



IKEA: Live, Work, Play

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### **Executive Summary**

IKEA is an international furniture company with a mission to provide affordable furnishing, while being environmentally and politically responsible. With so many branching interests, this creative proposal was created to help provide focus and direction to the company's interests.

This marketing campaign discusses where IKEA started, where it is presently, and how to get it where it needs to be in the future. IKEA is well known, with success across the globe. The European market has been very successful, IKEA continues to grow in the Americas, and now IKEA is launching its interests into eastern Asia. The growth potential for IKEA is substantial.

IKEA will need to implement marketing messages across several different mediums in order to successfully implement a quality integrated marketing communications plan. This strategy will include a SWOT analysis, a listing of marketing goals and objectives, a corporate creative brief to detail specific marketing implementations, a strategy and execution list, media and public relations strategies, public relations objectives and tactics, and direct marketing and sales promotions. Each aspect will work together to gain the customer trust and recognition.

A detailed budget, strategy, and measurement tactics will be in place to evaluate the effectiveness of the IMC strategy and how well he holds true to IKEA missions and goals.

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## **IKEA Corporate Background and Target Markets**

### **Background**

IKEA is a privately held, international furniture and home product company founded in Sweden in 1943 (IKEA, n.d., 1940s-1950s, para. 1). and now headquartered in the Netherlands. (IKEA, n.d., 2000s, para. 8). IKEA offers a wide range of products and prides itself on making attractive, quality items that can be sold at a low price. In addition to furnishings and home products, stores typically include a restaurant and a café offering a variety of foods that include traditional Swedish items such as Swedish meatballs and lingonberries. In addition to its low-cost offerings, IKEA makes it a priority to use environmental friendly practices, and to give back to the community, particularly to help better the lives of children. IKEA is a very successful and profitable corporation because it cares about selling quality products at an affordable price while giving back to the community.

The company's primary operating philosophy is that, "IKEA offers a wide range of well-designed, functional home furnishing products at prices so low that as many people as possible will be able to afford them." (IKEA, n.d., The IKEA Way, para. 1). When visiting an IKEA store you immediately see that this is more than a furniture company. You will find everything needed to completely furnish and decorate your home or office. They carry plants, bedding, cutlery, plungers, dishware, sofas, chairs, home/office organization pieces, desks, beds, tables, bathroom goods, food, framed art, cutting boards, and more. If you need anything for home or office, you can almost guaranty that IKEA carries it.

### **History**

IKEA was founded in 1943 by then 17-year-old Ingvar Kamprad. Kamprad used the money his father gave him for doing well in school to start his business venture peddling pens, wallets, picture frames, table runners, watches, jewelry, and stocking – already meeting product needs with affordable pricing. This philosophy is important because in the early 1940s, Europe was engulfed in World War II, and there

was very little money available to make unnecessary purchases. This is probably what led to initial company success to allow IKEA to survive for the long haul. Interestingly, the name IKEA is an acronym for Ingvar Kamprad Elmtaryd Agunnaryd, the founder's name, farm, and village where he grew up. (IKEA, n.d., 1940s-1950s, para. 1).

## **Heritage**

It is no coincidence that IKEA brands itself with yellow and blue as they are the national colors of Sweden. The company began in an economically challenged region of Sweden, which is partly responsible for why the company is economically responsible. Additionally, many of the product designs from IKEA reflect their Swedish roots. In addition to clean, modular styles, the colors and woods chosen are often based upon giving an indoor space a fresh, sunny feel. For a place that can get as cold and dark as Sweden, you can understand why this is important.

## **Today**

IKEA has 287 stores in 26 countries, spread over 4 continents. 1943. (IKEA, n.d., Welcome Inside 2011, p. 22). Total revenue has increased every year since 2001, culminating in 2011 with earnings listed at \$25.5 Billion Euros, netting nearly \$3 billion dollars after expenses. (IKEA, n.d., Welcome Inside 2011, p. 16). Sales increased over 2010 by 6.9%, and stores grew by 2.7% (IKEA, n.d., Welcome Inside 2011, p. 1). with more than 655 million store visits. (IKEA, n.d., Welcome Inside 2011, p. 23).

Today's IKEA is truly a global entity. The store's catalog consists of approximately 9,500 products, printed more than 208 million copies in 30 different languages. The group operates in 41 countries, 25 of which have stores while the remaining 16 are home to distribution centers. In 2011, IKEA had 1,018 suppliers spread out over 53 different countries. (IKEA, n.d., Welcome Inside 2011, p. 23). Today, 131,000 people from 48 different countries work for IKEA. (IKEA, n.d., Welcome Inside 2011, p. 10).

**Environment**

IKEA believes in corporate responsibility for taking care of the environment. That is why they are constantly looking for new ways to improve living conditions and sustainability. For example, IKEA is continually researching new methodology to improve their manufacturing efficiency to decrease the amount of wood waste they create. They also harvest wood at a rate so that forests are able to re-grow to keep up with demand, rather than to diminish the resource. In addition to improving process efficiency and using sustainable harvesting methods in forests, IKEA is looking for ways to use cleaner energy. In fact, by 2012, the majority of IKEA stores in the United States will be powered using solar energy, thus reducing their carbon fuel footprint. (Solar Feeds, n.d.).

**Charities**

The IKEA Foundation was formed in 2005 to help fight potential child labor exploitations in the company's supply chain. IKEA believes that it is their moral obligation, "to create a better everyday life for the many" children. (IKEA, n.d., The IKEA Foundation, para. 1). IKEA partners with UNICEF and Save the Children to protect the rights and freedoms of children in developing nations. The company is also very active in disaster relief scenarios, aiding relief funds for tsunamis, earthquakes, and other acts of god disaster scenarios.

## Target Market

### Demographics & Psychographics

IKEA's target market would typically be a young professional in the 20-40 year old age range. These are individuals who are cost conscience, technologically savvy, and appreciate modern design. These will be people who live in large, urban areas, as IKEA stores are only found near large cities. However, because IKEA does offer competitive pricing on quality products, the company's products may appeal to all sexes, ages, and geographic locations. IKEA's price point makes their products attractive to students and professionals, young and old alike.

### Strategy

**Pricing.** IKEA's products are not only low price but many consider good quality for the price paid. IKEA manufactures in bulk to keep the costs down, and ensure affordability. *Additionally* brick and mortar stores are typically placed outside city centers to keep prices even lower. Suburbs are generally more affordable to build on due to more space being available.

**Design.** IKEA products are also based on elegant design with modular fit and function. The products are of modern design, to which many young adults find visually appealing. The furniture is shipped unassembled to keep cost down, but engineered and designed to allow easy assembly.

The layout and design of the IKEA catalog appeals to designers, young professionals, architects, and artistic types. The company does a magnificent job of using photography of their products in real use scenarios to make the items look more appealing. In fact, IKEA's main marketing tool is their catalog, which accounts for 70% of their annual marketing budget. (IKEA, n.d., Student Info, para. 22).

**IMC Objectives.** IKEA has done a great job of leveraging IMC in its marketing efforts. In addition to traditional TV spots, billboards, and magazine Ads, IKEA publishes a highly-sought after catalog in both



paper format and digital format for smart phones and tablets. IKEA also uses online videos to help aid in their marketing campaigns. Through well-thought out IMC campaigning, IKEA was able to transform its image from a home accessory store, to a full-scale furniture outlet, resulting in sales improvements of more than 7%. (Elliot, 2011).

## SWOT Analysis and Marketing Strategies and Objectives

### Overview

IKEA has positioned and marketed itself as an ecologically responsible, home product and furnishings retailer, which provides low cost items to consumers. Many American executives would argue that you couldn't have an environmentally clean company without affecting the bottom-line. IKEA, although a business, is willing to compromise some profit while pursuing its social, economical, and environmental responsibilities.



Photo of a typical IKEA storefront.

IKEA, the world largest furniture retailer, (Reuters 2008), seeks continued growth, in a sagging economy by potentially expanding its footprint into East Asian countries like China. How can the company maintain low production costs and continued environmental sustainability without affecting consumer costs while meeting potential explosive demands of growing nations like China?

To tackle these pressing issues and plan for the future success of the company, we must perform a SWOT Analysis and detail potential marketing strategies and objectives for the immediate future. IKEA has a lot of room for company growth and a simple SWOT analysis will help reveal the company's strengths and weaknesses.

### SWOT

A SWOT analysis is a methodology used to evaluate the Strengths, Weaknesses, Opportunities, and Threats associated with a business model. The SWOT methodology is a very simple model that categorizes different environmental factors into helpful or harmful, internal and external elements. The

purpose is to simply list out the pros and cons of the current business model, as to effectively address, achieve or maintain desired results.

# SWOT ANALYSIS



SWOT Box Diagram

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• Branding</li> <li>• Ethics</li> <li>• Environmental/Green</li> <li>• Affordability</li> </ul>	<ul style="list-style-type: none"> <li>• Size</li> <li>• Balancing Cost vs. Quality</li> <li>• International Marketing</li> <li>• Staff Consistency</li> <li>• Public Perception</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>• Environmentally Friendly</li> <li>• Economic Climate</li> <li>• Younger Buyers</li> <li>• China/Asia</li> <li>• Digital Market/Online Sales</li> </ul>	<ul style="list-style-type: none"> <li>• Design</li> <li>• Supply Chains</li> <li>• Social/Political</li> <li>• Competition</li> </ul>

## Strengths

Strengths include any characteristics or strategies of the business that give it a competitive advantage over its competition. For a company as successful as IKEA, it will obviously have many strengths.

**Branding.** IKEA's brand is recognized around the world. From its blue and yellow storefront, matching logo, and identifiable product designs, IKEA is a brand that is not easy to misidentify. The company has been around for a long time, resulting in a recognizable brand and consumer trust.



**IKEA's Logo is easily identifiable.**

**Ethics.** IKEA gives to charities to help establish funding for quality children's education worldwide. IKEA also regularly gives to relief funds such as earthquake or tsunami relief. The IKEA Foundation partners with the UN refugee agency, UNICEF, and Save the Children to improve the lives of youth.

**Environmental/Green.** IKEA practices manufacturing through means of sustainable and renewable materials rather than exhausting natural supply chains. IKEA is also moving towards using more clean energy, such as solar energy, in its facilities. In fact, by 2012, the majority of IKEA stores in the United States will be powered using solar energy, thus reducing their carbon footprint. (Solar Feeds, n.d.). Smarter design results in more efficient use of materials, shipping and packaging. IKEA also partners with the WWF to promote sustainable agriculture and forestry, and to reduce carbon emissions.

**Affordability.** IKEA keeps costs low so nearly everyone can afford to have quality, well-designed products in their home. By creating long-term partnerships with suppliers, IKEA can negotiate lower prices by purchasing in volume. These lower costs can then be passed on to consumers.

## Opportunities

Opportunities can be defined by identifying a business' possibilities to improve profit and performance. By taking advantages of its strengths, IKEA can build new revenue streams and extend existing streams.

**Environmentally Friendly.** Whether the consumer is fashionable, or eco-conscience, there are business opportunities for IKEA to sell eco-friendly, sustainable products. By providing “green” solutions, IKEA can engage with consumers who wish to set good examples and live a more sustainable lifestyles.

**Economic Climate.** With a globally weak economy, unemployment has been high and spending has been low. With that in mind, IKEA's product line fills a growing demand for low priced, quality products. The opportunity is there to market to consumers who normally shop at more expensive retailers and convince them they can still purchase desirable, quality items and a more affordable price.

**Younger Buyers.** With younger audiences being more interested in modern design, IKEA can solidify a niche with young adults and professionals by providing stylish, attractive furnishing at affordable costs ideal for youthful budgets. The style is right, and the cost is right for the largest age demographic on the population pyramid, as 52% of the world's population is under the age of 30. (Qualman, 2010)

**China/Asia.** No nation's economy is growing faster than China. With the trend for Asian nations to westernize their pop culture, China provides a gold rush opportunity for corporations wishing to expand their business. For IKEA, much of China is financially challenged, and can use the



Consumers enjoying IKEA's Beijing Store.

company's low-priced offerings. In Q1 of 2012, IKEA's sales in China have risen 20%. (Hansegard, 2012). The opportunity is there for IKEA to increase its footprint in China and cash in on an eager middle-class.

**Digital Market / Online Sales.** Consumers are becoming more and more comfortable with online shopping. As technology, security, and trust has improved, so has shoppers' desire to avoid crowds and stay home. Internet connectivity has steadily increased worldwide and provides an excellent opportunity for sales with low overhead.

### **Weaknesses**

SWOT Weaknesses are defined as characteristics or limitations that put a company at a competitive disadvantage against its rivals. IKEA, as successful as it is, is not without its flaws. Although not all weaknesses can be fixed, they must at least be known and accounted for.

**Size.** IKEA has 287 stores, in 26 countries, over 4 continents. (IKEA, n.d., Welcome Inside 2011, p. 22). The size and scale of this global operation make quality control and standards difficult to manage. To keep costs low, IKEA typically partners with local suppliers. These local suppliers must provide products consistent with other suppliers; otherwise IKEA risks brand and product degradation. Additionally, different countries will have different requirements for facilities in terms of safety and employment. IKEA must be aware of the different laws and local ethics in order to manage consistent product expectations and store experiences. Today, 131,000 people from 48 different countries work for IKEA. (IKEA, n.d., Welcome Inside 2011, p. 10). The group operates in 41 different countries, 25 of which have stores while the remaining 16 are home to distribution centers. And as of 2011, IKEA had 1,018 suppliers spread out over 53 different countries. (IKEA, n.d., Welcome Inside 2011, p. 23). IKEA must be clear and consistent with the message, regardless of language.

**Balancing Cost vs. Quality.** IKEA identifies itself as THE Company to provide great products and low costs. With struggling economies, there is definitely a need for these price-friendly offerings. However, a fluctuating economy with rising costs in labor and supply chains make this philosophy a difficult balancing act.

**International Marketing.** Marketing to several different cultures, in several different languages, is



**IKEA's Chinese Catalog**

not only difficult but it is very expensive. A message that works in New York City may not be effective in Beijing China. In order for IKEA to maintain effective international marketing, it must study every region and country in which it does business. That requires a lot of research and education for its marketers. Additionally, the store's catalog, its primary printed marketing tool, consists of approximately 9,500 products, printed more than 208 million copies in 30 different languages. (IKEA, n.d., Welcome Inside 2011, p. 23).

Printing 30 or more different versions of the same book is certainly not cheap.

**Staff Consistency.** Because IKEA operates in so many different countries, the education level of their employees will not be consistent. If employees are unable to understand IKEA products or philosophies, the brand is at risk in those locales.

**Public Perception.** Due to its low prices, undecorated packaging, and pre-fabricated furniture items, IKEA will always have to battle the perception of appearing cheap. Consumers typically equate pre-fabricated furniture to cheaply made products, and IKEA's low price point does little to discourage this impression.

## Threats

Threats are identified as external environmental elements that may hinder a company's ability to do business. By identifying potential threats, a company can plan ahead to address the issues at hand.

**Design.** Design preferences go through phases much like clothing fads or hairdos. By consistently creating new products and ideas IKEA can hope to stay ahead of the game. If the world suddenly had distaste for modern, Scandinavian influenced design, IKEA would be in trouble. IKEA must always be working on evolving its brand and product.

**Supply Chains.** If IKEA begins to too heavily rely on certain regions for supplies, they are putting their global business at risk. IKEA uses natural products from forestry and agriculture. Drought, fire, or natural disaster could easily wipe a way a supply chain.

**Social/Political.** Much like their supply chain, social factors can put IKEA business interests at risk. For example, Communist China may suddenly close the doors on IKEA, resulting in a tremendous loss of existing and potential revenue flow. A prominent executive within the company may be found guilty of heinous crimes, resulting in product boycott. The economy may slow down so much that potential costumers are taken out of the market. These are all factors IKEA must plan ahead for.

**Competition.** IKEA is not the only company providing low cost goods. If IKEA fails to differentiate itself and its products from other retailers like Sears, Wal-Mart, or Target, they could be at risk of losing business to them.



### **Marketing Objectives and Strategies.**

IKEA is fortunate to have a lot of global opportunity to increase its business. Because its branding and products are unique, IKEA can effectively enter into a new region or country and be successful. Of course IKEA must do its due diligence and homework to prepare for entering each new market.

#### **Objective 1**

Increase awareness of food options to new shoppers. The goal is to increase foot traffic into store by 20% over the first three months of 2013 by dangling BOGO food offerings to new customers.

Beyond being your typical furniture retailer, IKEA also offers a variety of food options in their stores. IKEA has its very own café, offering an assortment of foods, including some traditional Swedish offerings such as Swedish meatballs and lingonberry tea. IKEA should really talk up these aspects because they are often lost on consumers who have never entered the store. The food and items available are definitely unique to IKEA and the company would be well served to create campaigns that promote uniqueness. Customers like to be a part of something unique

#### **Strategy 1**

The idea is that new consumers come in for free food and while there see that IKEA is a great place to shop. By offering BOGO meal options to new consumers who bring in a coupon AND sign up to be IKEA family members, IKEA can attempt to gain new customers. Coupons will be delivered via social media signups and direct mail campaigns.

#### **Objective 2**

Increase brand awareness amongst recent or soon to be college graduates by 25% from April through September 2013. Promote a photo/video campaign contest similar to the “Got Milk?” campaign. Rather than all black and white ads, go with something that highlights the Swiss Yellows and Blues in the photo

with a slogan like “Live Swiss.” Highlight the uniqueness of IKEA design while providing prizes and recognition to participants.



**Contest Prototype**

### **Strategy 2**

Promote the contest to college students via direct mail, college newspaper ads, and social media networks. The grand prize is a free, complete home office design to regional winners, plus student work posted on the IKEA website for all to see. The strategy is to increase mailing list signups by 25% amongst young adults from ages 20-25 to gain early trust amongst potential new buyers.

### **Objective 3**

IKEA must grow sales in the developing ASIA market. Over the 2013 calendar, IKEA aims to improve upon existing sales in China by 25%. The single most important marketing strategy for most western manufacturers and retailers is to try to tap into China's market. China is a market ready to explode.

**Strategy 3**

Because China and most of Asia are very populated, there is typically very little available space for family homes. So homes are small and very compact. Because of this, IKEA's products are ideal to fit due to their sleek design and modular functionality. In a market hungry for Western



**IKEA's Modular designs make tight spaces efficient**

Product, IKEA has appropriate products that people are very eager to buy. Any marketing campaign in China has to start with simply building brand recognition. IKEA must establish its brand and build trust with the Chinese. It needs to start with billboards and have sample model rooms setup in shopping districts for consumers to see the products in person. The Chinese must see what the product is all about, first hand. Any measurable impact from this campaign would have to be linked to sales numbers. Since this is a brand building exercise, you have to believe that as recognition increases, sales will also increase.

### IKEA Integrated Creative Strategy Statement

Rational Factors	Emotional Factors
Inexpensive	Feels like a bargain because the items are of such high quality but at a competitive price
Solid build and easy to assemble	Trusted quality due to worldwide acceptance
Modern Design allows modular set designs to fit your specific room/office	Modern Design feels trendy
Sustainable Manufacturing Process	Helping conserve the environment
Convenient shopping, more than just a furniture stop	Mission is believable “to offer a wide range of well-designed, functional home furnishing products at prices so low that as many people as possible will be able to afford them.” (Welcome Inside, 2011).
Products for home, work, and leisure.	Swiss design,
	Modern lifestyle
<b>IKEA is more than furnishings and modern design, it is a lifestyle for work and home.</b>	

#### Rejected Integrated Creative Strategy Statements

- More than furniture.
- Live Swiss.
- Be Modern.
- Trusted Quality and Design.
- We fit your lifestyle.
- Customize your life.
- Add quality to your lifestyle.
- Add quality to your office / home / kitchen / etc.

#### Accepted Integrated Creative Strategy Statement

- IKEA is more than furnishings and modern design, it is a lifestyle for work and home.

## Creative Brief

Client: IKEA  
Type: Magazine Ad

Date: 9/19/11  
Pages: 1

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### **Why are we advertising?**

We are advertising to increase the sales of IKEA home and office furnishings.

### **Whom are we talking to?**

We are focusing on college graduate Millennials who are starting their careers and moving into homes of their own. These are young individuals on a tight budget who are tired of college hand-me-down furnishings, and looking to stamp their own individuality and tastes on their home and offices.

### **What do they currently think?**

Facing substantial college debt and fears of unemployment, Generation-Y is very reluctant to make any spending commitments. Additionally the group's indecisiveness may be linked to, "the fear of committing to a style that could quickly become outdated." (Kurtzleben, 2012).

### **What would we like them to think?**

IKEA offers stylish home and office furnishings at an affordable price. The items are unique, modern, stylish, and allow buyer to stamp their dwellings with their own individually. IKEA is a progressively minded company that embraces change, and technology.

### **What is the single most persuasive idea we can convey?**

IKEA is more than just furnishing or a brand, it is a lifestyle for their generation.

### **Why should they try to believe it?**

Millennials seek value and individuality. They want to be unique and different from their parents, but they are very cautious with their money. IKEA provides the individuality and value they seek, at a price they can afford, from a name they can trust.

### **Are there any creative guidelines?**

All IKEA Color, font and logo usage guidelines must be followed. Additionally, the ad must be full-color, full-page, with bleeds. Advertisements must include IKEA logo, the photos must depict IKEA as a lifestyle, including URL and Hash tag information such as [facebook.com/IKEA](https://www.facebook.com/IKEA) and [#LiveWorkPlayIKEA](https://twitter.com/LiveWorkPlayIKEA).

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### Creative Executions

The following is a prototype ad for the new IKEA Millennials lifestyle campaign, “Live. Work. Play. IKEA”. Each ad will feature a color saturated, stylistic photo showing IKEA products in use, similar to catalog photos and will include IKEA logos, campaign text, and social media references.

Each ad will follow the hash tag campaign concept of #LiveWorkPlayIkea with each shot representing one of the 3 options of living, working, or playing with a fully furnished IKEA concept room.



## Media Plan

### Media Objective 1

This objective is to increase brand awareness with recent college graduates and young professionals (Ages 22-42).

The goal is to make a great first impression with a generation

of young buyers so that the IKEA brand becomes synonymous with affordable and stylish furnishings.

This target audience is looking for affordable furnishings that allow them to display their own style. We will find this target audience online and on select Television networks and magazines. Specifically we are looking to increase social media follows by 25% on corporate social media accounts on YouTube, Facebook, Twitter, and Pinterest in the 2013 Calendar year.



IKEA's presence in social media is segmented at best. It is not interactive with its customers, lacks a consistent voice, and has too many accounts for consumers to follow. We hope to utilize the existing followers and build new followers through unique interaction and contests. IKEA would greatly benefit from an effort to consolidate its online followings into the main corporate account so that company can disseminate consistent messaging to its consumers. Social Brand Value writer Daniel Baur believes IKEA's social media strategy lacks focus, "IKEA has a huge fan base but there seems to be a great lack of strategy, guidelines and human resources when it comes to managing social media." (Baur, 2010).

### Strategy 1

This objective will be met with a combined focus of TV, print, and digital media. The campaign will be simultaneously supported by television and print ads to drive users to social media. By using a combination of social media (Facebook, Twitter, Pinterest, Instagram, and YouTube, users will interact with IKEA social media managers.

**Budget 1**

\$17Million

**Tactics 1**

Six 15-second Television commercials will be created to highlight different qualities of the IKEA brand by focusing on different room designs. Each of the six spots will use dramatic videography with a spokesperson that says only, “Live, Work, Play, IKEA,” while listing social media links for contest information, “Join in the fun at [facebook.com/IKEA](https://facebook.com/IKEA), [@IKEA](https://twitter.com/IKEA)...” etc.

**Target 1 – “Live”**

Air commercials on HGTV, ESPN, Featuring Swedish Celebrity Elin Nordegren

**Target 2 – “Work”**

Air Commercials on Food, E!, Featuring Famous Swedish Entrepreneurs Niklas Zennström (Skype) and Swedish Chef (Muppets)

**Target 3 – “Play”**

Air commercials on ESPN, ABC, Featuring Swedish Sports celebrities Roger Federer and Annika Sorenstam.



Social Media Photo campaigns will be utilized to allow users to take photos or videos of how they plan to Live, Work, or Play IKEA using designated #hashtags. Weekly winners chosen for a \$2,500 single room makeover as well as features on the IKEA webpage, catalog, and social media outlets.



Success can be measured by the number of new followers on each social media platform as well as by counting the number of content submissions. With an aggressive campaign like this, we would like to see the official corporate social media pages' followings at least triple. This should be obtainable by enlisting and combining followings from the various fragmented accounts into the main IKEA accounts.

## **Media Objective 2**

The objective is to increase brand awareness with recent college graduates and young professionals (Ages 22-32). The goal is to make a great first impression with a future generation of buyers so that the IKEA brands become synonymous with affordable, styling furnishings. This target audience is looking for affordable furnishings that allow them to display their own style, not their parents' style. We will find this target audience often playing video games. IKEA's current presence in video games is non-existent. We hope to utilize the brand's existing followers and build new followers through unique video game offerings. Specifically we are looking to brand awareness through video game artifact use and purchase, prompted by in game ads and logo placement. Utilization rate will be tracked through video game analytics provided by Electronic Arts to game sponsors (IKEA). With game sales for a new Sims franchise anticipated to be in the Millions, the goal of this objective is to have ten in-game artifacts placed in Sims rooms per user account activated. The lifespan of this campaign will persist through the games lifespan, but the campaign's focus is primarily for the first calendar year (2013).

## **Strategy 2**

This objective will be met with a primary digital gaming focus. We will use recreation to market to future consumers and keep with the theme of "Live, Work, Play, IKEA," by including IKEA artifacts in popular video games.

## **Budget 2**

\$2Million

## Tactics 2

IKEA will work with Video game producer Electronic Arts, to create several “add-on” packages for the hit series, The Sims. The Sims is a strategic life simulation game where gamers get to live and design the lives of their characters, from their appearance, careers, love life, down to the place they live. Why is the selection of this franchise important? The series has sold over 100 Million copies of its games. (Terdiman, 2008).



This widely used home simulation will allow for IKEA to be front and center in front of its advertising demographic group. The game can offer several “unlockable” packages that will reward gamers with hard earned, desirable, digital IKEA goodies. IKEA can offer bathroom, bedroom, office, living room, kitchen, and decorative packs. Ideally this strategy would allow for logo placement in game as well as in the loading credits. An ad placement buy-in like this is becoming more and more common in video games. The latest iteration of The Sims franchise sold 1.4 Million copies in its first week, showing the franchise has a wide following and a lot of life left. (Terdiman, 2009).

With every new game expansion, IKEA can continue the partnership with EA to provide users with unique, desirable content.

Success can be measured by a number of various metrics. Since this is more of a brand awareness campaign, IKEA will primarily focus on how many eyeballs see their digital goods. IKEA will need to know the number of game sales, expansion sales, IKEA packages unlocked, IKEA items added to the SIM worlds, and which products were most used. Additionally EA will be able to provide demographics of these users such as age and sex. IKEA could also distribute the game in its own stores.



## **Public Relations Objectives and Tactics**

### **Objective 1**

In an effort to gain favor and trust, we will work to increase public awareness of IKEA's philanthropic efforts. Focusing on its target demographic market (Young Professionals), we are aiming for a ten percent increase of awareness from January through June 2013. By Promoting Goodwill, IKEA will build a positive rapport with consumers leading to potential long-term relationships. (Kokemuller, n.d.)

### **Tactic 1A**

Generate at weekly articles for reputable national and international newspapers, magazines, and websites discussing IKEA's public involvement and gifts back to the community.

### **Tactic 1B**

IKEA stores nationwide will generate bi-monthly "Kids' Nights" for education and fun. IKEA will use this as outreach to parents to teach their kids about the IKEA process while simultaneously delivering a message of IKEA's philanthropy through lessons and take home literature. Events will be shared with local news coverage to get the positive word out. The reason to have a Kids' Night is due to tie in with the company's philanthropic outreach to children.

### **Tactic 1C**

Issue Press Releases to local media regarding the "Kids' Night" event to get local news feel-good stories as well as spreading the word to parents who normally do not frequent the store and may not be aware of the event otherwise.

**Tactic 1D**

Generate billboards (Outside stores), and posters and digital signage (Inside Stores) to advertise IKEA's Philanthropic Efforts. Share stats, money spent, positive results, and feel-good photography.

**Tactic 1E**

Produce 2 films per month from of January through June 2013, illustrating the significance and importance of IKEA's outreach. The films can unveiled at "Kids' Nights" the shown continuously throughout stores at digital signage kiosks.

**Tactic 1F**

Share the bi-monthly films with the IKEA's social media accounts (Blog, YouTube, Facebook, Twitter), and include URLs and QR codes in in the customer newsletters

**Tactic 1G**

Offer small gifts on receipts in exchange for consumers participating monthly tallied surveys to gauge consumer awareness and exposure the IKEA's philanthropic contributions.

**Tactic 1H**

Offer small gifts in email newsletters in exchange for consumers participating monthly tallied surveys to gauge consumer awareness and exposure the IKEA's philanthropic contributions.

**Objective 2**

To increase IKEA's social media traffic by 25% with existing customers in 2013.

**Tactic 2A**

Have Community Managers available 24hrs a day to interact with international correspondence at all times. Consistently guard against and address any negative social media postings within ten minutes of posting.

**Tactic 2B**

Consistently engage customers. Ask them for their opinions, ideas, and thank them for their patronage and support. Offer contests to give out online name recognition and small prizes.

**Tactic 2C**

Always share corporate blogs, news, and videos with social media outlets. Share a new story daily and a new video bi-monthly. Consistently keep fans in touch with IKEA's brand, offerings, and philanthropic efforts. Publish high-quality content to increase followings and backlinks. (Kumar, 2012).

**Tactic 2D**

In addition to games, offer coupons, deals, and recognition to customers via social sign-in on Facebook and Foursquare. Require Facebook sign-ins to like Facebook page in order to receive special deals and coupons gifts.

**Tactic 2E**

Include videos in the digital version of the IKEA catalog as well as QR code scans for print catalogs. Push users through social media outlets like Facebook, YouTube, or Google + to watch videos, and require a Facebook like or + to view.

**Tactic 2F**

With all company press releases and email newsletters, drive the customers to social media to read the full stories and view photos as opposed to viewing on PR News sites, the IKEA corporate site, or entirely in email. Again, require Facebook likes to view content.

**Tactic 2G**

Tie all blog and news stories from corporate websites to auto-publish into Twitter and Facebook mediums. Build social media presence to encourage people to follow. (Kumar, 2012).

**Tactic 2H**

Consistently measure consumer traffic using Facebook Insights, Twitter analytics, Google Analytics, Constant Contact and PR WEB.

**DM Objective 1.**

In a continuing the efforts of our PR Objectives, we will continue the push to gain favor and trust by increasing public awareness of IKEA's philanthropic efforts. Focusing on its target demographic market (Young Professionals), we are aiming for a ten percent increase in mailing list members of this demographic group from January through June 2013.

**Tactic 1A**

We will have customer relations personnel walking around stores engaging customers. The customer relations personnel will ask consumers if they have questions regarding products, open dialogue, and then discuss the benefits of the IKEA mailing list, including catalogs and coupons. At the end of the conversation ask them for their name and email address to sign up.

**Measurable 1A**

Upon signup, users will receive a confirmation email. That email will require users to complete their profile with all desired demographic information such as age, address, etc. Users will be offered, and given, their first IKEA coupons upon completion of this step. IKEA now has a new person to share their stories of philanthropy with. Measurable data include all desired demographic data as well as countable new additions to the mailing list.

**Tactic 1B**

We will place conveniently located kiosks in to engage customers through the promise of instant coupons and savings. The kiosks will specifically tell a 10 slide or less story of IKEA philanthropy. At the end of the last slide, consumers will be given the opportunity to sign up for the company mailing list and request demographic information such as their name, age, address, and email address.



**Measurable 1B**

Upon signup, each new user will add to countable new mailing list recipients and contain demographic data for focusing marketing objectives.

**DM Objective 2**

Increase in-store visits after the holidays by 20% from previous year from January to March 2013. The holidays may be over, but IKEA still has gifts to give! Distribute IKEA branded coffee mugs for all purchases over \$100. Requirements are that you are already an IKEA family member, or that you sign up for your IKEA family membership on the day of your visit.

**Tactic 2A**

Notification of this deal will be through signs and kiosks in-store for non-Ikea Family members.

**Measurable 2A.1**

Track the number of new IKEA Family Member signups between the months of January and March 2013.

**Measurable 2A.2**

Count the number of Mugs distributed to qualified buyers.

**Tactic 2B**

Send email to IKEA Family Members and offer enticement coupons and a free coffee mug for qualified in-store purchases between January and March 2013.

**Measurable 2B.1**

Track the number of opened IKEA Family Member emails.

**Measurable 2B.2**

Count the number emailed coupons used from this direct marketing tactic.

## Sales Promotions

### Objective 1

We want to appeal to young professionals by offering a 20% rebate on furnishing their home offices.

### Tactic 1

Offer a 20 percent rebate for customers spending more than \$300 on office furniture during the months of June - August 2013. The rebate will be mailed to the customers after the fill out appropriate online forms and mail in the proper paperwork and receipts. This offer cannot be combined with other discounts. The benefit of a mail-in rebate to IKEA is that it:

- gathers demographic data on your buyers,
- can show increased sales/profits due to the time lag between purchase date and rebate expense payment dates are made, and
- interest can be drawn on rebate payment(s) due to the customer during the slow turn around time.

Therefore loss is minimized. (Ex3Solutions, n.d.).

### Objective 2

To increase online sales by 5% during the post-holiday slow down from January – March, 2013.

### Tactic 2

Offer free delivery for all purchases all online purchase more than \$100 to IKEA Family Members. In order to receive the discount, online shoppers must enter the emailed promotional code upon checkout. This method often encourages online shoppers to buy additional items to meet the discount criteria (Tice, 2011).

### **Measurement and Evaluation Plan**

The objectives in this IMC plan all revolve around improving numbers in three basic areas: increasing recognition, increasing sales, and increasing store foot traffic. Each of these elements are measurable and will be used as the criteria to base the success of the IMC plan. The measurement strategies for each criteria is listed accordingly and detailed in this IMC plan with its specific strategy. Each measurement criteria will include a variety of figures measurable as quantitative data.

As a pretest, we will note current IKEA website traffic, store foot traffic, IKEA Family members, social media followers, and sales figures related to IKEA store restaurants. As the campaign begins, it plan will utilize focus and testing groups to measure the significance of any ad or strategy before rolling out to public to ensure the appropriate message is conveyed.

Intercept surveys will be used after purchase on websites and on in-store receipts. Surveys will query shoppers on why the customers visited the store that day, did they find what they were shopping for, when they plan on making a return visit, are they familiar with IKEA corporate philanthropic endeavors, and if they are happy with their shopping experience. Again, this data collected will be primarily qualitative.

Lastly, a posttest will be applied to measure the same data as the pretest. If numbers have improved as the various marketing strategies hope, then we can measure whether or not the IMC campaign was successful.

### **Conclusion**

IKEA has used intelligent branding, marketing, and design to become a globally recognized company. Remembering its roots, coming from an economically challenged region of Sweden during an era of great economic depression, IKEA has always made it a priority to offer high quality items at an affordable price, while keeping true to their civic and social responsibilities. IKEA has embraced IMC and technology to deliver its message to its potential buyers and demographic groups. Now, young professionals, price conscience shoppers, and fans of modern design know where to shop for their home and office furnishings and goods.

Integrated Marketing Communications is “a concept of marketing communications planning that recognizes the added value of a comprehensive plan that evaluates the strategic roles of a variety of communication disciplines – for example, general advertising, direct response, sales promotion, and public relations – and combines these disciplines to provide clarity, consistency, and maximum communications impact.” (Belch & Belch, 2012). Given this definition, it was necessary for IKEA to realign its marketing goals and initiatives to fully take advantage of these different mediums to stay relevant in a swiftly changing retail world.

The objectives and strategies outlined in this marketing plan are designed to further promote the IKEA brand in a quickly evolving digital world to a new generation of consumers. The goal being to build new, long term relationships with shoppers who behave differently and hold different values and expectations from consumers of years gone by.

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