

Ikea

Inspire your own comfort

IMC campaign

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Executive Summary

Ikea is a Swedish furniture company that has expanded its reach globally, including dozens of stores in the United States.

Through research and a SWOT analysis, it was determined that Ikea misses a large portion of its potential market.

This comprehensive IMC campaign seeks to reach that potential market through a variety of advertising, public relations, direct mail, sales promotions and social media objectives. The plan was developed taking into consideration Ikea's background, mission statement, competition, current marketing strategy, and developed to encompass a variety of techniques.

This \$20 million marketing campaign is centered on the theme "Inspire your own comfort," and demonstrates how Ikea has a wide range of products that appeal to individual tastes. The campaign seeks to inspire shoppers to visit Ikea's website and stores when seeking inspiration for decorating

Targeted advertising and direct mail will increase awareness about Ikea across the United States, reaching into markets with very little brand awareness. The campaign will use special in-store promotions that also showcase Ikea's emphasis on community involvement. Community Days, Ikea Fairs and Travel to Ikea Days will generate media interest and coverage, as well as provide a variety of incentives for shoppers to visit Ikea. The events are designed to attract both current, local shoppers as well as though traveling a great distance.

Not only does this campaign expand Ikea's physical reach, it will expands Ikea's digital reach through increased social media engagement, digital advertising and website traffic. Facebook and Pinterest contests will draw reader engagement as well as build awareness for Ikea products.

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Background

Ikea – the Swedish furniture store with a global market – has established itself as a rival to Target and Pier One Imports when it comes to shopping for trendy and functional items.

Ikea was founded by Ingvar Kamprad, who was born in 1926 in Sweden. As his childhood progressed, so did his business savvy. He started off buying matches in bulk and reselling them individually to make a profit, and soon expanded his business to selling flower seeds, pencils and pens (Ikea history).

These products formed the basis for Ikea, which began in 1943 with money from Kamprad's father. Furniture production began in 1948, and as Kamprad saw success, the line expanded. During the 1950s, the furniture business took off, and in 1953, the first showroom opened. The showroom gave Ikea the opportunity to demonstrate the function and quality of its low-price products, which gave it an edge over its competitor (Ikea history).

Ikea's showrooms are designed as a maze to retain customers for long periods of time. The store is divided into two sections – the showroom upstairs and the marketplace downstairs. There is also a cafeteria in the middle. The in-store dining option makes shopping at Ikea a full-day affair that includes lunch or dinner.

Shoppers who enter the store are immediately directed to the showroom, where Ikea products are displayed as they would be in someone's home. Each product is labeled so shoppers will know where to find each item in the marketplace, and pencils and paper are available frequently to encourage shoppers to record what they like. Shoppers follow the maze through each section of the showroom – bedrooms, living rooms, kitchens, bathrooms, offices, outdoors – and end in the cafeteria. This offers a nice break and gives shoppers an opportunity to refuel before entering the marketplace. The marketplace offers all the accessories that were on display in the showroom, separated by category, as well as furniture packed in ready-to-assemble packaging, which customers locate in the warehouse shelves.

Mission Statement

As the company has grown over the years, every decision – from product line to price – have been made to adhere the company’s mission statement:

“At Ikea our vision is to create a better everyday life for the many people. Our business idea supports this vision by offering 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 business idea).

Global reach/finances

The first Ikea store opened in 1958 in Sweden. In 1963, a store opened in Norway, followed by a store in Denmark in 1969. By the 1970s, Ikea was expanding its global reach by opening a store in a new country almost every year. The first Ikea store in the US opened in Philadelphia in 1985. In 2004, the company’s 200th store opened (Ikea history). As of 2012, there are 301 Ikea stores in 37 countries/territories (Ikea).

Ikea’s global value has also exploded during the past 60 years. During its first 30 years, as the company developed its foundation, sales reached \$58.2 million. Between 1973 and 1998, when the company developed its vision and its international foundation, sales increased to \$9.5 billion. Since 1999, as the company has grown into a global giant, sales have tripled from \$10 billion in 1999 to \$31 billion in 2009 (Dahlvig).

Last year, Ikea’s profits jumped 8 percent, as the retail lowered prices by 0.8 percent. Ikea is aiming at doubling its sales by 2020, according to CEO Mikael Ohlsson (Harrison 2013).

Products

While Ikea was growing around the world, it was also expanding its product line and finding ways to minimize costs. It developed the flat-packing and self-assembly concept for which the store is known. By having the customer do the bulk of the work and keeping labor, shipping and storing costs low, Ikea can set low prices. Ikea uses particleboard, an “inexpensive, hard-wearing and easy-to-process material is a natural fit for Ikea,” denim and other as ways to keep product costs down (Ikea history).

Ikea’s products feature simple designs that highlight form and function while being low-priced. “The company recognized that most people don’t live in mansions; they need to find reasonable spaces to put their possessions, where those objects will be readily available, and they need to make the most efficient use of the space they have” (Dahlvig 2012). As a result, Ikea places emphasis on storage and furniture options that also serve as decorative pieces.

Ikea’s shoppers are individuals, and as a result, they each have unique design tastes. To appeal to this desire, Ikea launched Ikea Post Scriptum, giving designers free rein to shape the latest creations, where the aim is to create products that are emotional, fun and less predictable, appealing to those who prefer an individual taste to a common style” (Ikea history). These products are functional but also can be distinguished as “exclusive” pieces.

Ikea also recognizes the need for durable and safe furniture for children, and offers products made of tough, resilient materials and have rounded corners. To further emphasis its dedication to families, Children’s Ikea was officially launched in 1997 (Ikea history). The line includes cribs and crib mattresses, baby and children’s textiles, changing tables and nursing, storage, highchairs, toys, children’s beds and mattresses, and children’s tableware.

- Eating: serving pieces, Swedish food, dinnerware, flatware, glassware, place mats, napkins
- Home office: Desks, chairs table tops, cable management, shelving, filing cabinets, lighting, drawer units, paper and media organizers
- Outdoor: Dining and lounge furniture, storage and protectors, decorative lighting, umbrellas, plant pots and plants

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- Kitchen: Cabinets, appliances, countertops, faucets and sinks, wall storage, islands and carts, step stools, knobs and handles, lighting
- Dining: Chairs, tables, storage, bar stools, benches
- Cooking: Pots and sauce pans, frying pans and woks, knives, chopping boards, bakeware, utensils, food storage, mixing and measuring tools, textiles, ovenware
- Living room: Bookcases, sofas, rugs, cushions, shelving, media furniture, lightings, curtains and blinds, cabinets, lounges, chairs, storage, coffee and side tables, blankets and throws
- Bedroom: Single, full, queen and king beds, wardrobes, comforters, mattresses, pillows, lighting, headboards, mirrors, cushions, rugs, blankets, clothes organizers, dressing tables
- Storage: boxes and baskets, storage systems, bins and bags, pantry hooks, racks and stands, wall shelves,
- Bathroom: sink cabinets, towels, bathmats, shower curtains, faucets, mirrors, accessories, lighting
- Decorations: frames and pictures, candle holders and candles, vases, bowls, flowers, clocks, mirrors, gift wrapping

Competition

Ikea stands up well with its main competitors, Pier 1 Imports and Target. "Ikea's operating margins of approximately 10% are among the best in home furnishing," compared to margins of 5 percent at Pier 1 Imports and 7.7 percent at Target. (Capell 2005).

Pier 1 Imports

- Sells decorative accessories, furniture, candles, housewares, seasonal products
- Operates 1,052 stores in the United States and Canada (New York Times 2012)
- Pier 1 Imports/UNICEF greeting card contest donates 100 percent of proceeds to UNICEF, while one school awarded \$500 in art supplies (UNICEF 2012)
- Pier1 Rewards credit card offers bonus points on purchases
- Offers wide array of online shopping

Target

- Sells decorative items, furniture, housewares, clothing, sporting goods, toys, electronics, groceries, seasonal products
- Operates 1,763 stores in 49 states and D.C. (New York Times 2012)
- Target Redcard credit/debit card offers 5 percent off purchases immediately, as well donates 1 percent of sales to school of shopper's choice and free shipping on online purchases (Target)
- Website encourages shopping online, offers online-only products or tells shoppers where to find product in-store.
- Offers in-store and online gift registry

Crate and Barrel

- Sells furniture, housewares, decorative pieces and accessories
- Operates more than 100 stores in North America
- Distributes quarterly catalog
- Offers \$5 flat shipping rate for all online purchases, all products are available online
- Offers in-store and online gift registry
- Host in-store events such spring gathering to promote holiday; first 50 attendees receive a gift bag (Crate & Barrel)
- Commitment to eco-friendly initiatives

Marketing

Ikea's marketing began early. In 1945, the first advertisements appeared in newspapers, and Kampard began operating a mail-order service. The Ikea catalog, which is still used today, was published first in 1951. By 1984, the print run was 45 million copies in nine languages. As of today, the catalog is printed in 198 million copies in 27 languages for 38 countries (Ikea).

Its website, www.Ikea.com, launched in 1997, and in 2000, online shopping began in select countries. The website is similar to interactive version of the catalog. The catalog is also available as a smartphone app.

While online shopping is available, shipping is based on flat rates that are believed to be the most cost-effective. This means high shipping costs for shoppers purchasing just one or two items who live a great distance from an Ikea store, while shoppers who furnish entire room via online shopping have a much lower delivery cost (Nguyen 2012).

In 2013, Ikea started using QR codes in its catalogs, which take users to an array of digital content. According to Baldwin, the company recognized the importance of digital but also wanted to maintain the print product. (2012). "Ikea decided to pepper the catalog with a digital layer — a much more intriguing proposition than scrapping print entirely, and going straight to mobile" (Baldwin).

Ikea maintains Facebook, Twitter and Pinterest accounts. The Facebook page is very image-heavy, with posts promoting visiting Ikea.com to view and purchase products. The Facebook page is also used to promote community events and draw customer interaction by asking questions. Ikea's Twitter account is used to post links to products and design tips. Ikea's Pinterest page is the most interactive, as it features Ikea products and overall room designs, which link to where the items can be purchased.

Environmental and Philanthropic efforts

Ikea's mission statement of creating a better everyday life for many people includes giving back to communities and living sustainably.

According to Ikea's sustainability report, Ikea emphasizes energy efficient stores – more than half of Ikea's buildings' energy needs now come from renewable sources such as solar panels and wind turbines – as well as products. For example, nearly half of all kitchen cooktops sold at Ikea were energy efficient (2011).

Ikea's packing model also incorporates this belief, as flat-packaging allows for lower shipping and storage costs, as well as reduced waste.

Ikea's new People and Planet Positive campaign aims to produce as much energy as it consumes by 2020 (Hickman 2012). In order to do this, Ikea will emphasize the use of products made from renewable, recycled or recyclable materials; promote waste-reduction schemes; boost clean water projects; and lower carbon emissions in transportation.

Ikea believes children are the most important people in the world, and focuses efforts on improving children's lives. The Ikea Foundation's involvement with programs like UNICEF and Save the Children, "are designed to create substantial, lasting change, enabling communities in developing countries to take charge of their own future" (Sustainability report). At the community level, the Ikea Group is involved in many national and local activities. This includes education, literacy, nutrition, and physical activity programs. The biggest emphasis is on education, and Ikea partners with many agencies to provide books, school supplies and toys for children (About Ikea).

Target audience

The product line and affordable prices make the company appealing to people of any income level. However, its products are aimed specifically at young families who have a limited budget yet still want fun, functional and trendy pieces to fill their homes.

These families spend their average \$80,000 incomes on the newest electronics trends like smartphones, tablets and e-readers, which doesn't leave much in the budget leftover for expensive design pieces. However, the family wants to give the illusion of grandeur, and want inexpensive pieces that look high-class. Perhaps more than any other company in the world, Ikea has become a curator of people's lifestyles, if not their lives (Capell).

Even more specifically, Ikea products target the women in these families. "Ikea – noting that more than 70 percent of its shoppers are women – has enhanced its store environment to be more 'women friendly'" (Belch and Belch, 2012, p. 50). These wives and mothers often work during the day, and want to come home to an organized, bright home. Ikea's showroom and website show shoppers how the product's bold colors, trendy furniture and functional storage options can offer a relaxing environment at home.

Market research conducted by Crispin Porter + Bogusky found that Americans tend to hold on to furniture for a long time, and Ikea's marketing campaigns look to get Americans to break that trend.

Alex Bogusky, creative director at Crispin Porter + Bogusky, told *USA Today* that the original "Unböring" spots, "Lamp" and "Moo Cow," were aimed at Americans who "spend wildly on 'fashion' purchases, such as clothes and shoes. They still cling to a 'till death do us part attitude' with their furniture" (Teague).

Just as the women mentioned above are unlikely to wear the same clothes and shoes two years in a row, they also seek to update their homes frequently, adding new pieces and fresh decorative items. However, in the same way they shop for deals on the clothing racks, they also look for bargains on home items. Ikea's low prices are what keeps its customers coming back.

Example of Target Audience

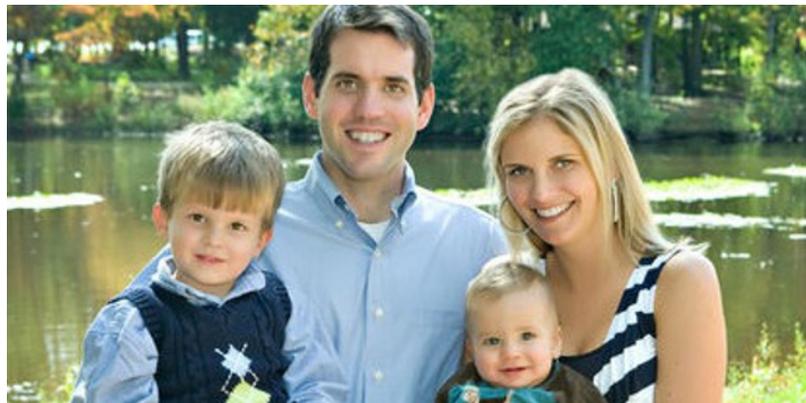
This marketing campaign aims at Elizabeth, 32, who lives in Cleveland, Ohio, with her husband of seven years, Tom, and their 18-month-old son, Jacob, and newborn son, Matthew.

Elizabeth has a bachelor's degree from Ohio University, and works in a retail management position, making \$50,000 a year. Tom's business position requires a lot of travel, and he makes \$80,000 a year. The couple owns a three-story, five-bedroom, three-bathroom home in the suburbs. The family has discretionary income, but doesn't spend frivolously, instead opting to find deals and shop economically.

Both Elizabeth and Tom are career-focused, and put off starting a family to focus on careers.

Elizabeth is always on the go, as a working mother of two young children. Her life revolves around technology, and she's always connected via either her iPhone or Ipad. She uses the Internet for networking with friends and family through Facebook and Twitter, and uses Pinterest to find decorating ideas, money-saving tips, new recipes and activities for her children. She does a lot of online shopping, especially from Amazon.com, and uses online websites to shop around for the best deals.

Elizabeth enjoys entertaining family and friends for holidays and weekend parties, and strives to maintain a home décor that is welcoming and impressive. She shops at Target, World Market and Pier 1 Imports for pieces to decorate her home, and buys furniture from local furniture shop.



SWOT Analysis

<p style="text-align: center;">Strengths</p> <ul style="list-style-type: none"> • Functional, trendy pieces at low prices • Environmental consciousness • Vast product range • Direct marketing/catalog • Global brand recognition • Unique shopping experience • Website • Loyal customers 	<p style="text-align: center;">Weaknesses</p> <ul style="list-style-type: none"> • Store locations • Lack of social media engagement • Awareness outside local markets • High shipping costs
<p style="text-align: center;">Opportunities</p> <ul style="list-style-type: none"> • Growing demand for eco-friendly products • Increasing popularity of social media • Prominence of online shopping • Untapped markets for customers • Rebounding housing market 	<p style="text-align: center;">Threats</p> <ul style="list-style-type: none"> • Increase in competitors • Competitors' promotion/sales • Rising costs on materials

Strengths

Ikea has built a globally recognized brand that specializes in offering a large variety of functional, trendy furniture and accessories at low costs to the consumer. Ikea showrooms follow a specific floor plan that gives shoppers a deliberate, unique shopping experience. “The first level is for those who know what they're looking for while the second level is for those not entirely certain what they're looking for ... two key methods of information retrieval” (MacLeod). The displays feature decorated rooms with all the furnishings and trimmings, which enables shoppers to visualize how products will look in their own homes. Ikea customers are loyal – when Ikea Family was launched in the United States, it amassed 1.2 million participants in one year (Tode 2012). For shoppers who can't make it to the store, Ikea offers a 300-page direct mail catalog featuring many of its products. The Ikea website also makes designing a room and purchasing products easy for customers. Traffic to Ikea's website rose by 21.8 percent to more than a billion visits in

the fiscal year ending Aug. 31, 2012. (Presse 2013). In addition to the product line, Ikea places emphasis on environmental awareness and sustainability. Ikea says sustainability “is about taking care of people and the planet – from tackling the problem of children living in poverty to creating renewable energy” (Ikea People and Planet). Ikea’s business practices as well its products and the materials used are examples of this effort.

Weaknesses

Although Ikea has 301 Ikea stores in 37 countries/territories (Ikea), the distance between stores leaves out a large segment of potential customers. In the United States, Ikea has 38 stores in 21 states. Most of these stores are on the East and West coasts, with very few stores in the Midwest (Ikea store locator). Ikea’s marketing and advertising targets local audiences near the store, overlooking a large segment that could shop online. For example, the Ikea catalog is only mass-distributed in the area around each IKEA store (Ikea FAQ). Shipping costs increase the further a customer is from a store, discouraging shoppers to utilize online shopping. Ikea maintains a social media presence, but there is no engagement with customers.

Opportunities

Ikea has untapped markets that could become potential customer bases by expanding both physical and marketing presence. The recent surge of online shopping means customers who can’t drive to a store could just as easily make purchases online. Customers are more frequently turning to social media, and the growing popularity of these networks offers a low-cost opportunity to talk to audiences. There is also an increasing demand for “going green,” and Ikea’s emphasis on sustainability and environmental awareness puts it on the cutting edge of this movement. As the housing market improves, more people will be buying houses. These new homeowners will need to furnish and decorate their houses. According to Fottrell, “Construction starts hit a 54-month high in December 2012, reaching 954,000 on an annualized rate, a 37% jump on the year. ... People are also remodeling their homes with renewed vigor, suggesting homeowners believe house prices will continue to rise” (2013). By region, the Midwest was the second-highest region in percentage of sales increases. “In the Midwest, sales jumped 7.2 percent to an annual pace of 1.19 million, up from 1.11 million the month before and up 21.4 percent from the year before” (Real Estate ABC).

Threats

Because Ikea's promise of low prices is a cornerstone of its success, Ikea is obligated to keep prices low despite rising costs. "Operating profit was down three percent as raw material prices rose and the company tried to keep more products in stock by raising inventories" (Presse). Ikea's competitors are also seeking ways to compete with Ikea, by offering more products and sales or promotions that Ikea can't easily compete with, given its already low prices. Ikea must find ways to keep pace with stores such as Target, Pier One Imports and Crate and Barrel, as well as Amazon.com's dominance on online shopping.

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Marketing Objective:

- Attract 100,000 new customers who live more than 100 miles from store in one year

Marketing Strategies:

- Broaden advertising to include areas without current stores
- Target audiences without local stores to shop online
- Emphasize community events to show Ikea is a fun place to shop

Marketing Objective:

- Sustain customer loyalty through IKEA family by adding 3 percent more members in one year

Marketing Strategies:

- Broaden incentives for first-time loyalty program sign ups

Marketing Objective:

- Increase followers on Facebook/Twitter/Pinterest by 10 percent in one year

Marketing Strategies:

- Promote engagement with customers on each social network through contests and interaction
- Develop prominence of social networks in store and on website

Creative Brief

Client: Ikea

Date: Feb. 11, 2013

Type: Television Ad

Pages: 1

Why are we advertising?

To promote Ikea's website as a destination to shop for unique, functional home design for everyone.

Whom are we talking to?

Professional women in their 20s and 30s with families, who are constantly connected with computers, tablets and smartphones, shop online and don't live near an Ikea store.

What do they currently think?

Ikea is too far away for its products to be a consideration when designing or furnishing a home.

What would we like them to think?

Ikea's website makes finding inspiration and shopping for custom home design easy and convenient from anywhere.

What is the single most persuasive idea we can convey?

Ikea's comfortable products and stylish designs are available to anyone, regardless of location.

Why should they believe it?

Ikea offers a wide variety of products that make customizing design easier than at any other store or website.

Are there any creative guidelines?

Television spot to run in markets where an Ikea showroom is not conveniently located.

Creative theme:

Ikea's low prices, functional pieces and wide variety of products are perfect for women who want to take pride in designing homes that are comfortable and unique. This marketing plan revolves around the theme that Ikea lets consumers design their own kind of comfort from anywhere.

Creative execution:

This television ad will feature four women in their late 20s/early 30s of varying ethnic background. Women will be wearing fashionable, trendy clothing in bright colors.

Each scene will include furnishings and decorative items from Ikea's collection.

Ad starts with voice over: "When does inspiration find you?" while showing scenes of the four women.

One woman will be doing dishes, when a thought-bubble with a light bulb appears over her head.

One woman will be running, when a thought-bubble with a light bulb appears over her head.

One woman will be taking a bubble bath, when a thought-bubble with a light bulb appears over her head.

One woman will be lying in bed, when a thought-bubble with a light bulb appears over her head.

After these brief glimpses, voice over will say: "Don't wait for inspiration to find you. Go find it, at ikea.com." Then, a four-way split screen showing each woman using a different electronic device – laptop, desktop computer, smartphone, tablet – to shop for Ikea products will be shown. The thought-bubbles will have images of Ikea's products.

Ad will end with Ikea logo, ikea.com and campaign hashtag underneath.

Paid Advertising

Objectives:

- Target 60 percent of media resources to new customers and 40 percent toward current customers
- Reach 40 percent of the target audience (18-35-year-old middle and upper-middle class women) at least three times in the first four months of media campaign, and reach 15 percent for last eight months of campaign

Strategy:

- Purchase television and radio advertising in areas near Ikea stores as well as areas without a nearby Ikea store to promote brand, store experience and website
- Run print advertisement campaigns in national magazines that reach target demographic

Tactics:

- Run 30-second advertising commercials nationally during daytime soap operas on basic cable channels; HGTV; and Food Network 10 times a week per channel
 - There will be two advertising campaigns. One aired in areas within 100 miles of an Ikea store will emphasize in-store shopping. A separate ad promoting Ikea as a place to shop either in store or online will be aired in areas where there is no current Ikea store.
- Run radio advertisement on Sirius radio stations Family and Health and Entertainment five times a week per station
 - This will be the same radio ad emphasizing Ikea as a brand for style-savvy mothers in the target age group
- Purchase full-page ads in magazines -- HGTV, Home, Better Home and Garden and The Oprah Magazine
 - This will be one single national ad that emphasizes Ikea as a brand that enables target audience to “inspire your own comfort”

Objective:

- Draw 50,000 new visitors to Ikea.com over 12-month period

Strategy:

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- Increase mobile advertising to reach audience that is frequently connected via smartphones and tablets

Tactics:

- Purchase small interactive video advertisements on mobile applications that link to Ikea.com. Applications used by audience include: Pandora, Spotify, Netflix, Hulu, YouTube, and Starbucks. Ads should be no longer than 10 seconds in length, to grab the user's attention.
- Purchase sponsored posts on Facebook and Twitter to increase prominence of Ikea brand and social networks

Public Relations

Objectives:

- Generate 100 favorable articles in media outlets across country during one year about Ikea's community efforts.
- Host 12 community-oriented events across the United States that attract 500 people per event.
- Entice 300 shoppers to travel more than 100 miles to shop at an Ikea in one day.

Tactics:

- Sponsor charitable events in local communities. Examples include a project similar to Habitat for Humanity, or a school supplies drive for under-privileged children.
- Hold "Ikea fairs" in communities without Ikea stores. These fairs would be used to promote Ikea's focus on environmental sustainability; community involvement, including specific examples of how Ikea benefits communities similar to the one hosting the fair; and unique product designs.
 - Fair will include traveling showrooms and shopping kiosks, where event attendees could purchase Ikea products or sign up to receive catalogs.
 - To promote community involvement, Ikea fair will be similar to a county fair or festival. In addition to Ikea booths and information, local community non-profit organizations will be invited to set up booths and sell food or beverages.
- Hold "community day" at Ikea stores. Similar to the Ikea fairs that will be held across the country, community day will invite local community non-profit organizations to promote their services at booths set up throughout the Ikea showroom.
- Hold a "Travel to Ikea" day on the same day in every store across the United States. Advertise in areas farther than 100 miles from an Ikea about this special shopping day. The day will include free samples of Ikea food, special entertainment for children and an Ikea prize pack giveaway for the customer who traveled the farthest. Customers must show a valid driver's license to be included in the promotion, and the winner will be announced at 3 p.m. The customer must be present to win, which will encourage customers to spend longer in the store if they arrived early.

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- Send press releases to local media outlets about the aforementioned events to increase media awareness and generate coverage of these events.
- Send special invitations to Ikea fairs and community days to journalists and local bloggers, specifically “mommy” bloggers and lifestyle or features reporters.
 - Make sure media outlets that attend philanthropic events or Ikea fairs receive special treatment, including special press area with food and beverages and exclusive interviews with various event organizers.

Social media

Objectives:

- Increase followers by 10 percent over 12-month period
- Receive 1,000 positive social media posts over same period

Strategies:

- Promote social media networks through contests for target audience
- Increase engagement on social networks to build consumer trust and interest

Tactics:

- Monitor and respond to negative comments on social networks
- Develop a hashtag to be used in coordination with “Inspire your own comfort” campaign. Infuse this hashtag across all platforms, including print and television advertising, website, in-store materials and direct mail products.
 - Monitor hashtag posts for negative comments, and respond to/retweet posts where appropriate.
- Launch a room-decorating contest, encouraging audience to design a room using Ikea products, photograph the room and upload to Facebook. After two-month period, submissions will be closed and fans will be able to vote on favorite rooms. The top 10 rooms will receive a \$1,000 Ikea gift card, with the most-liked room being featured in an Ikea print advertisement. Promotion for the contest will be through the Facebook page and Ikea’s website.
- Create a Pinterest contest where participants will use Ikea.com to decorate their “dream space” by pinning Ikea products to a designated pin board. Participants will submit their boards to Ikea, and at the end of a month-long period, Ikea staff members will select their top five favorite boards. The top five will receive \$500 Ikea gift cards, with the best-designed room receiving no more than 20 pieces from his or her board to create their “dream space.”
- Post weekly questions on Facebook and Twitter to promote engagement and attract audience to social networks. Questions can include generic questions like, “What one thing would you change most about your living room?” to more topical, like “When you spring clean, do you throw things away or simply reorganize the clutter?” Ikea social media team should respond and retweet where appropriate.

Direct Marketing

Objectives:

- Expand awareness to shoppers who live more than 100 miles from Ikea
- Receive a 2 percent response rate on catalog QR code access

Tactics:

- During one calendar year, distribute Ikea catalogs to all U.S. families with two working parents between the ages of 25 and 35 who have a combined family income of \$50,000 or higher. Catalogs will include QR code that sends shoppers directly to Ikea.com, where they can find more information on the products, buying online and a prompt to download the Ikea smartphone app. Broadening catalog distribution will increase Ikea's reach and generate awareness for the store.

Objective:

- Generate a 3 percent increase in Ikea Family memberships over year

Tactics:

- Mail postcards four times a year – January, April, July, October – to U.S. residents with a household income of \$35,000 or higher offering a special promotion for signing up for Ikea Family. Recipients who take the postcard to the nearest Ikea store or enter the promotion code online will receive a \$20 gift card after signing up for an Ikea Family membership.
- Change terms of Ikea Family memberships to include free online shipping for members on purchases of \$100 or more. This will encourage shoppers a greater distance from Ikea Family to sign up, which will increase Ikea's ability to direct market these customers through mail and email for future promotions and sales.

Sales Promotion

Objective:

- Build Internet sales by 5 percent in one year

Tactic:

- Offer an “online only” coupon code for \$10 off purchase of \$50 or more. This coupon can be distributed in store at checkout, advertised on website and emailed to Ikea Family members.
- Launch “free shipping weekends” on six weekends a year, where any purchase of \$100 or more comes with free shipping, no special coupon or code required. Ensure that shipping procedures are fast and accurate to demonstrate to customers the convenience and ease of shopping online.

Budget

75 percent of the allocated \$20 million budget will be used to fund the broad, aggressive television, radio, print and mobile campaign.

- \$10 million – television ads
- \$4 million – radio ads
- \$1 million – magazine print ads
- \$4 million – mobile advertising

Social media engagement requires a much lower cost, with the only significant expenditures being prizes for the contests.

- \$10,000 – Facebook contest prize
- \$10,000 – Pinterest contest prize
- \$30,000 – Developing ads for promotions to be used on websites
- \$50,000 – Purchase sponsored ads on social networks

Evaluation

This marketing plan aims to draw more shoppers from areas farther than 100 miles from an Ikea store, by increasing both online sales and in-store visits. The success of online sales can be tracked by number of orders, and shipping or billing addresses can determine the location of shoppers. To determine the home residences of in-store shoppers, an Ikea representative will greet shoppers on weekends, holidays and special promotion days. The representative will take a quick survey of customers by asking where they live and how many are in their household. This data will be compared over a yearlong period to determine any increases or decreases in traveled distance. Many of the special promotions have built in evaluations, such as determining whether special in-store days generate favorable press coverage or substantial turnout. The success of digital promotion can be determined by the number of website hits, increase in followers and number of contest participants.

Conclusion

All the components of this IMC plan work together to increase Ikea's reach both physically and digitally. The tactics in this plan are designed to draw shoppers from further distances to see Ikea as a destination for shopping, both online and in-store. These shoppers might currently be unaware of Ikea, and specialized promotions and targeted advertising will increase awareness in these customers. After the yearlong campaign, Ikea should see a significant increase in in-store and online sales, Ikea family memberships, social media engagement and website traffic.

A successful campaign will net:

- 100,000 new customers
- 3 percent increase in Ikea family members
- 10 percent increase in social media network followers

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