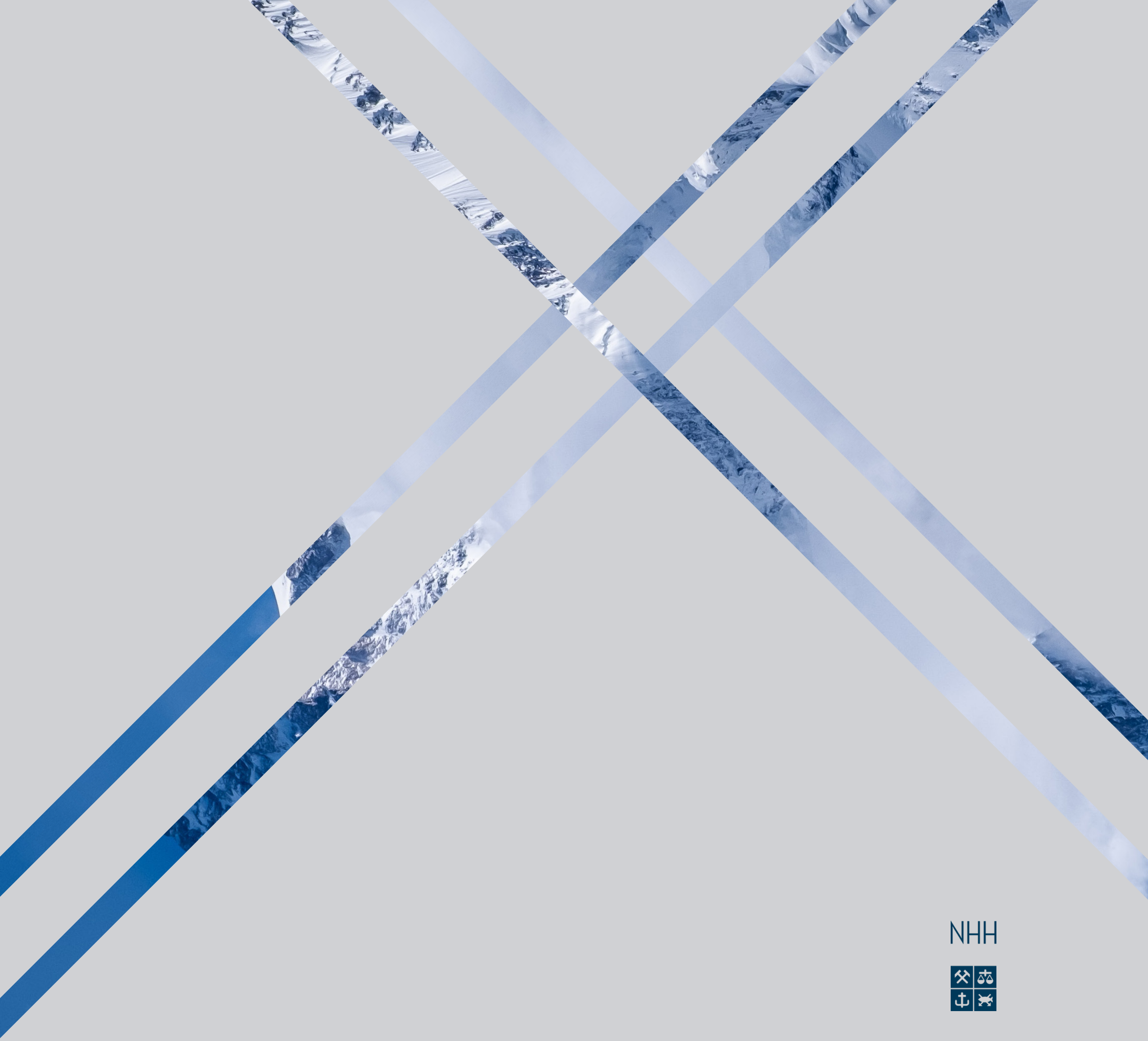

NHH

INNOVATION 2025

Findings, analysis and comments

Norwegian Innovation Index

Executive summary

The 2024 Norwegian Innovation Index (NII) provides a comprehensive overview of Norway's innovation landscape, showcasing both accomplishments and challenges. Digital innovation remains predominant, with companies such as Tesla, Tise, and Bulder leading the rankings. However, Tesla's scores have decreased, indicating the growing difficulty of maintaining dominance in a rapidly evolving market. Tise's commitment to sustainability and user-focused strategies, along with Bulder's efficient digital banking services, emphasizes the need to blend technology with strong customer engagement. Traditional players like Vy, NAV, and Coop Prix are lagging behind, struggling to adapt to changing customer expectations. Notably, Sbanken's merger with DNB significantly impacted its ranking.

Social innovation, which encompasses sustainability and community impact, is showing a concerning downward trend. Economic pressures have led many businesses to prioritize short-term efficiencies over long-term societal contributions. Despite this, companies such as Stormberg and IKEA show that a strong commitment to social responsibility can enhance customer loyalty even in challenging times. The increasing importance of the 65+ demographic—the only growing customer segment—emerges as a pivotal trend.

Key Trends

Digital Innovation as a Growth Driver
Digital innovation remains critical, with AI, automation, and personalization transforming customer experiences. However, the plateauing of digital innovation scores suggests that incremental improvements may no longer suffice. Customers increasingly demand groundbreaking solutions that address broader societal issues while seamlessly integrating into their lives.

Setbacks in Social Innovation
Efforts in sustainability and community engagement are falling short. Balancing environmental priorities with societal needs has proven difficult for many companies. Nonetheless, businesses like Tibber and IKEA demonstrate that integrating these goals can enhance customer trust. The growing significance of the 65+ demographic further underscores the need for innovations that prioritize accessibility and inclusivity.

Recommendations

To tackle these challenges, Norwegian companies should adopt holistic strategies that align with evolving customer expectations and societal demands. Combining digital and social innovations into cohesive narratives will be crucial. Practical steps include:

- Leveraging AI to measure sustainability impacts.
- Aligning digital tools with community-focused initiatives.
- Developing solutions tailored to the 65+ demographic, emphasizing simplicity, accessibility, and trust.

To differentiate in a values-driven market, sustainability should be treated as a core strategy, not merely a compliance measure.

The NII findings emphasize the urgency for Norwegian businesses to move beyond incremental changes. By balancing short-term needs with bold, visionary innovation, companies can position themselves as leaders in an increasingly competitive and purpose-driven global market.

Introduction

The innovation landscape of 2024 is marked by significant milestones and rapid advancements. On January 15, 2024, the first global AI regulation framework came into effect, while June 5, 2024, saw a landmark agreement on renewable energy targets. These milestones underscore the accelerating pace of technological progress and global collaboration in addressing critical challenges.

Global economies have demonstrated resilience, driven by breakthroughs in artificial intelligence, green energy, and healthcare. Consumer behavior has shifted toward sustainability and personalization, reflected in the rise of circular economy models and AI-powered products.

Norway has positioned itself as a leader in green innovation, supported by its commitment to sustainability and digital transformation. Significant advancements in offshore wind, hydrogen technologies, and digital platforms highlight the country's adaptability and leadership. This underscores the critical role of innovation in driving both societal and economic progress.

> "Innovation is no longer optional, it is the engine of progress."

Despite growing global competition and rapid changes, Norwegian companies have excelled. Research shows that businesses prioritizing innovation are better equipped to adapt, thrive, and attract customers and investors.

Now in its seventh year, the Norwegian Innovation Index (NII) offers a unique perspective by evaluating innovation from the customer's viewpoint. Companies rated as more innovative consistently outperform their competitors, fostering customer loyalty and driving growth. This year, the NII expanded its focus to include commercial, social, and digital innovation across diverse industries and markets.

As the world grapples with climate change and technological disruption, 2024 has been a year of rethinking traditional models and fostering collaboration. From AI-powered health diagnostics to scaling carbon-neutral technologies, this year reflects a balance of ambition and action.

This report presents key findings from the Norwegian Innovation Index, along with industry overviews and thought-provoking analyses. It aims to inspire and inform leaders, providing a comprehensive view of innovation in 2024.

Innovation Year 2024

As 2024 unfolded, Norway faced a pivotal moment. Historically reliant on abundant natural resources like oil, gas, fisheries, and forests, the nation accelerated its transition toward a high-tech, high-value economy. Strategic investments in green energy, artificial intelligence (AI), and advanced manufacturing have driven this shift. Yet, challenges like commercialization gaps, ethical concerns, and economic viability persist.

A Shifting Economic Paradigm

Global shifts in energy markets, increased competition in resource extraction, and sustainability demands have pushed Norway to

Introduction

rethink its economic foundation. Transitioning from resource dependency to an innovation-driven economy underscores the realization that traditional industries cannot sustain long-term growth. Deepening integration with the EU's green and digital agendas will be critical for Norway to strengthen its position in the European innovation landscape. Establishing a Norwegian innovation accelerator, modeled on the European Innovation Council, could help scale local businesses, foster industrial partnerships, and align with EU regulations.

Norway's focus on renewable energy, AI infrastructure, and circular economy practices exemplifies this shift. However, a drop in the Global Innovation Index ranking, from 19th to 21st, highlights concern about capitalizing on these strengths. This decline, often linked to the "Norwegian paradox"—high R&D investments with limited commercialization—emphasizes the need for better collaboration between academia and industry and streamlined funding mechanisms.

Central to this transformation is Norway's ambition to lead in renewable energy. This sector offers economic diversification, global influence, and a means to meet urgent climate goals.

Norwegian Innovation Index 2024,

Tor W. Andreassen, Seidali Kurtmollaiev,
Line Lervik-Olsen

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Innovation Year 2024

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Global Innovation Comparisons: Sweden and the Netherlands have consistently ranked higher due to robust commercialization ecosystems, streamlined funding mechanisms, and industry-academia partnerships. Norway could adopt similar policies to bridge the 'Norwegian paradox' and increase innovation scalability.

Advances in Sustainable Energy

Norway's maritime expertise is propelling its offshore wind energy ambitions. The Utsira Nord project, with a planned capacity of 2.25 GW, symbolizes leadership in floating wind technology. However, its 35 billion NOK in subsidies underscores the high costs of commercializing this technology. The question remains: Can offshore wind evolve into a self-sustaining, high-margin industry?

Hydrogen production, supported by the Northern Lights CCS project, positions Norway as a low-carbon energy exporter to Europe. These initiatives reflect the nation's commitment to the green transition. However, the pace of infrastructure development must accelerate to meet urgent climate and economic goals.

The establishment of Morrow Batteries' lithium iron phosphate production facility marks another milestone in Norway's renewable energy value chain. However, the industry's high manufacturing costs, reliance on imported raw materials, and competition from established players limit its potential as a high-margin sector capable of sustaining Norway's welfare model.

Challenges and Opportunities

Despite its progress, Norway faces structural challenges that hinder its ability to fully capitalize on its innovation potential. Fragmented support for startups, limited mechanisms for tech transfer, and a slow pace of commercialization exacerbate the "Norwegian paradox."

Structural Gaps in Innovation Ecosystems

While clusters like the Norwegian Space Cluster encourage creativity, their limited scale prevents them from driving large-scale economic transformation. Enhanced collaboration between academia and industry could bridge these gaps and improve commercialization outcomes. Additionally, Norway needs streamlined funding mechanisms to support early-stage innovations and scale promising ventures.

Ethical and Regulatory Considerations

The rapid adoption of AI and carbon capture technologies has raised ethical concerns regarding data privacy, algorithmic bias, and societal trust. Addressing these issues is critical for maintaining both global competitiveness and public confidence. Establishing a comprehensive national AI strategy with clear research, commercialization, and ethical guidelines will help align these developments with societal values.

Strategic Collaborations and Market Expansion

Forming strategic partnerships with Europe and Asia could amplify Norway's influence in renewable energy and AI. By targeting emerging industries such as biotechnology and advanced digital services, Norway can climb the value chain and create scalable, service-based offerings. This approach would not only enhance economic diversification but also solidify Norway's role as a global leader in sustainable innovation.

Findings I: A Bird's Eye View

The Norwegian Innovation Index comprises two indexes: Social innovations (organization being a "good neighbor" and sustainability issues), and Digital innovations (digital automation of the front-end of the organization), which informs percieved innovativeness.
We have collected data since 2019 on all three which gives an interesting overview of developments in these three key innovation areas.

Overview of Innovation Trends

The Norwegian Innovation Index provides a holistic perspective on innovation by measuring customer perceptions across digital, social, and commercial domains. The findings reveal the interplay between these dimensions and highlight how innovation directly impacts customer loyalty, trust, and market competitiveness.

Perceived Innovativeness Over Time

Between 2018 and 2024, perceived innovativeness has fluctuated, shaped by external shocks and evolving consumer expectations. The pandemic years (2020–2022) saw a decline as companies focused on operational survival. However, a strong recovery in 2023 indicated renewed investment in transformative technologies and customer-centric solutions. By 2024, this momentum slowed as inflation and rising costs constrained innovation budgets, and many advancements became normalized.

Digital Innovation: A Cornerstone of Growth

Digital innovation continues to be a key differentiator, particularly in customer-facing technologies like AI-driven services and personalized experiences. Companies that excel in this area, such as Tesla and Tise, consistently outperform their peers. However, customer expectations for groundbreaking digital solutions are rising, making it harder for incremental improvements to sustain perceived innovativeness.

Social Innovation: A Lagging Indicator

Social innovation, which encompasses sustainability and community engagement, remains underprioritized. Scores in this domain have steadily declined, reflecting economic pressures and a lack of regulatory incentives. Companies like IKEA and Stormberg demonstrate that integrating social responsibility into core strategies can yield long-term benefits, but most businesses lag in this area.

Key Findings

1. Rising Expectations: Customers demand innovations that align with societal values and address pressing issues like climate change and inclusivity.

2. Integration is Critical: Combining digital and social innovation creates a cohesive value proposition that resonates with customers.

3. Economic Pressures: Inflation and resource constraints are limiting the capacity for bold, transformative innovation.

4. Segment-Specific Needs: The 65+ demographic values social innovation more than younger segments, underscoring the importance of tailored strategies.

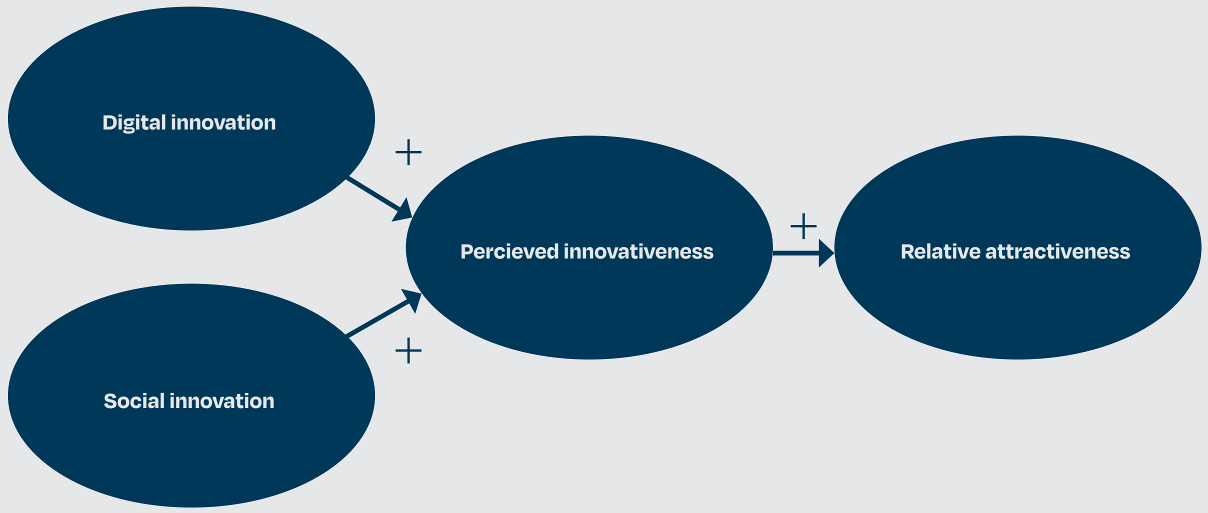


Figure 1: The Norwegian Innovation Index conceptual and theoretical model.
How attractive a firm is perceived in the market, positively influences customers’ choice. How innovative a firm is perceived by its customers, positively influences choice. Finally, two innovation areas, social and digital, are believed to be positively correlated with perceived innovativeness.

Perceived Innovativeness from 2018 to 2024

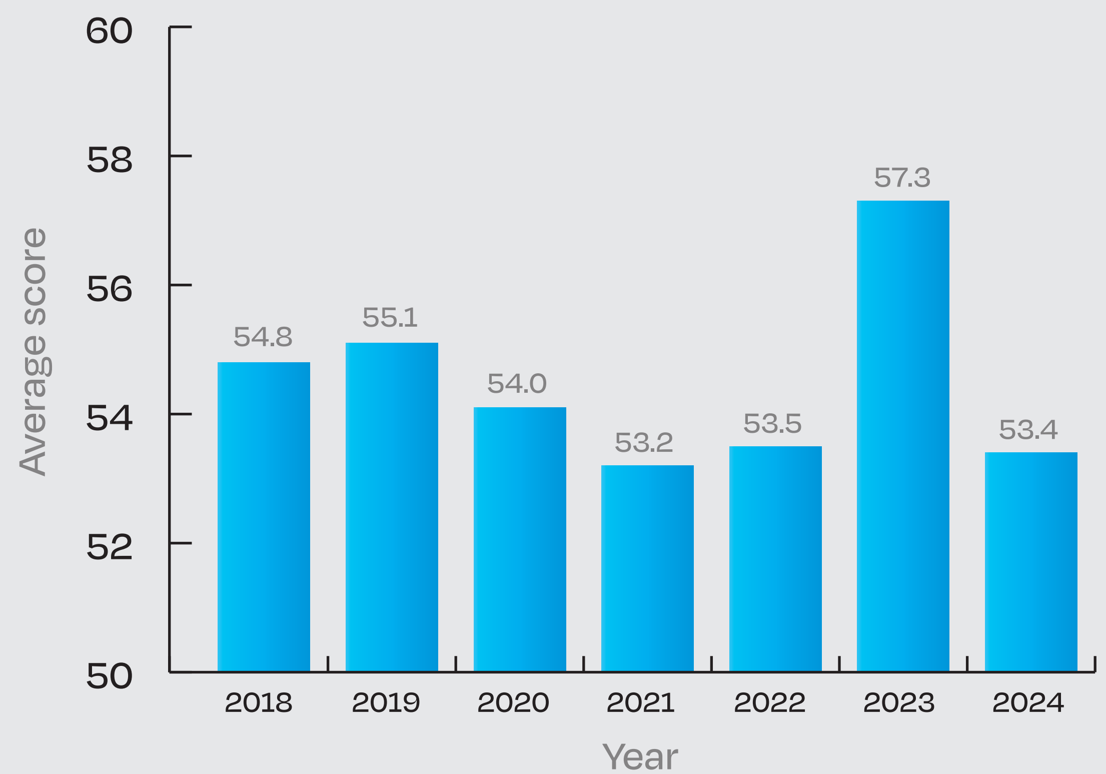


Figure 2: Perceived innovativeness over time in the whole sample.

A Decline During Global Disruptions (2018–2021)

Between 2018 and 2023, perceived innovativeness followed a downward trend, reflecting the widespread impact of the COVID-19 pandemic. During this time, businesses prioritized survival over innovation, focusing on immediate operational stability rather than long-term creative efforts. While government stimulus measures stabilized economies, they often diverted resources and attention away from bold, forward-thinking initiatives. Consequently, groundbreaking developments were limited, leading to a natural decline in customer perceptions of innovation.

A Surge in Innovation Amid Recovery (2022)

In 2023, perceived innovativeness peaked as businesses rebounded from the pandemic's disruptions. Companies reinvested in technologies like artificial intelligence, digitalization, and sustainable solutions to regain market share and address pent-up customer demand. As societies reopened, consumers became more receptive to innovative products and services, boosting businesses' perceived innovation levels. The optimism accompanying economic recovery further amplified the impact of these advancements, creating a temporary high point for innovation perceptions.

Challenges of Sustainability and Normalization (2023–2024)

By 2024, perceived innovativeness declined to pre-recovery levels. Several factors contributed to this reversal. Rising inflation and higher interest rates reduced corporate spending on research and development, limiting the introduction of new innovations. Additionally, many advancements from 2023 became normalized, diminishing their novelty and impact on customer perceptions. As economic pressures grew, consumers became more critical of incremental improvements, challenging companies to maintain their reputations for innovation.

The Growing Role of Expectations and Sustainability

During this period, heightened expectations for sustainability became increasingly influential in shaping perceived innovativeness. While technological advancements remained critical, customers increasingly evaluated businesses based on their ability to integrate environmental and societal goals into their innovation strategies. Companies that failed to meet these evolving expectations experienced sharper declines in perception, particularly in industries like technology and services, where consumers demand frequent, groundbreaking updates.

Insights for Sustaining Perceived Innovativeness

The fluctuations in perceived innovativeness between 2018 and 2024 highlight the complex interplay between external economic conditions and customer expectations. Businesses that focused solely on short-term gains struggled to sustain positive perceptions, whereas those emphasizing impactful, long-term innovations navigated these challenges more effectively. Clear communication of an innovation's value, especially during economic uncertainty, emerged as a crucial factor for maintaining trust and engagement.

Social Innovation from 2018 to 2024

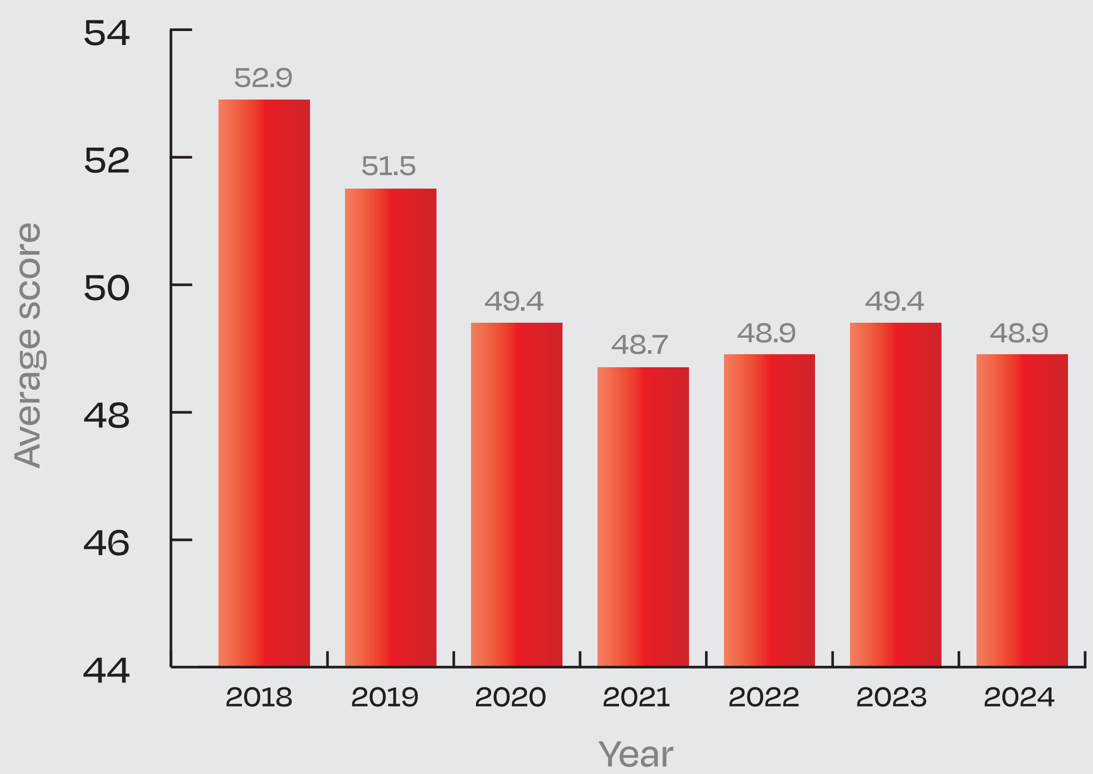


Figure 3: Social innovation over time for the whole sample.

A Gradual Decline in Social Innovation (2018–2024)

The social innovation score has consistently trailed behind digital innovation and perceived innovativeness. Unlike digital innovation, which shows fluctuating trends, social innovation in Norway experienced a steady decline from 2018 to 2024, dropping from 52.9 to 48.9. This decline reflects broader macroeconomic pressures and shifting corporate priorities. Events such as the COVID-19 pandemic, armed conflicts, increased resource and logistics costs, and rising inflation significantly influenced how businesses approached socially innovative initiatives. While environmental innovation has remained a priority due to regulatory policies, community-focused projects and long-term social contributions, which lack comparable incentives, have been deprioritized.

Pandemic Disruptions Reshape Priorities (2020–2022)

During the early years of the pandemic, businesses concentrated on survival, sidelining social innovation efforts. Supply chain disruptions, workforce adjustments, and financial uncertainty left companies with fewer resources for long-term societal projects. This period saw social innovation scores drop from 52.9 in 2018 to 49.4 in 2020, and further to 48.7 in 2021. Operational demands took precedence over broader societal concerns, reflecting a reactive rather than proactive corporate approach.

Economic Volatility and Inflationary Pressures (2022–2023)

As economies began recovering from the pandemic, new challenges—such as inflation and energy price volatility—further constrained corporate strategies. Rising resource and logistics costs prompted many companies to prioritize cost-cutting over socially beneficial projects. As a result, scores stagnated around 49, highlighting the difficulty businesses face in balancing immediate financial pressures with long-term societal commitments.

Higher Expectations and Industry-Specific Demands

Certain industries performed significantly better than others in social innovation. Digital second-hand markets led with an average score of 66.1, followed by automotive suppliers and hotels at 53.6. In contrast, newspapers, airlines, and clothing companies averaged 46, grocery retailers scored 44.7, and streaming services ranked lowest at 43.2. This disparity suggests that industry affiliation strongly influences consumer perceptions of sustainability. Companies in industries perceived as less sustainable, such as airlines and clothing, must invest considerably more in social innovation to close this gap compared to those in already favorable categories, like second-hand markets.

Customer Skepticism Toward Corporate Authenticity

Rising skepticism among customers toward social innovation initiatives stems from repeated instances of unethical practices such as greenwashing, pinkwashing, and bluewashing. Media disclosures of these behaviors further erode trust. Additionally, customers often view environmental innovations as either obligatory responses to regulations or cost-cutting measures rather than genuine commitments to societal progress.

The Implications of Overlooking Social Dimensions

The decline in social innovation highlights the challenges of addressing environmental and social goals simultaneously. Norway's leadership in green innovation is notable but neglecting social dimensions risks undermining customer trust and weakening community engagement. Social innovation is critical for addressing key societal issues such as inequality, mental health, and inclusivity, all of which are vital for fostering long-term societal well-being.

While economic pressures have played a significant role in declining social innovation, other barriers such as inconsistent regulatory frameworks and cultural inertia further exacerbate this trend. For instance, the lack of clear incentives for airlines to adopt more sustainable practices contrasts with successful models in neighboring Sweden. Similarly, the clothing industry continues to face challenges in aligning business models with long-term societal contributions due to low-margin pressures.

Looking Forward: Opportunities for Holistic Innovation

The period from 2018 to 2024 underscores both vulnerabilities and opportunities within the social innovation space. Norwegian businesses can realign their strategies to integrate social initiatives with broader sustainability and digital transformation goals. Companies that successfully balance these elements will strengthen customer loyalty and meet evolving societal needs.

Top-performing companies such as Tise, Tesla, Stormberg, Tibber, and IKEA demonstrate that customers value social innovations that help them adopt more sustainable practices. For instance, Tise facilitates the buying and selling of second-hand clothing, allowing customers to reduce their environmental footprint while signaling their commitment to sustainability. Similarly, Tesla enables fossil-fuel-free driving, combining environmental impact with technological innovation. By embracing a holistic, customer-focused approach, businesses can drive meaningful progress and reinforce Norway's position as a leader in innovation.

Digital Innovation from 2019 to 2024

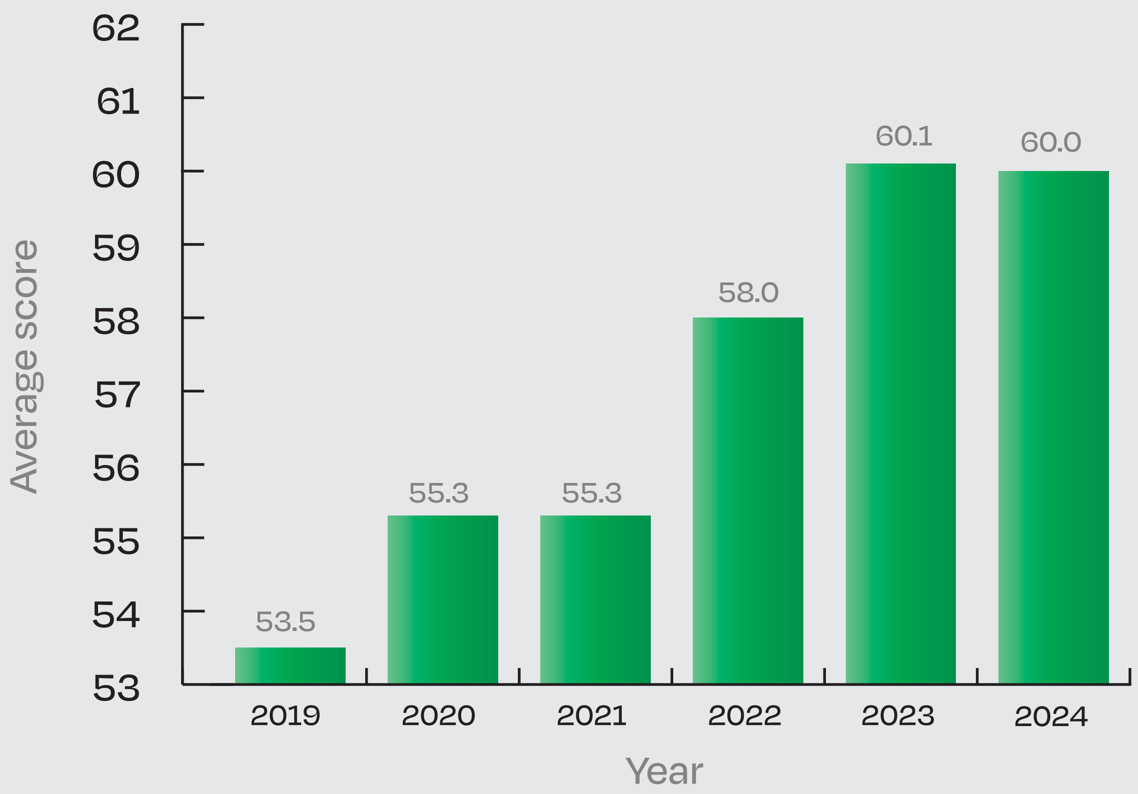


Figure 4: Digital innovation over time for the whole sample.

Steady Growth Amid Global Challenges (2019–2023)

Digital innovation in Norway saw consistent growth between 2020 and 2023, driven by global trends and the urgency of adapting to external pressures such as the COVID-19 pandemic. The pandemic prompted businesses to accelerate digital transformation, addressing shifting consumer demands for remote interactions and contactless solutions. These efforts proved successful, as digital innovation scores rose from 53.5 in 2020 to 58.0 in 2023, reflecting the seamless integration of advanced technologies into everyday business operations.

Pandemic-Driven Shifts in Digital Strategies (2022–2023)

The onset of the pandemic marked a turning point for digital innovation. Businesses quickly deployed e-commerce platforms, digital payment systems, and virtual customer service tools to adapt to lockdowns and restrictions. Initially reactive, these changes evolved into essential components of the customer experience, driving increased perceptions of innovation by 2021. Norway's strong digital infrastructure and supportive government policies further accelerated this transformation, positioning companies to meet rapidly changing consumer expectations.

Recovery and Maturity of Digital Tools (2022–2023)

By 2023, businesses moved beyond the immediate disruptions of the pandemic, refining their digital strategies to focus on value creation. Innovations shifted from crisis-driven solutions to tools that enhanced personalization and predictive capabilities. Advances in artificial intelligence and data analytics enabled businesses to anticipate customer needs and deliver tailored solutions. During this period, companies also optimized digital tools to boost efficiency and convenience, leading to a peak in digital innovation scores in 2023.

Saturation and Challenges in Sustaining Growth (2023–2024)

By 2023, digital innovation scores plateaued at 60.1, signaling a mature digital landscape where incremental improvements no longer captivated customers. While digital tools became seamlessly embedded in customer journeys, their novelty faded, contributing to stagnation in perceived innovation. This plateau also reflected growing customer expectations for transformative breakthroughs rather than incremental updates, challenging businesses to deliver more impactful and meaningful innovations.

The Broader Implications of Digital Innovation Trends

The steady growth in digital innovation highlights its essential role in modern business strategies. Technology-driven solutions that enhance convenience, accessibility, and personalization have become standard requirements in competitive markets. However, the post-2024 slowdown underscores the limits of relying solely on digital advancements. To sustain momentum, businesses must complement digital innovation with broader initiatives such as sustainability and social responsibility, crafting cohesive and impactful narratives that resonate with customers.

The Path Forward for Digital Innovation

The trends from 2021 to 2024 demonstrate that digital innovation alone cannot guarantee sustained competitive advantages. To stay relevant, businesses must adopt a dual approach that integrates cutting-edge technologies with customer-centered and socially meaningful goals. By doing so, they can continue to enhance perceived innovativeness while addressing evolving consumer expectations and broader societal needs.

Challenges of Sustainability and Normalization in Digital Innovation (2023–2024)

By 2023, digital innovation in Norway had reached a plateau, with scores stabilizing at 60.1 following years of growth during the pandemic recovery period from 2020 to 2023. This stagnation signals the maturation of digital technologies and reflects customers' increasing expectations. As digital tools such as AI chatbots, virtual assistants, and digital payment systems become ubiquitous, their novelty has diminished, making it harder for companies to stand out as innovative.

Customers now expect more than just incremental improvements. They are seeking transformative solutions that enhance their experiences and tackle broader societal challenges like sustainability and accessibility. For example, merely optimizing current e-commerce platforms or fine-tuning automation tools is no longer enough to engage consumer interest. Customers want meaningful innovations that integrate seamlessly into their lives while addressing urgent ethical and environmental issues.

Economic constraints have further exacerbated this plateau in digital innovation. Rising inflation and higher R&D costs have forced many companies to prioritize cost-efficient updates rather than pursuing bold, groundbreaking initiatives. This approach has limited their ability to introduce technologies that redefine customer experiences or demonstrate significant value.

To regain momentum in digital innovation, Norwegian companies must transition from a focus on incremental changes to developing solutions that resonate with evolving customer values. For example, leveraging artificial intelligence to optimize resource usage and reduce waste could align innovation with sustainability goals. Similarly, advancements in AI-driven personalization—such as predictive healthcare or tailored financial solutions—can meet customer expectations for both convenience and meaningful impact.

The path forward lies in moving beyond technological upgrades that serve functional purposes to innovations that embody societal progress. By aligning digital strategies with inclusivity and sustainability, companies can differentiate themselves in increasingly competitive markets, fostering stronger customer loyalty and positioning themselves as leaders in innovation.

Relative Attractiveness 2019 to 2024

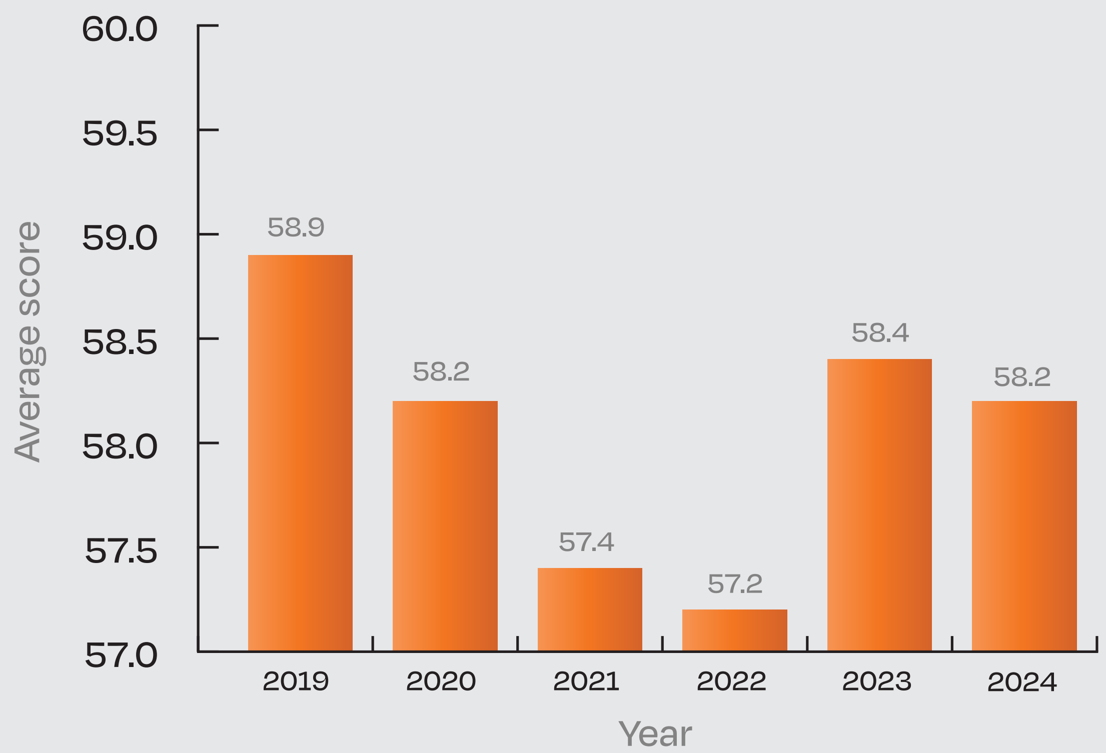


Figure 5: Relative attractiveness over time for the whole sample.

Shifting Customer Perceptions and Relative Attractiveness (2020–2025)

Relative attractiveness, which measures how customers perceive a company compared to its competitors, experienced notable fluctuations between 2020 and 2025. These trends reveal the dynamic interplay between innovation, economic pressures, and shifting customer expectations in shaping market competitiveness.

A Decline in Customer Confidence During Crisis (2020–2021)

In the early years of this period, relative attractiveness scores fell from 58.9 in 2020 to 58.2 in 2021. This decline coincided with the onset of the COVID-19 pandemic, which disrupted global markets and pushed companies to focus on operational survival over innovation. While digital innovation gained momentum during this time, its reactive nature was insufficient to counterbalance customer dissatisfaction with the lack of transformative advancements. Additionally, stagnation in social innovation further eroded perceptions of companies' overall appeal.

A Low Point Amid Economic Uncertainty (2022–2023)

Relative attractiveness hit its lowest point in 2022, dropping to 57.2. This decline occurred during a period of significant economic volatility, marked by rising inflation and instability in energy markets. These factors constrained corporate budgets, limiting bold innovation efforts. Customers, facing their own economic pressures, became more critical of incremental advancements that failed to address broader societal or personal needs. Innovation during this period was often perceived as meeting basic functional requirements rather than delivering meaningful or transformative change.

Recovery and Stabilization Through Strategic Adjustments (2024–2025)

By 2024, relative attractiveness began to recover, climbing to 58.4 as companies adjusted their strategies to better meet evolving customer expectations. Businesses focused on integrating meaningful innovations, particularly in the digital space, to enhance functionality and convenience. Modest advancements in social innovation also contributed to the recovery, as companies acknowledged the importance of addressing community and environmental concerns. However, by 2025, the trend plateaued at 58.2, indicating that more transformative efforts were required to sustain upward momentum in an increasingly competitive market.

The Role of Social and Digital Innovation in Relative Attractiveness

The trends from 2020 to 2025 underscore the interconnected roles of social and digital innovations in shaping relative attractiveness. Social innovation, though slower to progress, played a crucial role in addressing societal concerns, building customer trust, and fostering brand loyalty. Meanwhile, digital innovation delivered immediate benefits such as enhanced efficiency and personalization, which were pivotal in driving short-term competitiveness.

Lessons for Sustaining Competitive Edge

The fluctuations in relative attractiveness highlight the challenges of maintaining customer loyalty in a rapidly changing market. Companies that successfully balanced digital and social innovation were perceived as more attractive to consumers, distinguishing themselves in competitive landscapes. To sustain this appeal, businesses must go beyond incremental improvements, adopting bold, integrated strategies that align technological advancements with meaningful societal contributions.

The 65+ Segment: A Growing Opportunity

The 65+ demographic is the fastest-growing customer segment in Norway, representing a significant and often underutilized market opportunity. This age group's increasing economic influence and distinct preferences demand tailored approaches to innovation and customer engagement.

The Importance of Social Innovation for Older Adults

The 65+ segment holds substantial economic power due to accumulated wealth, steady pensions, and longer lifespans. Unlike younger demographics, this group values quality, reliability, and accessibility over trends or novelty. Companies that address these priorities through user-friendly and inclusive products or services are more likely to build lasting loyalty.

Digital Engagement Among Older Consumers

While often stereotyped as digitally disengaged, many older adults are adopting technology at a rapid pace. Smartphones, e-commerce, and social media are becoming integral to their daily lives. However, the 65+ demographic prefers intuitive and straightforward interfaces, highlighting the need for user-centric design. Businesses that simplify digital interactions can better serve this audience while strengthening their reputation for inclusivity.

Health and Wellness as Key Drivers

Health and wellness are critical priorities for this age group. Products and services that promote physical, mental, and emotional well-being—from telemedicine platforms to fitness apps tailored for older users—can gain significant traction. Additionally, solutions that support independent living, such as smart home technologies, are particularly appealing to this demographic.

The Role of Social Innovation

Social innovation resonates strongly with the 65+ segment, which places high value on community-oriented and socially responsible business practices. Companies that demonstrate commitment to societal issues, such as environmental sustainability or inclusivity, are more likely to earn trust and loyalty from this group. For example, initiatives that reduce environmental footprints or promote intergenerational connections can create meaningful engagement with older consumers.

Unlocking the Potential of the 65+ Market

The growing importance of the 65+ segment presents a unique opportunity for businesses to innovate with purpose. To effectively engage this demographic, companies should:

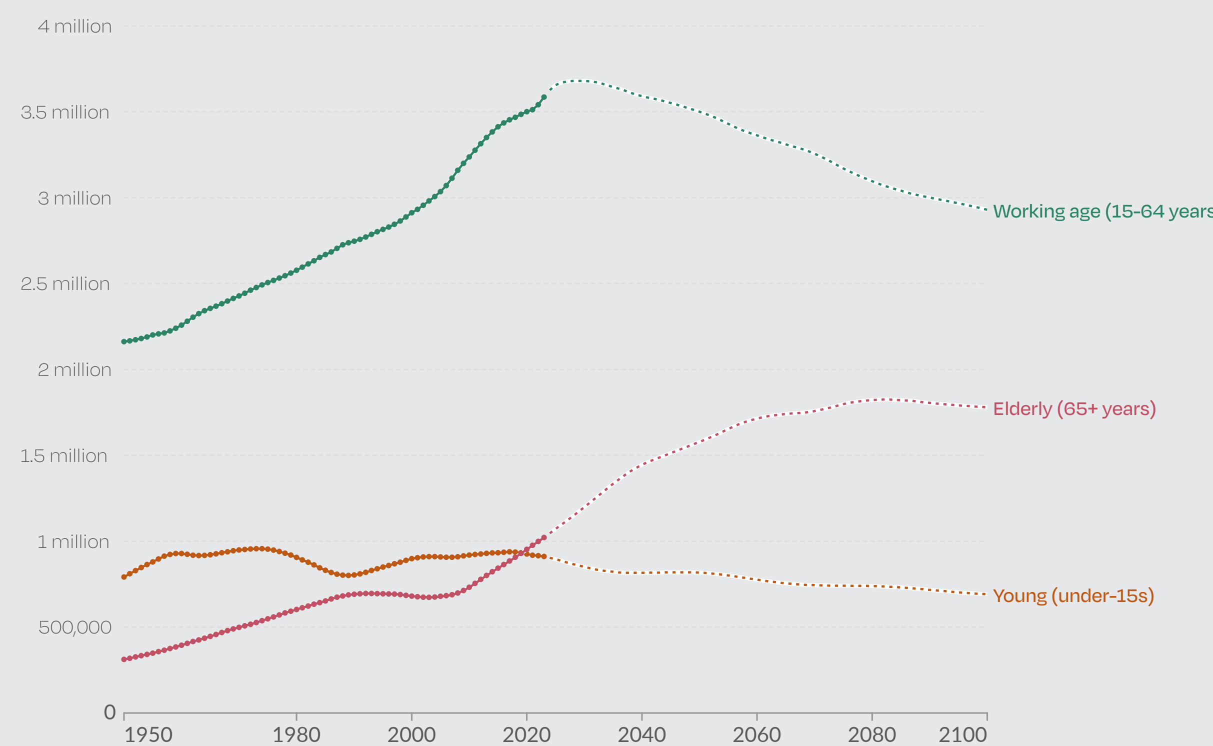
- **Focus on Accessibility:** Design products and services that prioritize ease of use and inclusivity.
- **Promote Health and Wellness:** Develop offerings that support healthy and independent living.
- **Leverage Digital Tools:** Simplify digital platforms to enhance usability and satisfaction.
- **Highlight Social Responsibility:** Align innovation with societal values to build trust and loyalty.

By understanding and addressing the needs of the 65+ demographic, businesses can unlock new growth opportunities while contributing to a more inclusive and sustainable economy.

Having explored macro trends in innovation, the following section will go deeper into brand-specific analyses.

Population of young, working-age and elderly, Norway

Historic estimates from 1950 to 2021, and projected to 2100 based on the UN medium scenario[1].



Data source: UN, World Population Prospects (2024) OurWorldinData.org/age-structure | CC BY

Findings II: A Focus on Brands and Organizations

Perceived Innovativeness 2024

Brands/Organizations	Perceived Innovativeness 2024
Tesla	78,8
Tise	73,6
Bulder	71,1
IKEA	69,8
Tibber	69,4
Vipps	68,2
Oda	68,2
Airbnb	64,9
Hyre	64,7
finn.no	64,6
Dr Dropin	63,7
Easee	63,6
Nordic Choice	60,3
Farmasiet.no	60,1
Stormberg	59,5
OBOS	58,9
Onecall	58,7
Ice	58,4
Komplett	58,0
Flytoget	57,8
Netflix	57,7
Fjellsport	57,6
Bilia(Volvo, BMW, Toyota og Lexus)	56,5
Telenor Mobil	55,4
Foodora	55,3
Norwegian	55,0
NRK	55,0
XXL	54,6
Gjensidige	54,6
Telia	54,2
Altibox	53,5
Zalando	53,4
Sparebank1	53,1

Brands/Organizations	Perceived Innovativeness 2024
Lyse	52,8
Talkmore	52,2
Bohus	51,9
Thon	51,9
If	51,8
Coop Obs!	51,7
DNB	51,4
Posten	51,4
VG	51,3
Aftenposten	51,3
Storebrand	51,2
TV2	51,1
Sport1	50,6
Power	50,5
Skeidar Living	50,5
Skatteetaten	50,5
Dagens Næringsliv	50,4
Elkjøp	50,4
Nordea	50,3
Tryg	50,3
T-We	50,1
Fjordkraft	50,0
Eviny fra BKK	50,0
Kiwi	50,0
Meny	49,7
Vinmonopolet	49,7
Intersport	49,4
Telia (internet)	49,1
SAS	49,1
Scandic	49,0
Widerøe	48,9
NorgesEnergi	48,8
H&M	48,7

Findings II: A Focus on Brands and Organizations

Brands/Organizations	Perceived Innovativeness 2024
Fremtind	48,6
Hafslund Strøm	48,6
MøllerGruppen	48,5
Apotek1	48,4
Dressmann	48,2
Skyss	48,2
Rema 1000	48,0
Coop Extra	47,8
Ruter	47,6
Bergen kommune	47,4
Vitus	47,1
Spar	46,9
Sbanken	45,3
Cubus	45,1
Coop Mega	44,7
SJ	44,4
VY Tog	43,9
GoAhead	41,7
Coop Prix	38,8
NAV	37,7

Table 1: Percieved innovativeness by brands/organizations 2024

Insights from the 2024 Norwegian Innovation Index

The 2024 Norwegian Innovation Index reveals how customers perceive innovation across brands and industries in Norway. From Tesla's leading position to NAV's low rank, the results highlight differing abilities to engage customers, deliver innovation, and meet expectations. These findings offer valuable insights into the current state of innovation in Norway.

Top Innovators: Tesla, Tise, and Bulder

Tesla stands out as the leader in perceived innovation, scoring 78.8. Known for its electric vehicles and sustainable energy solutions, Tesla continues to impress Norwegian customers by combining advanced technology with environmental impact. It remains a benchmark for innovation.

Following Tesla, Tise (73.6) and Bulder (71.1) showcase the success of digital-first, customer-centric platforms. Tise's focus on sustainable second-hand fashion resonates with a generation that values environmental responsibility. Bulder, with its digital banking services, offers simplicity and personalized solutions, addressing frustrations with traditional banking.

Strong Performers: IKEA, Tibber, Vipps, and Oda

IKEA (69.8), Tibber (69.4), Vipps (68.2), and Oda (68.2) combine digital innovation with convenience to enhance customer experiences. IKEA's use of augmented reality for home design revitalizes its brand image. Tibber's energy platform and Vipps' leadership in mobile payments demonstrate the transformative power of digital tools in traditional sectors. Oda exemplifies how innovation in logistics and sustainability can shape positive perceptions in online grocery delivery.

Mid-Level Performers: Airbnb, finn.no, and Nordic Choice

Airbnb (64.9) and finn.no (64.6) remain strong players but face increasing competition as customer demands evolve. Nordic Choice (60.3) underscores the need for personalized guest experiences. To climb higher in the rankings, these brands may need to strengthen their digital and sustainability strategies. Companies like Sparebank1 and Farmasiet.no are carving out niches in AI-driven customer service and digital healthcare, respectively. However, scaling these innovations requires deeper integration with customer value propositions. For example, Sparebank1 could expand predictive financial tools tailored for the 65+ demographic, while Farmasiet.no could pioneer personalized health monitoring systems for chronic disease management.

Challenges for Established Players

Traditional players dominate the middle and lower tiers. Telenor Mobil (55.4), NRK (55.0), and Foodora (55.3) struggle to keep pace with rising customer expectations. Legacy firms like Gjensidige (54.6), Sparebank1 (53.1), and Storebrand (51.2) face intense competition from digital-first challengers like Bulder. Retailers such as XXL (54.6), Coop Obs! (51.7), and Kiwi (50.0) struggle to stand out in markets where price and convenience dominate.

Lowest Performers: NAV, Coop Prix, and GoAhead

NAV (37.7), Coop Prix (38.8), and GoAhead (41.7) highlight the steep challenges of meeting customer expectations. NAV's public-sector operations are often seen as bureaucratic and slow-moving. Coop Prix struggles to compete in a grocery market dominated by more innovative players like Oda and Rema 1000.

Reflections on Innovation in Norway

The 2024 rankings underscore the growing importance of digital transformation, sustainability, and user-centered strategies. Leading brands seamlessly integrate these elements, while lower-ranked organizations reveal gaps in meeting customer needs or adapting to market shifts.

The findings serve as a reminder: innovation demands ongoing renewal. Companies excelling in digital innovation and sustainability are well-positioned to lead. Those lagging behind must reassess their strategies to stay competitive in an increasingly innovation-driven world.

Perceived Innovativeness: Change from 2023 to 2024

Brands/Organizations	Perceived innovativeness 2024	Brands/Organizations	Perceived innovativeness 2023
Tesla	78,8	Tesla	84,3
Tise	73,6	Tise	76,6
Bulder	71,1	Vipps	73,0
IKEA	69,8	Oda	72,1
Tibber	69,4	IKEA	70,9
Vipps	68,2	Airbnb	70,1
Oda	68,2	Tibber	69,9
Airbnb	64,9	finn.no	68,6
Hyre	64,7	Hyre	67,6
finn.no	64,6	Dr Dropin	65,9
Dr Dropin	63,7	Easee	64,6
Easee	63,6	Farmasiet.no	64,1
Nordic Choice	60,3	Onecall	63,7
Farmasiet.no	60,1	Sbanken	62,6
Stormberg	59,5	Komplett	62,1
OBOS	58,9	Netflix	61,3
Onecall	58,7	Ice	61,1
Ice	58,4	Foodora	61,1
Komplett	58,0	Nordic Choice	61,0
Flytoget	57,8	Stormberg	60,9
Netflix	57,7	Fjel lsport	60,2
Fjellsport	57,6	OBOS	60,2
Bilia(Volvo, BMW, Toyota og Lexus)	56,5	Bilia(Volvo, BMW, Toyota og Lexus)	60,0
Telenor Mobil	55,4	Flytoget	59,6
Foodora	55,3	Norwegian	59,6
Norwegian	55,0	Kiwi	59,5
NRK	55,0	Telenor Mobil	59,4
XXL	54,6	Lyse	58,6
Gjensidige	54,6	Zalando	58,4
Telia	54,2	Talkmore	58,4
Altibox	53,5	H&M	57,8

Brands/Organizations	Perceived innovativeness 2024	Brands/Organizations	Perceived innovativeness 2023
Zalando	53,4	T-We	57,4
Sparebank1	53,1	If	57,3
Lyse	52,8	Telia	57,2
Talkmore	52,2	Sparebank1	57,1
Bohus	51,9	NRK	56,9
Thon	51,9	Thon	56,9
If	51,8	Altibox	56,8
Coop Obs!	51,7	Coop Obs!	56,7
DNB	51,4	XXL	56,5
Posten	51,4	DNB	56,2
VG	51,3	Gjensidige	56,0
Aftenposten	51,3	Scandic	55,9
Storebrand	51,2	Storebrand	55,6
TV2	51,1	MøllerGruppen	55,2
Sport1	50,6	TV2	55,1
Power	50,5	Eviny fra BKK	55,1
Skeidar Living	50,5	Posten	55,1
Skatteetaten	50,5	Dagens Næringsliv	54,9
Dagens Næringsliv	50,4	VG	54,6
Elkjøp	50,4	Vinmonopolet	54,6
Nordea	50,3	Meny	54,6
Tryg	50,3	Dressmann	54,5
T-We	50,1	Tryg	54,3
Fjordkraft	50,0	Elkjøp	54,3
Eviny fra BKK	50,0	Bohus	54,2
Kiwi	50,0	Sport1	53,8
Meny	49,7	NorgesEnergi	53,8
Vinmonopolet	49,7	Skatteetaten	53,7
Intersport	49,4	Ruter	53,7
Telia (internet)	49,1	Aftenposten	53,7
SAS	49,1	Rema 1000	53,3

Findings II: A Focus on Brands and Organizations

Brands/Organizations	Perceived innovativeness 2024	Brands/Organizations	Perceived innovativeness 2023
Scandic	49,0	Fremtind	53,3
Widerøe	48,9	Apotek1	53,1
NorgesEnergi	48,8	Telia (internet)	53,0
H&M	48,7	Fjordkraft	52,9
Fremtind	48,6	Hafslund Strøm	52,8
Hafslund Strøm	48,6	Widerøe	52,6
MøllerGruppen	48,5	Skeidar Living	52,6
Apotek1	48,4	Power	52,5
Dressmann	48,2	Intersport	52,5
Skyss	48,2	Vitus	52,2
Rema 1000	48,0	Nordea	52,1
Coop Extra	47,8	Cubus	51,4
Ruter	47,6	Spar	51,3
Bergen kommune	47,4	SJ	51,3
Vitus	47,1	Extra	50,9
Spar	46,9	VY Tog	50,8
Sbanken	45,3	Bergen kommune	50,8
Cubus	45,1	SAS	50,2
Coop Mega	44,7	Skyss	50,1
SJ	44,4	Coop Mega	49,9
VY Tog	43,9	Danske Bank	48,2
GoAhead	41,7	GoAhead	47,4
Coop Prix	38,8	Coop Prix	45,5
NAV	37,7	NAV	43,2

Table 2: Percieved innovativeness by brands/organizations 2023 and 2024

Shifting Perceptions of Innovativeness: 2023 to 2024

From 2023 to 2024, customers' perceptions of brand innovativeness shifted significantly. These changes reflect both successes and struggles in meeting evolving expectations, underscoring the dynamic nature of innovation.

Declines Among Leading Innovators

Even top performers faced challenges in maintaining their innovative image. Tesla, despite leading the rankings, saw the largest drop in perceived innovativeness, falling 5.5 points from 84.3 in 2023 to 78.8 in 2024. This highlights the difficulty of sustaining a cutting-edge reputation in the competitive electric vehicle market.

Similarly, Vipps and Oda experienced significant declines, losing 4.8 and 3.9 points, respectively.

These drops may point to dissatisfaction with stagnating innovation or a lack of major advancements. Airbnb also fell by 5.2 points, suggesting unmet expectations in the crowded travel and hospitality industry.

These declines reveal the growing challenge of staying innovative in markets that are both mature and highly competitive.

Impacts on Traditional Sectors

The downward trend extended into traditional sectors like telecommunications, travel, insurance, and banking. Telenor Mobil fell by 4.2 points, while Norwegian Airlines dropped 4.6 points. Both illustrate the strain of adapting to rapidly evolving consumer needs and technological change.

Legacy brands like Gjensidige and Sparebank1 also recorded declines, reflecting customer frustration with incremental improvements in industries where innovation is increasingly critical to staying competitive.

Steep Drops at the Lower End

Organizations at the bottom of the rankings faced sharper declines. NAV, a public-sector organization, dropped 7.8 points, while Coop Prix fell by 8.6 points. These drops emphasize a misalignment between customer expectations and innovation efforts. Bureaucratic systems and commoditized markets, where everyday utility matters most, often struggle to meet rising demands.

Key Drivers of Change

Several factors drove these shifts:

- **Market Maturity:** Established leaders like Tesla and Airbnb faced growing competition and evolving customer demands, requiring constant reinvention.
- **Economic Pressures:** Inflation and global uncertainty in 2023 limited budgets for bold innovations, pushing many firms toward safer, incremental updates.
- **Changing Customer Priorities:** The focus shifted to sustainability and personalized digital experiences, leaving unprepared organizations unable to meet expectations.
- **Disruptive Competition:** New entrants and smaller challengers brought fresh ideas, increasing pressure on established players.

Adapting to Change

These declines highlight the difficulty of maintaining an edge in an innovation-driven market. Companies must embrace continuous, customer-focused innovation, blending bold initiatives with steady, incremental improvements that align with shifting needs.

By balancing transformative efforts with consistent enhancements, organizations can rebuild their reputation for innovation and stay relevant in an increasingly competitive landscape.

Social Innovation 2024

Brands/Organizations	Social innovation 2024
Tise	75,6
Tesla	60,3
Stormberg	60,2
Tibber	58,2
IKEA	58,1
Easee	58,0
Bulder	56,7
finn.no	56,6
OBOS	55,9
Nordic Choice	55,6
Oda	55,5
Vipps	55,2
Flytoget	54,8
Hyre	54,8
Bilia(Volvo, BMW, Toyota og Lexus)	54,2
Sparebank1	53,6
Onecall	53,5
Dr Dropin	52,7
Gjensidige	52,5
NRK	52,1
Farmasiet.no	51,9
Telenor Mobil	51,7
Posten	51,6
Lyse	51,0
Skyss	50,8
Thon	50,8
Eviny fra BKK	50,7
Fjellsport	50,2
Scandic	50,2
Ice	50,0
Ruter	49,9
Komplett	49,8

Brands/Organizations	Social innovation 2024
Tryg	49,7
Airbnb	49,3
Telia	49,0
Storebrand	48,9
VY Tog	48,8
If	48,8
Bergen kommune	48,7
Fjordkraft	48,6
Skatteetaten	48,5
Altibox	48,2
Nordea	48,1
Hafslund Strøm	47,9
Aftenposten	47,8
SJ	47,4
Talkmore	47,4
NorgesEnergi	47,2
Skeidar Living	47,1
Widerøe	46,9
Sport1	46,7
Telia (internet)	46,7
Elkjøp	46,5
Bohus	46,5
DNB	46,3
Coop Obs!	46,3
MøllerGruppen	46,3
Coop Extra	46,2
Apotek1	46,1
XXL	46,0
Norwegian	45,8
Intersport	45,7
Vitus	45,5
SAS	45,2

Findings II: A Focus on Brands and Organizations

Brands/Organizations	Social innovation 2024
Dagens Næringsliv	45,1
Vinmonopolet	45,0
GoAhead	44,8
Zalando	44,7
T-We	44,7
Power	44,5
Fremtind	44,4
VG	44,4
TV2	44,2
Meny	44,0
Foodora	43,4
Kiwi	43,3
Cubus	43,1
Dressmann	42,5
Rema 1000	42,4
Sbanken	42,3
Spar	42,1
Coop Mega	42,0
Netflix	41,7
NAV	41,6
Coop Prix	40,6
H&M	39,5

Table 3: Social innovations by brands/Organizations 2024

Top Performers

For the second year running, Tise (75.6) emerges as the top performer. The company's focus on sustainability, especially its core value proposition of second-hand clothing, resonates strongly with customers. Beyond its business model, Tise demonstrates a deep commitment to social innovation through initiatives like the Tise Awards, which celebrate individuals, projects, and brands promoting sustainable consumption. Award categories such as Year's Fashion Icon, New Voice, Inspiring Project, and Snapchatter highlight Tise's role in fostering a community of eco-conscious contributors.

Strong Performers

Tesla (60.3), Stormberg (60.2), Tibber (58.2), IKEA (58.1), and Easee (58.0) rank as strong performers. These companies successfully integrate sustainability and customer-focused solutions into their business models. By offering greener alternatives to traditional products, they position themselves as positive, innovative counterparts in their industries.

Close competitors, including Bulder (56.7), Finn (56.6), OBOS (55.9), and Nordic Choice (55.6), are performing well but fall short of the leaders. While they engage in social innovation, their efforts are less prominent or impactful, leaving room for growth.

Companies Facing Decline

Brands such as Telia (49.0), Storebrand (48.9), and Vy Tog (48.8) are on a downward trajectory. Their scores suggest struggles in maintaining effective social innovation strategies or connecting these initiatives with customer values. These companies must reevaluate and energize their approaches to regain customer trust and improve their rankings.

Struggling at the Bottom

H&M (39.5), Coop Prix (40.6), and NAV (41.6) are among the lowest-ranked companies. These scores reflect significant challenges in social innovation, stemming from limited or ineffective initiatives and negative public perceptions.

H&M and Coop Prix, operating in industries often viewed as unsustainable, face additional scrutiny. NAV's low ranking is notable, as its core mission is public welfare. For these organizations, substantial strategic shifts are needed to address their social impact and align more closely with customer expectations.

Reflections on Social Innovation in Norway

The rankings reveal a concerning trend: social innovation remains underprioritized in Norway, despite the country's strong reputation for sustainable development. Norwegian customers are not widely impressed by the social innovation efforts of most companies.

Standout performers like Tise show the potential of social innovation to drive perceived innovativeness, attractiveness, and loyalty. Yet the overall low average score indicates that many businesses treat social innovation as a secondary concern.

This ranking serves as a wake-up call. Companies must recognize that social innovation is not merely a cost but a long-term investment with tangible benefits. Prioritizing sustainability, community engagement, and customer-focused initiatives is essential for staying relevant and contributing positively to society.

Social Innovation compared to 2023

Brand/Organization	SII 2024	SII 2023	Change
OBOS	55,9	51,6	4,2
Farmasiet.no	51,9	48,5	3,4
Easee	58,0	54,7	3,2
XXL	46,0	42,9	3,1
Dr Dropin	52,7	50,0	2,7
SAS	45,2	42,8	2,4
Skeidar Living	47,1	44,8	2,2
Coop Extra	46,2	44,0	2,2
Skyss	50,8	48,7	2,1
Nordea	48,1	46,2	1,9
Gjensidige	52,5	50,7	1,9
Flytoget	54,8	53,1	1,7
Telia	49,0	47,4	1,5
Fjordkraft	48,6	47,1	1,5
Altibox	48,2	46,7	1,5
Bohus	46,5	45,0	1,5
Intersport	45,7	44,3	1,3
Komplett	49,8	48,7	1,1
Telia (internet)	46,7	45,6	1,1
Tibber	58,2	57,3	0,9
Fjellsport	50,2	49,3	0,9
Elkjøp	46,5	45,7	0,8
Skatteetaten	48,5	47,7	0,8
VG	44,4	43,7	0,8
Zalando	44,7	44,0	0,7
Oda	55,5	54,9	0,5
Dagens Næringsliv	45,1	44,6	0,5
Power	44,5	44,0	0,5
Vipps	55,2	54,8	0,4
Telenor Mobil	51,7	51,3	0,4
Sport1	46,7	46,4	0,4
Coop Prix	40,6	40,3	0,4

Brand/Organization	SII 2024	SII 2023	Change
Nordic Choice	55,6	55,3	0,3
Ice	50,0	49,7	0,3
Aftenposten	47,8	47,6	0,2
NRK	52,1	51,9	0,2
Posten	51,6	51,7	-0,1
Stormberg	60,2	60,4	-0,2
Thon	50,8	51,2	-0,4
Widerøe	46,9	47,3	-0,4
NAV	41,6	42,0	-0,4
Onecall	53,5	54,1	-0,6
NorgesEnergi	47,2	47,9	-0,7
Sparebank1	53,6	54,3	-0,7
DNB	46,3	47,1	-0,8
Tryg	49,7	50,4	-0,8
finn.no	56,6	57,7	-1,0
Meny	44,0	45,0	-1,0
Apotek1	46,1	47,2	-1,1
Bilia(Volvo, BMW, Toy-ota og Lexus)	54,2	55,3	-1,1
IKEA	58,1	59,3	-1,2
Rema 1000	42,4	43,6	-1,2
If	48,8	50,1	-1,3
Dressmann	42,5	43,7	-1,3
Coop Obs!	46,3	47,8	-1,5
Airbnb	49,3	50,8	-1,5
GoAhead	44,8	46,4	-1,7
TV2	44,2	45,9	-1,7
SJ	47,4	49,1	-1,8
T-We	44,7	46,5	-1,8
Storebrand	48,9	50,7	-1,9
Norwegian	45,8	47,6	-1,9
Hafslund Strøm	47,9	49,8	-1,9

Findings II: A Focus on Brands and Organizations

Brand/Organization	SII 2024	SII 2023	Change
Cubus	43,1	45,0	-1,9
Tise	75,6	77,5	-1,9
Talkmore	47,4	49,5	-2,1
Coop Mega	42,0	44,3	-2,3
H&M	39,5	41,9	-2,4
Spar	42,1	44,5	-2,4
Vitus	45,5	47,9	-2,4
Netflix	41,7	44,1	-2,5
Vinmonopolet	45,0	47,5	-2,5
Fremtind	44,4	46,9	-2,5
Scandic	50,2	52,9	-2,7
Eviny fra BKK	50,7	53,5	-2,8
MøllerGruppen	46,3	49,2	-3,0
Hyre	54,8	57,8	-3,1
Foodora	43,4	46,7	-3,3
Bergen kommune	48,7	52,2	-3,5
Lyse	51,0	54,6	-3,6
VY Tog	48,8	52,5	-3,7
Ruter	49,9	54,8	-4,9
Kiwi	43,3	49,0	-5,7
Tesla	60,3	66,6	-6,2
Sbanken	42,3	50,7	-8,4

Table 4: Social innovations by brands/organizations 2023 and 2024

Downward Trends in Social Innovation

The overall score for social innovation continues to decline. The Social Innovation Index reflects customers' heightened sensitivity to firms' innovation efforts—or the lack of them. Comparing the 2024 and 2023 rankings shows that many companies struggle to maintain stable positions. This reflects rising customer expectations for sustainable business practices, emphasizing the need to embed corporate social responsibility

(CSR) into core organizational identities rather than treating it as an add-on or crisis response.

While some organizations have improved their scores—such as OBOS, Farmasiet, Easee, and XXL—many more have seen significant declines, including Sbanken, Tesla, KIWI, Ruter, and Vy. The margins of decline are often far steeper than the gains.

Top Gainers

The biggest improvements in 2024 came from OBOS (+4.2), Farmasiet.no (+3.4), and Easee (+3.2). OBOS stands out as a success story, with customers recognizing its increased focus on social housing projects and community development. One notable initiative is the OBOS Living Lab, an experimental shared living space launched in 2021 that continues to evolve.

Farmasiet and Easee also demonstrated effective integration of sustainability and customer-centric innovation, helping to boost their social innovation scores.

Largest Declines

The steepest declines in 2024 came from Sbanken (-8.4), Tesla (-6.2), and KIWI (-5.7).

Sbanken's sharp decline can likely be attributed to its acquisition by DnB, a company historically associated with lower social innovation scores. This merger may have led to reduced customer trust in Sbanken's ability to maintain its independent, innovative identity.

Tesla's drop reflects multiple factors, including increasing competition in the electric vehicle market and a growing association of its CEO with right-wing, conservative views, which customers may perceive as misaligned with socially oriented values.

KIWI suffered from challenges in meeting sustainability expectations in the highly competitive grocery market, where other brands are increasingly innovating to attract eco-conscious consumers.

Success Factors for Social Innovation

As in previous years, the rankings show that success in social innovation comes from focusing on two key areas:

1. **Climate Impact and Local Engagement**
   Customers value solutions that tackle climate challenges while also supporting local communities. Companies that integrate these dual focuses into their strategies tend to be viewed as more socially responsible and trustworthy.

2. **Digital Technology for Sustainability**
   The effective use of digital technology to promote sustainable behavior continues to shape customer perceptions. Innovative tools and platforms that encourage environmentally friendly actions and enhance customer engagement have proven to be among the most powerful ways to position a company as a "good neighbor."

Key Takeaways

The downward trends in social innovation scores serve as a wake-up call for companies. To meet rising customer expectations, businesses must move beyond superficial CSR initiatives and adopt sustainability and community impact as integral parts of their operations. Those that successfully combine climate action, local focus, and digital innovation will be better positioned to regain trust and stand out as leaders in social innovation.

Digital Innovation 2024

The Digital Innovation Index measures customers' experiences of the company's digital innovations of the customer front, as opposed to the digitalization of production and administrative tasks. Many refer to this area as intelligent automation.

More specifically, digital innovation is measured by three questions in this survey. These questions reflect customers' perceptions of the extent to which a company offers products and services that are digital, if the customers use digital technologies when making use of the company's products and services, and to what extent the customer associate the company with advanced use of digital technologies. It is the average of these three questions that constitute the digital innovation score. encounter.

Brand/Organization	Digital Innovation 2024
Tesla	82,0
Bulder	81,8
Vipps	81,2
Tise	80,3
Tibber	79,7
Oda	78,3
Netflix	77,1
Hyre	76,4
finn.no	76,2
Komplett	75,8
Airbnb	74,6
Farmasiet.no	73,8
Ice	72,9
Skatteetaten	72,8
Easee	71,6
Sparebank1	71,5
Altibox	71,2
Foodora	70,7
Talkmore	70,5
T-We	70,3
DNB	70,1

Brand/Organization	Digital Innovation 2024
Sbanken	69,5
Onecall	69,0
Nordea	68,8
Telia (internet)	68,3
Telia	68,3
Norwegian	68,3
Dr Dropin	68,0
Zalando	67,7
Telenor Mobil	67,7
Flytoget	66,2
Ruter	66,1
SAS	66,0
Fjellsport	66,0
Gjensidige	65,8
NRK	65,5
Lyse	65,2
VG	64,5
Tryg	64,4
If	63,4
Storebrand	63,1
Skyss	63,0
Nordic Choice	61,8
TV2	61,7
OBOS	61,4
Posten	61,0
Fremtind	60,7
Fjordkraft	60,4
Aftenposten	60,2
NAV	60,1
VY Tog	60,0
Widerøe	59,8

Findings II: A Focus on Brands and Organizations

Brand/Organization	Digital Innovation 2024
Hafslund Strøm	59,8
Eviny fra BKK	59,0
Elkjøp	58,5
Dagens Næringsliv	58,5
Power	56,8
NorgesEnergi	56,4
Thon	56,0
Scandic	56,0
Bilia(Volvo, BMW, Toyota og Lexus)	54,9
SJ	54,3
GoAhead	53,9
Bergen kommune	53,8
IKEA	53,6
Stormberg	51,2
MøllerGruppen	51,1
XXL	47,9
H&M	44,9
Coop Obs!	44,8
Bohus	42,0
Skeidar Living	41,5
Vinmonopolet	40,8
Apotek1	40,8
Cubus	40,4
Sport1	40,1
Coop Extra	39,9
Vitus	39,5
Meny	39,2
Intersport	39,0
Rema 1000	38,2
Coop Mega	36,0
Coop Prix	35,0
Dressmann	34,5
Spar	34,2
Kiwi	30,1

Table 5: Digital innovations by brands/organizations 2024

Top performers in Digital Innovation

Digital innovation emerges as a critical tool for enhancing customer experiences, advancing social innovation, or achieving both.

Among the top 10 digital innovators—Tesla (82), Bulder (81.8), Vipps (81.2), Tise (80.3), Tibber (79.7), Oda (78.3), Netflix (77.1), Hyre (76.4), finn.no (76.2), and Komplett (75.8)—three key factors stand out:

1. **High Scores in Digital Innovation**
   These companies excel in digital innovation compared to their perceived innovativeness and social innovation scores. Digital innovation scores range from 75.8 to 82 points, significantly higher than the ranges for perceived innovativeness (64.6–78.8) and social innovation (55.6–75.6). This suggests that customers recognize their efforts in areas like value proposition, value actualization, relationship experience, and interaction.

2. **Clear Objectives**
   Each company has well-defined goals. For example, Tesla focuses on enhancing customer experiences, while Tise prioritizes sustainability through targeted strategies.

3. **Born-Digital Business Models**
   These companies were digital-first from inception, allowing for greater agility, flexibility, and customer-centric approaches. This foundational advantage supports their ability to excel in both digital and social innovation.

Strong performers

Close to the top 10 are Airbnb (74.4), Farmasiet.no (73.8), Ice (72.9), Skatteetaten (72.8), Easee (71.6), Sparebank1 (71.5), Altibox (71.2), Foodora (70.7), Talkmore (70.7), and T-We (70.3). These companies demonstrate strong performance in digital innovation, showcasing their ability to adapt and thrive in a technology-driven marketplace.

Several of these companies, such as Ice, Altibox, Talkmore, T-We, Airbnb, Farmasiet.no, Easee, and Foodora, were established with digital-first business models. Their success is largely driven by their deep integration of technology to enhance customer experiences, improve efficiency, and deliver innovative services.

Others, including Skatteetaten and Sparebank1, represent more traditional organizations that have successfully modernized their operations. They have embraced digital tools and strategies to stay relevant and meet evolving customer demands, proving that even legacy organizations can excel in digital innovation.

These brands differentiate themselves in several ways. Companies like Ice, Altibox, and Talkmore focus on delivering cutting-edge technological services that appeal to digitally savvy customers. Easee stands out by combining sustainability with technological advancements, creating a strong value proposition that resonates with environmentally conscious consumers. Farmasiet, Skatteetaten, Foodora, and Airbnb prioritize convenience through their digital platforms, offering user-friendly solutions that simplify everyday tasks for customers.

While these companies fall just short of the top 10, their achievements highlight the importance of leveraging technology effectively and aligning it with clear, customer-focused goals. Their strong performance underscores their potential to further climb the ranks by continuing to innovate and adapt to the needs of their users.

Companies struggling at the bottom

At the lower end of the digital innovation scale are traditional businesses like grocery stores and older retail chains. Examples include Coop Extra (39.9), Meny (39.2), Rema 1000 (38.2), Coop Mega (36), Coop Prix (35), Spar (34.2), and Kiwi (30.1), as well as Vitus Pharmacy (39.5) and Dressmann (34.5).

These companies often rely on traditional business models where digital elements, such as apps or websites, play a secondary role. While these digital features exist, they are generally less innovative or impactful in customer perception.

Digital Innovation from 2023 to 2024

Brands/Organizations	DII 2024	DII 2023	Change
Tesla	82.0	84.1	-2.1
Vipps	81.2	82.7	-1.5
Tise	80.3	79.7	0.6
Tibber	79.7	78.4	1.3
Oda	78.3	78.5	-0.3
Netflix	77.1	77.3	-0.3
Hyre	76.4	77.2	-0.8
finn.no	76.2	76.1	0.0
Komplett	75.8	76.7	-0.9
Airbnb	74.6	78.6	-3.9
Farmasiet.no	73.8	75.5	-1.6
Ice	72.9	73.2	-0.2
Skatteetaten	72.8	69.0	3.8
Easee	71.6	70.2	1.5
Sparebank1	71.5	73.1	-1.7
Altibox	71.2	71.7	-0.5
Foodora	70.7	73.6	-2.9
Talkmore	70.5	71.5	-1.0
T-We	70.3	71.1	-0.9
DNB	70.1	70.6	-0.5
Sbanken	69.5	79.3	-9.7
Onecall	69.0	68.8	0.3
Nordea	68.8	68.7	0.1
Telia (internet)	68.3	66.0	2.3
Telia	68.3	68.2	0.1
Norwegian	68.3	70.3	-2.0
Dr Dropin	68.0	65.7	2.3
Zalando	67.7	71.3	-3.6
Telenor Mobil	67.7	70.1	-2.4
Flytoget	66.2	65.8	0.5
Ruter	66.1	67.9	-1.8
SAS	66.0	63.6	2.3

Brands/Organizations	DII 2024	DII 2023	Change
Fjellsport	66.0	67.8	-1.8
Gjensidige	65.8	63.8	2.0
NRK	65.5	64.2	1.3
Lyse	65.2	67.0	-1.9
VG	64.5	63.9	0.6
Tryg	64.4	63.2	1.3
If	63.4	63.9	-0.5
Storebrand	63.1	65.2	-2.1
Skyss	63.0	60.9	2.1
Nordic Choice	61.8	61.1	0.7
TV2	61.7	62.2	-0.5
OBOS	61.4	56.9	4.5
Posten	61.0	60.1	0.9
Fremtind	60.7	60.3	0.4
Fjordkraft	60.4	59.6	0.7
Aftenposten	60.2	58.8	1.4
NAV	60.1	58.9	1.2
VY Tog	60.0	63.9	-3.9
Widerøe	59.8	58.2	1.6
Hafslund Strøm	59.8	59.6	0.2
Eviny fra BKK	59.0	62.7	-3.7
Elkjøp	58.5	56.5	2.0
Dagens Næringsliv	58.5	60.5	-2.0
Power	56.8	56.3	0.4
NorgesEnergi	56.4	60.1	-3.8
Thon	56.0	57.1	-1.0
Scandic	56.0	57.8	-1.8
Bilia(Volvo, BMW, Toyota og Lexus)	54.9	55.1	-0.2
SJ	54.3	57.9	-3.6
GoAhead	53.9	53.4	0.5
Bergen kommune	53.8	51.6	2.2

Findings II: A Focus on Brands and Organizations

Brands/Organizations	DII 2024	DII 2023	Change
IKEA	53.6	51.2	2.4
Stormberg	51.2	50.2	1.1
MøllerGruppen	51.1	51.4	-0.3
XXL	47.9	45.8	2.1
H&M	44.9	46.7	-1.8
Coop Obs!	44.8	45.5	-0.6
Bohus	42.0	39.6	2.4
Skeidar Living	41.5	39.8	1.7
Vinmonopolet	40.8	41.3	-0.4
Apotek1	40.8	42.1	-1.3
Cubus	40.4	39.6	0.7
Sport1	40.1	38.9	1.2
Coop Extra	39.9	37.1	2.8
Vitus	39.5	42.5	-3.0
Meny	39.2	39.1	0.2
Intersport	39.0	37.4	1.7
Rema 1000	38.2	37.5	0.7
Coop Mega	36.0	39.5	-3.4
Coop Prix	35.0	34.9	0.1
Dressmann	34.5	36.2	-1.7
Spar	34.2	32.2	2.0
Kiwi	30.1	31.0	-0.8

Table 6: Digital innovations by brands/organizations 2023 and 2024

Overall trend in digital innovation

A comparison of digital innovation scores from 2023 to 2024 reveals a slight decline. Despite this drop, digital innovation scores remain higher than those for social innovation and perceived innovativeness, underscoring its continued significance.

Top Gainers

The companies showing the greatest increases in digital innovation scores represent a wide range of industries. OBOS leads the group with a significant rise of +4.5 points. This growth reflects OBOS's focus on seamless digital solutions in housing, banking, insurance, and real estate, which have enhanced customer experiences and improved service efficiency.

Skatteetaten follows closely, with a +3.8-point increase. The agency's initiatives to make its services more accessible and user-friendly have resonated with customers. Other companies showing substantial improvements include:

- Coop Extra (+2.8): Emphasizing digital tools to streamline the grocery shopping experience.
- SAS (+2.3): Updating its digital travel services to enhance convenience.
- Dr. Dropin (+2.3): Successfully digitalizing medical appointment systems.
- Bergen Kommune (+2.2): Advancing digitalization strategies in public services.

These improvements highlight the effectiveness of prioritizing customer-centric digital solutions.

Largest Declines

The most dramatic decline in digital innovation scores comes from **Sbanken (-9.7)**, following its merger with DnB. Once a digital-native bank known for its customer-focused, fully digital model, Sbanken is now a sub-brand of DnB, a traditionally structured organization. This shift appears to have diminished customer perceptions of Sbanken's digital innovation.

Other companies with declining scores include:

Airbnb and VY Train (-3.9 each): Reflecting unmet customer expectations.

- Norges Energy (-3.8) and Eviny (-3.7): Energy companies facing challenges in maintaining customer-perceived innovation.
- SJ and Zalando (-3.6 each): Struggles with aligning digital offerings to market needs.
- Coop Mega (-3.4): A grocery chain grappling with a lack of visible digital enhancements.
- Vitus (-3.0): A pharmacy chain failing to stand out digitally.
- Foodora (-2.9): A food service company experiencing reduced recognition of its digital efforts.

This pattern suggests that customers may overlook upstream innovations—those focusing on internal efficiency rather than visible, market-facing improvements.

Success Factors for Digital Innovation

The most successful companies in digital innovation share common traits. They have a clear purpose for prioritizing innovation, often balancing social sustainability with enhanced customer experiences. Many achieve success by focusing on downstream digital innovation—initiatives that directly impact the customer experience.

A strong customer-centric approach is crucial for success. In these organizations, leadership prioritizes customer needs, supported by a culture, structure, and processes that align with this focus. Financial metrics often reflect this orientation, ensuring accountability and sustained innovation.

For companies not originally digital, adapting to digital innovation can be challenging but is not impossible. Traditional organizations can succeed by fostering customer-centric strategies while maintaining agility in their digital transformation efforts.

In some sectors, such as grocery retail, digital innovation may not be a central focus but still plays a role in shaping customer perceptions. Striking a balance between upstream and downstream innovation is essential, as prioritizing internal improvements alone may not resonate with customers. Companies that achieve stable or improving scores are those effectively aligning their digital strategies with market demands and expectations.

Industry findings – consolidated 2024

Industry	Perceived Innovativeness	Social Innovations	Digital Innovations	Relative attractiveness
Airlines	51,0	46,0	64,7	58,1
Car dealership	61,3	53,6	62,7	60,9
Banking & Payments	56,6	50,4	73,8	60,3
Broadband	51,3	47,4	69,8	55,2
Clothing & Textiles	51,0	46,0	47,7	55,8
Utilities	54,8	51,7	64,6	55,9
Electronic retailing	53,0	47,0	63,7	58,7
Furniture	57,4	50,5	45,7	58,1
Governmental monopolies	47,3	47,1	57,7	59,5
Grocery	49,5	44,7	41,8	55,8
Hospitality	57,0	52,3	62,0	60,4
Insurance	51,3	48,9	63,5	59,3
Newspapers	51,0	45,8	61,1	59,1
Online second-hand marketplaces	69,1	66,1	78,2	69,5
Pharmacies & Health	54,8	49,0	55,5	58,4
Sports stores retailing	53,1	47,2	48,3	59,5
Streaming services	53,9	43,2	73,7	56,0
Telecom	55,7	50,3	69,7	61,0
Transport & Logistics	50,5	49,3	63,8	54,9
TV	53,0	48,1	63,6	58,0

Industry findings – companies 2024

Electronics	Perceived Innovativeness	Social Innovations	Digital Innovations	Relative Attractiveness
Elkjøp	50,4	46,5	58,5	56,3
Komplett	58,0	49,8	75,8	65,2
Power	50,5	44,5	56,8	54,7
Average	53,0	47,0	63,7	58,7

Utilities	Perceived Innovativeness	Social Innovations	Digital Innovations	Relative Attractiveness
Easee	63,6	58,0	71,6	57,7
Eviny	50,0	50,7	59,0	
Fjordkraft	50,0	48,6	60,4	52,8
Hafslund Strøm	48,6	47,9	59,8	52,2
Lyse	52,8	51,0	65,2	57,0
NorgesEnergi	48,8	47,2	56,4	51,4
Tibber	69,4	58,2	79,7	64,6
Average	54,8	51,7	64,6	55,9

Transportation & logistics	Perceived Innovativeness	Social Innovations	Digital Innovations	Relative Attractiveness
Flytoget	57,8	54,8	66,2	69,2
Foodora	55,3	43,4	70,7	52,5
GoAhead	41,7	44,8	53,9	43,0
Hyre	64,7	54,8	76,4	64,7
Ruter	47,6	49,9	66,1	53,4
SJ	44,4	47,4	54,3	50,8
Skyss	48,2	50,8	63,0	53,1
VY Tog	43,9	48,8	60,0	52,6
Average	50,5	49,3	63,8	54,9

Industry findings – companies 2024

Insurance	Perceived Innovativeness	Social Innovations	Digital Innovations	Relative Attractiveness
Fremtind	48,6	44,4	60,7	56,6
Gjensidige	54,6	52,5	65,8	63,2
If	51,8	48,8	63,4	60,0
Storebrand	51,2	48,9	63,1	58,1
Tryg	50,3	49,7	64,4	58,5
Average	51,3	48,9	63,5	59,3

Sports stores	Perceived Innovativeness	Social Innovations	Digital Innovations	Relative Attractiveness
Fjellsport	57,6	50,2	66,0	65,5
Intersport	49,4	45,7	39,0	57,9
Sport1	50,6	46,7	40,1	58,2
XXL	54,6	46,0	47,9	56,5
Average	53,1	47,2	48,3	59,5

Telecom	Perceived Innovativeness	Social Innovations	Digital Innovations	Relative Attractiveness
Ice	58,4	50,0	72,9	61,1
Onecall	58,7	53,5	69,0	63,4
Talkmore	52,2	47,4	70,5	61,5
Telenor Mobil	55,4	51,7	67,7	60,6
Telia	54,2	49,0	68,3	58,5
Average	55,7	50,3	69,7	61,0

Airlines	Perceived Innovativeness	Social Innovations	Digital Innovations	Relative Attractiveness
Norwegian	55,0	45,8	68,3	58,3
SAS	49,1	45,2	66,0	60,6
Widerøe	48,9	46,9	59,8	55,4
Average	51,0	46,0	64,7	58,1

Hospitality	Perceived Innovativeness	Social Innovations	Digital Innovations	Relative Attractiveness
Airbnb	64,9	49,3	74,6	63,0
Nordic Choice	60,3	55,6	61,8	63,1
OBOS	58,9	55,9	61,4	60,8
Scandic	49,0	50,2	56,0	57,7
Thon	51,9	50,8	56,0	57,3
Average	57,0	52,3	62,0	60,4

Groceries	Perceived Innovativeness	Social Innovations	Digital Innovations	Relative Attractiveness
Coop Extra	47,8	46,2	39,9	55,2
Coop Mega	44,7	42,0	36,0	54,0
Coop Obs!	51,7	46,3	44,8	58,3
Coop Prix	38,8	40,6	35,0	41,0
Kiwi	50,0	43,3	30,1	56,7
Meny	49,7	44,0	39,2	62,1
Oda	68,2	55,5	78,3	67,3
Rema 1000	48,0	42,4	38,2	54,8
Spar	46,9	42,1	34,2	52,7
Average	49,5	44,7	41,8	55,8

Broadband	Perceived Innovativeness	Social Innovations	Digital Innovations	Relative Attractiveness
Altibox	53,5	48,2	71,2	58,8
Telia (internet)	49,1	46,7	68,3	51,5
Average	51,3	47,4	69,8	55,2

Pharmacies & Health	Perceived Innovativeness	Social Innovations	Digital Innovations	Relative Attractiveness
Apotek1	48,4	46,1	40,8	55,7
Dr Dropin	63,7	52,7	68,0	61,7
Farmasiet.no	60,1	51,9	73,8	63,9
Vitus	47,1	45,5	39,5	52,4
Average	54,8	49,0	55,5	58,4

Industry findings – companies 2024

Car Dealerships	Perceived Innovativeness	Social Innovations	Digital Innovations	Relative Attractiveness
Bilia(Volvo, BMW, Toyota og Lexus)	56,5	54,2	54,9	64,0
MøllerGruppen	48,5	46,3	51,1	54,6
Tesla	78,8	60,3	82,0	64,1
Average	61,3	53,6	62,7	60,9

Furnitures	Perceived Innovativeness	Social Innovations	Digital Innovations	Relative Attractiveness
Bohus	51,9	46,5	42,0	58,5
IKEA	69,8	58,1	53,6	61,7
Skeidar Living	50,5	47,1	41,5	54,0
Average	57,4	50,5	45,7	58,1

Banks & Payment	Perceived Innovativeness	Social Innovations	Digital Innovations	Relative Attractiveness
DNB	51,4	46,3	70,1	52,4
Bulder	71,1	56,7	81,8	73,1
Nordea	50,3	48,1	68,8	55,7
Sbanken	45,3	42,3	69,5	48,9
Sparebank1	53,1	53,6	71,5	59,4
Vipps	68,2	55,2	81,2	72,5
Average	56,6	50,4	73,8	60,3

Governmental monopolies	Perceived Innovativeness	Social Innovations	Digital Innovations	Relative Attractiveness
NAV	37,7	41,6	60,1	46,5
Bergen kommune	47,4	48,7	53,8	
Posten	51,4	51,6	61,0	64,7
Skatteetaten	50,5	48,5	72,8	
Vinmonopolet	49,7	45,0	40,8	67,2
Average	47,3	47,1	57,7	

Newspapers	Perceived Innovativeness	Social Innovations	Digital Innovations	Relative Attractiveness
Aftenposten	51,3	47,8	60,2	64,6
Dagens Næringsliv	50,4	45,1	58,5	59,1
VG	51,3	44,4	64,5	53,8
Average	51,0	45,8	61,1	59,1

Clothing & Textiles	Perceived Innovativeness	Social Innovations	Digital Innovations	Relative Attractiveness
Cubus	45,1	43,1	40,4	51,3
Dressmann	48,2	42,5	34,5	57,2
H&M	48,7	39,5	44,9	48,4
Stormberg	59,5	60,2	51,2	62,1
Zalando	53,4	44,7	67,7	59,7
Average	51,0	46,0	47,7	55,8

Online second-hand markets	Perceived Innovativeness	Social Innovations	Digital Innovations	Relative Attractiveness
finn.no	64,6	56,6	76,2	69,6
Tise	73,6	75,6	80,3	69,5
Average	69,1	66,1	78,2	69,5

Steaming services	Perceived Innovativeness	Social Innovations	Digital Innovations	Relative Attractiveness
Netflix	57,7	41,7	77,1	58,6
T-We	50,1	44,7	70,3	53,4
Average	53,9	43,2	73,7	56,0

TV	Perceived Innovativeness	Social Innovations	Digital Innovations	Relative Attractiveness
NRK	55,0	52,1	65,5	64,3
TV2	51,1	44,2	61,7	51,6
Average	53,0	48,1	63,6	58,0

Deeper thinking/ reading

The Evolution of Economic Thinking: Toward Responsible and Inclusive Growth

Economic thinking has undergone a remarkable transformation over the centuries, from classical notions of efficiency to modern concepts of equity, sustainability, and shared value. This evolution is visible across macroeconomic and microeconomic paradigms, reflecting a growing commitment to socially responsible and just frameworks.

Macroeconomic Perspectives: A Shift Toward Responsible Growth

In 1776, Adam Smith's The Wealth of Nations introduced the foundational idea of efficient resource allocation and specialization. Smith emphasized the role of markets in harnessing individual self-interest for collective prosperity. This classical view of economic growth focused on optimizing the use of scarce resources to maximize output.

The late 20th century brought a transformative shift in macroeconomic thinking with Paul Romer's theory of endogenous technological change. Romer's work highlighted the role of ideas, knowledge, and innovation as infinite resources capable of driving exponential growth. He argued that shared knowledge could fuel sustainable economic expansion rather than mere resource extraction.

Thomas Piketty's Capital in the 21st Century (2013) added a critical lens to the discussion by demonstrating how unchecked capitalism concentrates wealth and exacerbates inequality. Piketty's call for political action and fair taxation resonated globally, emphasizing the need for growth models that prioritize equity. Building on this foundation, Daniel Susskind's Growth, A Reckoning (2024) argues for ethical frameworks that address climate change, inequality, and the societal challenges posed by technological innovation. Together, these thinkers signal a transition from growth as an end in itself to growth as a means to achieve broader social and environmental objectives.

Microeconomic Perspectives: From Shareholder Primacy to Stakeholder Value

Parallel to the evolution in macroeconomics, microeconomic theories have also evolved significantly. Milton Friedman's 1970 assertion that the sole responsibility of business is to maximize shareholder profits became the cornerstone of 20th-century corporate governance. This doctrine, supported by Jensen and Meckling's Principal-Agent Theory (1976), justified prioritizing shareholders above all other stakeholders.

However, the limitations of this approach became evident over time. The aggressive pursuit of short-term profits, as epitomized by General Electric's downfall and Boeing's 737 MAX crisis, revealed the unsustainable and often unethical practices rooted in shareholder primacy. These failures highlighted the environmental and social costs of ignoring externalities such as pollution, inequality, and community well-being.

In response, the Business Roundtable's 2019 declaration signaled a pivotal shift in corporate purpose. Companies were urged to deliver value to customers, employees, suppliers, communities, and shareholders alike. This reorientation laid the groundwork for Social Profit Orientation (SPO), a framework introduced by Berry et al. (2024), which integrates financial goals with societal impact. By balancing economic performance with environmental sustainability and social responsibility, firms like Patagonia, Storebrand, and World Kitchen exemplify how businesses can create shared value.

Innovation as a Catalyst for Sustainable Growth

The transition from shareholder-centric to stakeholder-oriented models is underpinned by innovation. Sustainable innovation, in particular, serves as a critical driver of stakeholder value. Companies like Tise and Tibber demonstrate how leveraging digital platforms and circular business models can align profitability with sustainability. For example, Tise's platform facilitates the resale of used clothing, reducing waste while creating economic opportunities. Tibber's energy optimization solutions enable households to manage energy consumption more efficiently, aligning environmental goals with customer needs.

Norwegian firms such as Gjensidige also illustrate this paradigm shift. By focusing on reducing risk through sustainability initiatives rather than merely pricing risk correctly, Gjensidige has redefined its value proposition. These examples underscore how businesses can innovate not only in products and services but also in their fundamental approaches to value creation.

Challenges and Pathways to Progress

Despite these advances, significant challenges remain. The inertia of short-term profit-driven models poses a formidable barrier to change. Firms often struggle to allocate resources to sustainability initiatives, especially amidst economic pressures. Moreover, embedding stakeholder-oriented practices into corporate culture requires a fundamental rethinking of leadership incentives and organizational priorities.

To overcome these challenges, businesses must adopt strategies that integrate sustainability into their core operations. Cross-sector collaboration with governments, NGOs, and communities can amplify systemic impact. Metrics such as the Norwegian Innovation Index (NII) provide valuable insights into aligning innovation with customer expectations and societal needs. By embracing green technologies and circular economies, firms can chart a course toward long-term value creation.

Toward a Just and Inclusive Future

The evolution of economic thought, from Adam Smith to Daniel Susskind, reflects a growing recognition of the interconnectedness of economic, social, and environmental objectives. The transition from shareholder primacy to stakeholder value, supported by frameworks like SPO, marks a critical inflection point in the history of business and economic policy. As firms embrace sustainable innovation and prioritize societal impact, they pave the way for a more just and inclusive future.

This narrative is both a call to action and a blueprint for transformation. By integrating principles of equity, sustainability, and innovation, businesses can not only thrive in a changing world but also contribute meaningfully to the betterment of society. For students and future leaders, the challenge lies in translating these ideas into actionable strategies that balance economic goals with the broader imperative of social responsibility.

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Profit with a Purpose: How Norwegian Companies Can Win in 2025

The Norwegian economy and companies stand at a crossroads. In a world where investors demand more than just profitability, the future of competitiveness lies in combining innovation, sustainability, and social responsibility. Companies that succeed will not only adapt to the new rules of the game—they will define them.

In 2025, the investment landscape is shaped by rapid technological advancements, global economic shifts, and an intensified focus on sustainability. These are no longer trends; they are expectations. Investors are increasingly seeking companies that deliver "profit with a purpose"—a balance between economic growth and societal values. But what differentiates tomorrow's winners from the losers? And how can Norwegian leaders ensure their companies attract the capital they need?

Innovation and Sustainability as Foundations

The stories of companies like NVIDIA and Tesla show us that the biggest winners do not follow market trends—they lead them. However, being innovative is not enough; innovation must be paired with sustainability to remain relevant in today's investment climate. This is especially critical in Norway, where we have historically relied heavily on resource-based industries. Future Norwegian winners must increasingly build their value on technology, data, and social responsibility.

One strategy to achieve this is Social Profit Orientation (SPO), a framework that integrates profitability with societal values. SPO, as described by Berry et al. (2024) in the Journal of Marketing, emphasizes prioritizing societal well-being in strategic decisions. This involves investing in solutions that address social and environmental challenges while ensuring financial profitability. This is not charity; it is a strategy to build trust and relevance in an era where responsible value creation is a necessity, not a bonus.

Why Investors Prefer SPO Companies

Investors are shifting away from companies focused solely on short-term profitability. Examples like Boeing, Starbucks, and TGI Fridays illustrate how neglecting long-term value in favor of quick returns can lead to failure. In contrast, companies like Storebrand, IKEA, and Tise demonstrate that integrating sustainability into business models is not only feasible but also profitable.

What sets these companies apart? First, they have scalable business models that allow growth without a corresponding increase in costs. Netflix, with its global digital platform, is a prime example of this. Second, they demonstrate a clear commitment to addressing global challenges, whether environmental, health-related, or social inequality. This makes them resilient and attractive to long-term investors.

From Norwegian Oil to Global Innovation

For Norwegian companies, this point is particularly significant. We have long relied on resource extraction, but future value creation must come from technology and innovation. Companies like Gelato and Autostore exemplify this shift, combining technology-driven innovation with global business models and a strong focus on sustainability.

Companies with an SPO strategy have a unique opportunity not only to attract capital but also to strengthen their reputation and competitiveness. However, this requires leadership that dares to think long-term and balances economic growth with social responsibility.

Conclusion

For leaders aiming to position their companies as attractive to investors, the key is understanding what tomorrow's capital seeks. Innovation alone is not enough. Scalable (digital) services, a sustainability-rooted value system, and Social Profit Orientation are the keys to long-term value creation. For investors, the goal is to identify companies that not only adapt to the future but actively shape it.

Looking ahead to 2025, the companies that create value for both society and shareholders will emerge strongest in the competition. Norwegian companies have all the prerequisites to be among these winners—if they dare to think differently and act now.

What is the Norwegian Innovation Index?

The Norwegian Innovation Index (NII) is the world's first customer-based ranking of innovative companies

The Norwegian Innovation Index (NII) was created in 2016 by researchers at the Norwegian School of Economics (NHH) and DIG (Digital Innovation for Sustainable Growth). This index is the first in the world to assess innovative companies based on feedback from their customers. Traditionally, we have relied on financial figures and expert opinions to evaluate innovation, but NII considers what matters – the customers' perception.

Instead of looking at figures that impact the entire economy, NII addresses what real customers think. This is crucial because customers are the ones who financially support businesses by purchasing their products and services. The research team at NHH has developed a new way of assessing innovation. They look not only at what companies claim they do but also at what customers think about how companies create value through innovation.

This approach is so unique that it has been adopted in several other countries such as Finland, Sweden, Denmark, Belgium, Spain, Australia, and the USA. In each of these countries, a significant business school and research group work together. They also collaborate with consulting firms to help businesses apply the NII method. Together we call ourselves The Innovation Index Coalition (IIC).

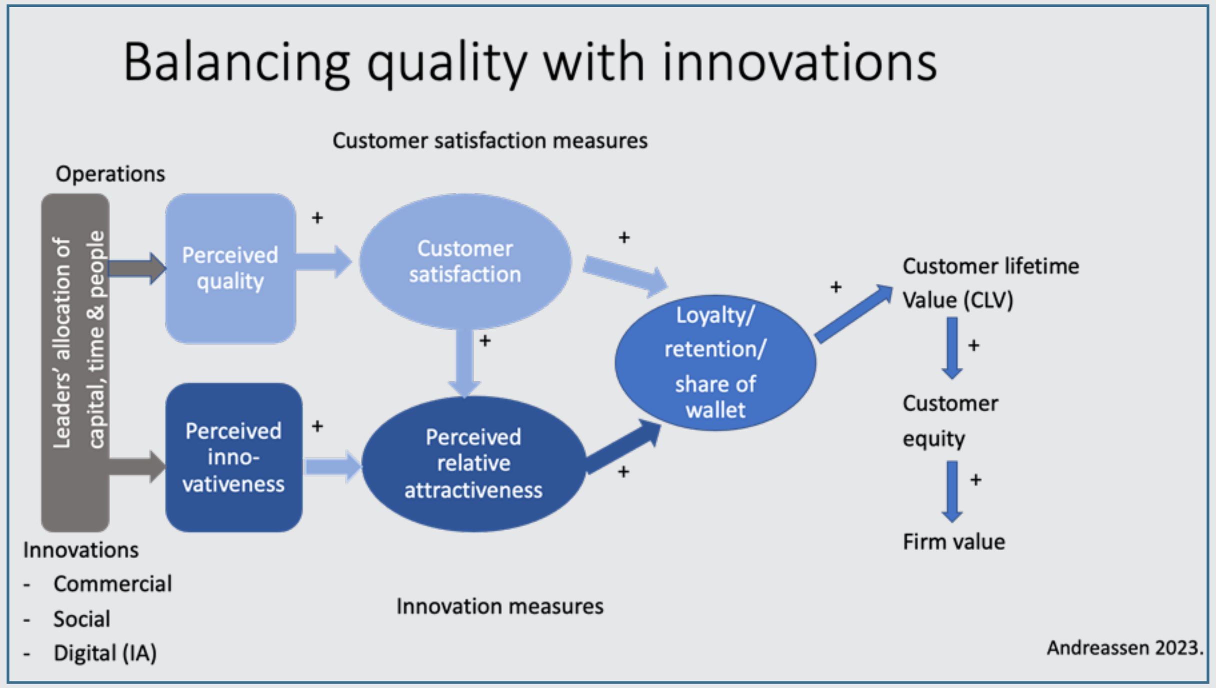
NII consists of three indices: a commercial innovation index that looks at innovations in what businesses offer to the market (market offerings), a social innovation index that evaluates sustainability and how businesses impact the society around them (if they are a good neighbor), and a digital innovation index that looks at the automation of the customer interface. All of this is assessed from the customers' perspective.

NII also deals with important topics such as innovation and sustainability, how businesses can adapt to an aging population, and the smart use of technology to better assist customers. What makes NII so special is that it focuses on what customers think, feel, and experience about innovation, and how this affects their choices and thus the companies' position, market attractiveness, and ultimately the value of the company as determined in the stock market or through acquisitions. The results from NII are presented on our websites, and we also host an annual "Innovation 202x" conference where we discuss the findings and honor the most innovative companies in the three areas.

NII gives us the ability to closely analyze how customers in three different segments – young, middle-aged, and older – respond to the innovations of various companies, and to look at entire industries. Countries themselves may not be innovative, but individual companies can be. It is also important to remember that it is the customers who can truly judge whether an innovation is successful or not.

So, NII is a valuable way to measure innovation. It incorporates customers' perceptions of how value creation occurs, giving us a much more holistic assessment of how Norwegian companies work with innovation.

It is important to note that while the quality of offered goods and services is the ticket to the market, innovations are the ticket to stay in the market. The interplay is shown in the figure.



Source: Andreassen 2023 – Modern Value Creation