

Running Head: IKEA IMC PLAN

IKEA Integrated Marketing Communications Plan

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### **Executive Summary**

Contained in this paper is an Integrated Marketing Communications plan for IKEA. The target audience of Millennials with young families is the focus of the proposed campaign and a great deal of research has been completed to identify and utilize IKEA's strengths, weaknesses, opportunities and threats to prepare a plan most beneficial to the organization. Objectives and tactics have been designed to fall in line with IKEA's strong mission and values. This detailed plan includes marketing, creative, media, and public relations strategies, as well as direct marketing and sales promotions suggestions. A comprehensive budget and media plan flowchart map out the campaign and the proposed measurement and evaluation plan will assess the campaign upon completion.

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## Background Information

IKEA was founded in 1943 by Ingvar Kamprad, an entrepreneur from Sweden (IKEA, 2011c). Wanting to offer good quality furniture at prices noticeably lower than the competitors, Kamprad took advantage of any and all cost-cutting measures that he could and implemented many innovative ideas to achieve his goal. The people of Smaland, Sweden, where Kamprad grew up, had a reputation for being hard workers and thrifty (IKEA, 2011c). Kamprad incorporated these values into his business. He also incorporated the initials of the farm and town where he grew up into the company name. "IK" are the founder's initials, "E" is the first letter of the name of his family farm, and "A" is the first letter of the name of the town (IKEA, 2011c).

IKEA's vision is "to create a better everyday life for the many people" and the business mission is "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*, n.d.)." Showing their commitment to these ideals, IKEA has consistently lowered prices, by average of 2% - 3% per year (*Welcome inside*, n.d.) while still growing financially. According to a press release from January, 2011, the IKEA Group FY 2010 "is growing and financially strong (IKEA, 2011a)." Sales for FY 2010 totaled approximately \$29.3 billion with a net profit 6.6% higher than the previous year (IKEA, 2011a).

IKEA is dedicated to sustainability, exemplified by their long-term goal to be 100% supplied with renewable energy and the expenditure of money on solar panels, wind turbines, and other renewable resources (*Welcome inside*, n.d.). Dedication to the environment is linked to the IKEA Social Initiative, whose mission is "to improve the rights and life opportunities of the many children (*Welcome inside*, n.d.)." The company's dedication to the environment also plays a role in the use of a flat-shipping method. By making products easier to transport, it saves on transportation costs and environmental impacts.

"Your partner in better living. We do our part, you do yours. Together we save money (IKEA, 2011b)." This is IKEA's market positioning statement. Current marketing examples start by focusing on the product line and the company understands that the store plays a role in communicating the brand as well. IKEA uses the internet, press releases, advertising, direct marketing, and limited sales promotions. Advertisements are aired on television, radio, and shown in magazines. Advertising is focused on brand awareness and communicating when new catalogs are available or new stores will be opening (IKEA, 2011b). The primary marketing method used by IKEA is the catalog. Approximately 70% of the marketing budget is devoted to the catalog, which is printed in 38 different editions, in 17 languages, and boasts a 110 million circulation rate in 28 countries (IKEA, 2011b).

IKEA has positioned itself well in the home furnishing arena, being one of the few that focuses on lowering costs and prices charged to customers as well as being environmentally responsible and community-focused. Another furniture company, ILVA, has a similar concept regarding affordable, contemporary design and high quality pieces of furniture (UK home ideas). Target and Kmart are also competitors, both partnering with designers to bring beautiful, functional furniture options into the stores while keeping prices low (Ikea: How the Swedish, 2011).

Pier 1 Imports (Pier 1), probably the most direct competitor in the US market, also offers products with style and "flair" that keep customers intrigued. This store has been described as "North America's largest specialty retailer of decorative home furnishings, gifts and related items with 693 stores in 47 states, Puerto Rico and Canada, and international operations in the United Kingdom and Mexico (AllBusiness, 2011b)." Pier 1 targets women aged 21 – 39 (AllBusiness, 2011a), which overlaps with the target audience of IKEA. Pier 1 describes themselves as a socially conscience company and states that their

products are selected to offer a “one-of-a-kind product that reflects excellent quality at a great value (Pier 1, 2011).” Pier 1 utilizes the internet, social media, press releases, advertising, direct marketing, and varied sales promotions. They use television, print, radio and social media to promote their promotions. Pier 1’s Facebook page features many exclusive coupons (Facebook, 2011) and one of their on-going direct mail campaigns targets new movers by sending mailers offering credit cards as well as a coupon for the first credit card purchase. Not only does the mailing help to maintain a steady flow of new credit card holders during the course of a year, it has also been found that it “drives store traffic and generates sales with bank credit cards (AllBusiness, 2011a).”

### Target Audience

IKEA focuses much of its attention on price-savvy, stylish, middle-class individuals and families (Ikea: How the Swedish, 2011). The demographic most interesting to IKEA is social class, because the middle-class is the group of people who need quality furniture and low prices, but who still want stylish furniture. Most of the shoppers are female, more than 70%, and IKEA has worked to change their store experience to accommodate (Belch & Belch, 2011). The target market shares buying habits, for example, the \$85 spending per visit is approximately the same in Russia and Sweden (Ikea: How the Swedish, 2011).

IKEA also practices psychographic segmentation to find their target audience, focusing on individuals with the same core values: thriftiness, environmental passion, and good taste. IKEA has done well accommodating this audience, “it is a trusted safe zone that people can enter and immediately be part of a like-minded cost/design/environmentally-sensitive global tribe (Ikea: How the Swedish, 2011).” IKEA is attractive to the socially responsible, contemporary group of middle class, who also need to be budget-conscious, specifically the Millennial generation, aged 16 – 34 (AdAge, 2011).

The Millennial generation is one that uses social media heavily, prefers to shop with others and prefers brands with “well-developed social- and mobile-media presence (AdAge, 2011).” Reward and loyalty programs are important to this generation and their shopping habits are more “needs-based and experimental than older generations (AdAge, 2011).” Positive, self-expressive, confident, and open to change (The Millennials, 2010), this generation says their highest priority is being a good parent, followed by having a successful marriage, helping others in need, and owning a home (The Millennials, 2010). In a 2008 study, approximately 25% of all Millennials owned a home and nearly 50% of married Millennials were homeowners (NewGeography, 2011a). The more mature end of this generation, those with degrees and three to four years of experience, averages an annual salary of \$90k with \$430 of “spending” money available each month (iMedia Connection, 2011). This generation prefers to live in suburbs, with 43% of Millennials describing the suburbs as “their ideal place to live (NewGeography, 2011b).”

SWOT Analysis

	Helpful to achieving the objective	Harmful to achieving the objective
Internal Origin (attributes of the organization)	<p><i>Strengths</i></p> <ul style="list-style-type: none"> <li>• IKEA has a very strong culture, and strives to nurture that culture internally.</li> <li>• A well-defined business mission, “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 (<i>Welcome inside</i>, n.d.),” establishes the company’s goals clearly to both customers and management.</li> <li>• IKEA is authentic, and successfully upholds each of the four pillars of authenticity: sense of place, strong point of view, serving a larger purpose and integrity (<i>Who do you love</i>, 2011). The company was originated in Sweden and has retained the values of the region through its nearly 70 years in business (IKEA, 2011c). The vision for the company, “to create a better everyday life for the many people (<i>Welcome Inside</i>, n.d.)” represents the strong point of view. IKEA’s dedication to sustainability, exemplified by their long-term goal to be 100% supplied with renewable energy and the expenditure of money on solar panels, wind turbines, and other renewable resources (<i>Welcome inside</i>, n.d.), is an example of how IKEA serves a larger purpose. One example of IKEA’s integrity is how it has consistently lowered prices, by average of 2% - 3% per year (<i>Welcome inside</i>, n.d.), supporting the business mission.</li> </ul>	<p><i>Weaknesses</i></p> <ul style="list-style-type: none"> <li>• While currently doing well financially (IKEA, 2011a), IKEA puts a large amount of money back into the company to support lower prices. This method may not prove to be financially sound over the course of a long-term global recession.</li> <li>• As the company continues to expand and age, they may start facing some “growing pains,” where the values and business practices that have built the foundation for IKEA may start to weaken as the current management becomes further removed from Ingvar Kamprad, the company founder.</li> <li>• Expansion into more markets and locations may dilute the authenticity the company enjoys now (<i>Who do you love</i>, 2011), which could threaten its loyal customer base.</li> <li>• IKEA does not currently reach out in an organized fashion to the target audience via their most popular media – social media (AdAge, 2011).</li> <li>• With 68% of Millennials shopping online (Internet Retailer, 2011), it would be beneficial for IKEA to improve the availability of online products.</li> </ul>

<p>External Origin (attributes of the organization)</p>	<p><i>Opportunities</i></p> <ul style="list-style-type: none"> <li>• Millennials (Generation Y) are the source of great potential for IKEA. This generation prefers family-friendly stores, brands with a well-developed social presence and good deals. (AdAge, 2011). IKEA has set up their stores so they lend themselves to a family-friendly outing, from the children's play area to the restaurant at the end of the trail around the store. IKEA works to maintain their commitment to community and strives for low prices.</li> <li>• Millennials will do a great deal of advertising for a company. They tweet and facebook post their thoughts and experiences with a brand (AdAge, 2011). They also tend to have a lot of friends on social media sites that will listen to their opinions. This is a generation that often consults with its social network before making major decisions (AdAge, 2011).</li> </ul>	<p><i>Threats</i></p> <ul style="list-style-type: none"> <li>• Competitors of IKEA, such as Target and Kmart, have partnered with designers to bring beautiful, functional furniture options into the stores while keeping prices low (Ikea: How the Swedish, 2011). As more affordable, well designed furniture options become available, IKEA may have to focus on other strengths in order to remain competitive.</li> <li>• There is a stigma surrounding IKEA that the furniture is “disposable” or “good-until-I-can-do-better pieces Re-nest, 2011).” IKEA will have to overcome this perception.</li> <li>• Millennials love shopping at Target (AdAge, 2011). As Target offers more discounted items, a store credit card that offers discounts and donations to schools (Target, 2011), a simple online experience and fashionable options, the may start to gain on IKEA's market share.</li> <li>• Competitor, Pier 1, offers a service named “Pier 1 To-Go,” enabling customers to select the items they want online, then visit a store to pick up and pay (Pier 1, 2011).</li> </ul>
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Marketing Strategies and Objectives

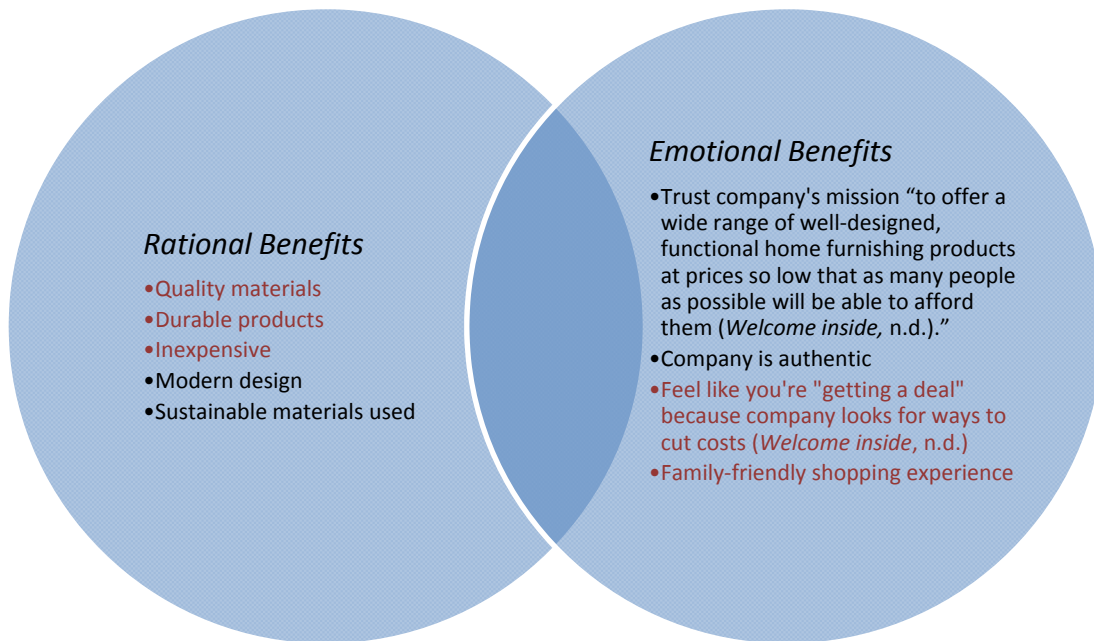
*Objective 1:* Increase awareness of the target audience, specifically Millennials with young families, from 15% to 30% of IKEA's commitment to sustainability within a 12-month period.

*Strategy 1:* Utilize in-store displays, press releases, print advertisements, direct mail pieces, and social media conversations to detail level of commitment to sustainability. Using hyperlinks and QR codes, link to interviews with key IKEA management as well as videos from manufacturing facilities enabling customers to see first-hand the strategies in place to maintain sustainability.

*Objective2:* Focusing on Millennials with young families as the target market, increase sales of products in the children's line by 10% over a 12-month period.

*Strategy 2:* Begin a word-of-mouth campaign to encourage Millennial moms to shop for the children's furniture and share their experiences through blogs, facebook, twitter, etc.

## Integrated Creative Strategy Statement



### *Rejected Creative Strategy Statements*

People want durable, good-looking products at low prices.

Consumers want it all: value, convenience, and sustainability.

Families shopping for home furnishings are seeking a family-friendly shopping experience offering stylish, durable products at consistently low prices while protecting natural resources for their children.

People want to accomplish two goals: getting designer products for a good price and feeling like they are supporting a company with "good" values.

### *Integrated Creative Strategy Statement*

Value is all about finding durable, stylish, high quality products available at consistently low prices.



## Creative Brief

Client: IKEA

Date: 9/19/11

Type: Magazine Ad

Pages: 1

*Why are we advertising?*

We are advertising to increase the sales in the children's product line.

*Whom are we talking to?*

We are focusing on Millennial moms. This generation prefers family-friendly stores, brands with a well-developed social presence and good deals. (AdAge, 2011). They tweet and facebook post their thoughts and experiences with a brand. They also tend to have a lot of friends on social media sites that will listen to their opinions. This is a generation that often consults with its social network before making major decisions (AdAge, 2011).

*What do they currently think?*

You have to choose between the most important features when it comes to children's furniture: durability, affordability and style. You can't have all three features simultaneously.

*What would we like them to think?*

IKEA offers stylish children's furniture at a good price and with proven durability.

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

IKEA offers shopping value while supplying stylish, durable products that are safe for children and capable of growing with children.

*Why should they try to believe it?*

Value is all about finding durable, stylish, high quality products available at consistently low prices.

*Are there any creative guidelines?*

Full-color, full-page ads to be run monthly in *Disney FamilyFun* magazine as well as *Parents* magazine. Advertisements must include IKEA logo, relatable graphics/story, clear message and tie-in to facebook. The IKEA blue, PMS 293, and gold, PMS 109, colors must be used correctly (Corporate Identity, 2011). All type should use either IKEA's proprietary fonts, Ikea Sans and Ikea Serif, or the fonts on which they are based, Futura and New Century Schoolbook respectively (Corporate Identity, 2011).

## Creative Execution

This ad will take the form of a comic strip. Images shown below are to help imagine the final product and are not final. The ad will include frames showing the following scenes:

- Mom and Dad shopping with two children for children furniture at "stuffy" furniture store. Everyone looks frazzled and the mom is unhappily looking at a price tag.

- The family walking into an IKEA store. Viewer sees “Welcome to IKEA” sign as well as “Kid’s Play Area” sign. Everyone now looks happy.



- Children happily sitting in car while Dad loads down the car with all of the items that have been purchased. Mom is putting cash into her purse, presumably cash left over from the money she saved at IKEA.



- Children shown in shared bedroom, enjoying their new furniture and, in the process, the children are testing product durability.



- Show Mom on laptop, on the IKEA facebook page sharing post: "IKEA is Value! We got style, durability and saved money! I can't wait to redecorate another room!"



- "Visit our facebook page for more shopping adventures and share your own." This frame will show IKEA brand colors and typestyle text, similar to the IKEA logo, along with the facebook page address.

### Media Objectives and Strategies

Objective 1: Increase awareness of IKEA's children's line of furniture within the target market.

Strategy 1: Use a combination of broadcast (radio), social (Facebook, Twitter, Blog, Google AdWords and Facebook advertising) and print (magazines) media to reach the target market.

Objective 2: Increase knowledge of affordability and durability of IKEA furniture.

Strategy 2: Using a combination of broadcast, social and print media, advertisements will be scheduled using the continuity method and will show the furniture in use by children, showing the durability of the pieces.

## Budget Allocation

Medium	Media Vehicle	Description	Cost
Print - Magazines		Ad Creation	\$5,000
Print - Magazines	Parents	12 month, Full page, 4-color	\$2,094,000
	Family Fun	12 month, Full page, 4-color	\$2,172,900
Broadcast - Radio		Ad Creation	\$5,000
	Varied Channels in NYC Market	2x per day Mon - Fri, 4x per day Sat-Sun	\$1,000,000
	Varied Channels in Los Angeles Market	2x per day Mon - Fri, 4x per day Sat-Sun	\$1,000,000
	Varied Channels in Chicago Market	2x per day Mon - Fri, 4x per day Sat-Sun	\$1,000,000
	Varied Channels in Washington DC Market	2x per day Mon - Fri, 4x per day Sat-Sun	\$1,000,000
Social Media	Blog	New launch, content and customer interaction (10 months)	\$60,000
	Twitter	New launch, content and customer interaction (11 months)	\$55,000
	Facebook	New launch, content and customer interaction (12 months)	\$72,000
	Facebook	Advertising, CPM basis	\$15,000
	Google AdWords		\$30,000
Public Relations		See Public Relations Section for details.	\$200,000
Direct Marketing		See Direct Marketing Section for details.	\$2,000,000
Sales Promotions		See Sales Promotion Section for details.	\$3,000,000
Measurement and Evaluation		See Measurement and Evaluation Section for details.	\$5,000,000
			<b>\$18,708,900</b>

(Family Fun 2011, 2011; Google AdWords, 2011; How Much, 2009; Parents 2011, 2011; So How Much, n.d.)

## Media Tactics

Targeting Millennials through internet, social media, radio and magazines will allow IKEA to advertise to the precise subset of the group that they are looking to purchase children's furniture. This group relies heavily on social media for decision making and opinion sharing amongst friends, which is why the social media and internet advertising will target them well. According to a report published by PewResearchCenter, this generation places highest priority on being good parents (The Millennials, 2010). Millennials also have struggled to find jobs with the recent recession (The Millennials, 2010), so they are likely to be budget-conscious. The particular magazines chosen for advertising are focused on families and children. Advertisements in each medium will be designed to show IKEA as a place where busy, stylish families can have a pleasurable shopping experience, spend a reasonable amount of money, and end up with a durable product that is both stylish and able to withstand the abuse that children are likely to provide.

The internet advertising will take the form of a Google AdWords campaign, with an \$80 per day budget. The goal with this method is to use reach the target market and to identify how they are looking for the kinds of product that IKEA sells. This will not only assist in changing AdWords to continue to be as effective as possible, but it can also serve as informal research that will help to identify the kind of language most likely to catch the attention of a Millennial when viewing or listening to an ad. 75% of Millennials have created a profile on a social media site, such as Facebook (The Millennials, 2010). They spend time using social media, therefore, placing advertising on Facebook will be likely to reach a high number of the target market.

Radio advertisements will serve as a branding reminder and top-of-mind aid. The radio ads will run during times when people are driving to/from work and dropping off and/or picking up children from school, as this is when Millennials with young families are most likely to be listening to the radio. Advertisements will be scheduled using the continuity method because consumers look for children's furniture at various times during the year. Advertisements have been focused to four market locations, New York City, Los Angeles, Chicago, and Washington DC. These are four of the larger geographic regions and a great deal can be learned from the success of such a radio campaign.

Two magazines were chosen for the print media portion of this plan, *Parents* and *Family Fun*. Each magazine has a circulation of approximately 2.1 million (Family Fun ABC, 2011; Parents ABC, 2011), The published circulation rates do not take into account the pass along rate, and considering these particular magazines are typically found in pediatrician's offices for many patients to read, the pass along rate can be assumed to be fairly sizeable. The demographic profile of *Family Fun* readers shows that the median age is 35.2 years, the median household income is \$56,309 and 53% of readers have at least two children in the home (Family Fun Demographic, 2011). The demographic profile of *Parents* readers shows similar statistics; median age of 33.8 years, median household income of \$59,616 and 50.3% having at least two children in the home (Parents, 2011). The median age of both magazines represents the upper end of the Millennial generation, those most likely to have children. This audience is looking for quality furniture for their children, since parenting is so important to them (The Millennials, 2010), but they are also seeking good deals and values.

Social Media use and advertisements will be phased in over the period of January 1, 2012 to March 1, 2012. The plan consists of establishing a Facebook presence and allowing the following to grow during the month of January. Once the Facebook presence has been established, advertising on Facebook will begin in February. This allows for the ads to link back to the facebook page which will have enough content and activity to keep interest. In February, the Twitter account will also be established. The blog will be created in the following month, March. Timing the creation and establishment of each of these entities, Facebook, Twitter, and Blog, will allow for the necessary level of attention to be given to each account individually. It will also allow lessons from each one to be incorporated into the next.

IKEA Media Plan 2012 Summary Flowchart

	January					February				March				April					May				June			
	1	8	15	22	29	5	12	19	26	4	11	18	26	1	8	15	22	29	6	13	20	27	3	10	17	24
<i>Parents Magazine</i>																										
<i>Family Fun Magazine</i>																										
Radio - NYC Market																										
Radio - Los Angeles Market																										
Radio - Chicago Market																										
Radio - Washington DC Market																										
Blog Creation and Interaction																										
Twitter Creation and Interaction																										
Facebook Page Creation and Interaction																										
Facebook Advertising																										
Google AdWords																										

	July					August				September					October				November				December				
	1	8	15	22	29	5	12	19	26	2	9	16	23	30	7	14	21	28	4	11	18	25	2	9	16	23	30
<i>Parents Magazine</i>																											
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Twitter Creation and Interaction																											
Facebook Page Creation and Interaction																											
Facebook Advertising																											
Google AdWords																											

## Public Relations Objectives and Tactics

*Objective 1:* Increase awareness of IKEA's commitment to sustainability in the target audience from 15% to 30% within a 12-month period, using corporate advertising, sponsorships, press releases, social media, and a press conference.

*Tactic 1a:* IKEA will organize and sponsor a national contest to promote its dedication to sustainability. Prizes will include ten \$10,000 scholarships, a \$1,000 donation to "Green" charity of winner's choice, and 1,000 \$50 IKEA gift cards. The best idea submitted will be implemented in at least one new store design. This contest will serve multiple purposes. It will showcase the IKEA Social Initiative, whose mission is "to improve the rights and life opportunities of the many children (*Welcome inside*, n.d.)" by offering scholarships to youths who win. It will also get consumers involved in improving the sustainability of a newly constructed store, making them feel like part of it. Combining this contest with other PR tactics, such as press releases before, during, and after, social media status updates, and a press conference to showcase the awards will increase sustainability awareness in the target audience.

*Tactic 1b:* IKEA will sponsor "Climate Ride NYC to DC" and "Climate Ride California" in 2012. The mission and goals of Climate Ride fall in line with those of IKEA so this organization is a logical choice for corporate advertising. The mission of Climate Ride is to "inspire and empower citizens to work toward a new energy future (Climate Ride, 2011)."

*Objective 2:* Generate opportunities for press and public, specifically the target market of Millennials with young families and those press outlets that target them, to learn about the children's product line, thereby increasing sales of products in the children's line by 10% over a 12-month period.

*Tactic 2:* IKEA will organize a press conference that shows a selection of the new children's products, allows a handful of pre-selected children to use the products as a testament to the durability, and invites the press to visit before the press conference officially starts to get "exclusive" interviews with key management, parents and children discussing the children's line. The press invited to the pre-conference discussions will not be direct competitors of one another, enabling each of them to feel like they have exclusive information that their competitors do not. After the press conference, IKEA will post a press release as well as video and content from the press conference on the website and all social media outlets available.

## Direct Marketing Ideas

*Objective 1:* Increase store visits by 20% over the time period of one month from the date mailers are expected in-home.

*Tactic 1:* IKEA branded notebooks will be created with specialized sections for each room of the house. Each section will include grid paper to be used to diagram the room layout, space to record the measurements of current or desired furniture and suggested accessories that are easily forgotten. Along with the notebook, the consumer will receive the convenient measuring tape and pencils that are currently available in stores. Also in the notebook will be a pull-out piece good for 15% off one item and one entry into a drawing to win one of the rooms designed using the notebook (up to \$1,000), both offers will expire before the end of the measurement period.



The mailers will be sent to consumers approximately one week after estimated in-home date for the catalogs. The mailers will encourage consumers to use the notebook and any consumers who are interested in the catalog would have had time to glance through it at that point, so they would be likely to have some ideas floating in the heads. Once their ideas are put on paper, they are more likely to feel prepared to go shopping. This direct mail campaign will help to keep IKEA at the top of consumer's minds as they prepare to make purchases and also would make it more convenient for consumers to shop while at the store.

The objective will be measured by counters at the door and compared to monthly averages in previous years. Any difference will be assumed to be directly related to the mailers.

*Objective 2:* Increase traffic to the children's furniture section of IKEA stores or website section by 10%.

*Tactic 2:* A direct mail piece would be sent out to households currently receiving the IKEA catalog, shown as having children, based on the most recent census data. The direct mail piece will include a coupon for discounts on in-store purchases: 5% off one item, 10% off two items or 15% off three or more items, encouraging in-store visits and the purchase of more items. The coupons will each be marked with a unique identifier that will be scanned upon use. Coupons that are used will help to update the database for future mailings as well as measure the success of the campaign. The discounts being offered are only slightly higher than the operating margin of 10% (Ikea: How the Swedish, 2011), so it will be a relatively low cost promotion.

The objective will be measured by number of coupons used before the expiration date, which will coincide with the end of the measurement period.

*Recommendation:* IKEA should choose the first direct marketing option listed because it is more likely to break through the clutter of "junk mail." A package that looks different from the rest of the mail in a consumer's mailbox is more likely to be opened because, in general, humans are curious. Many people will also feel guilty about throwing away a "gift" but will not think twice about trashing a postcard.

### Sales Promotion Ideas

*Objective 1:* Increase store visits by 20% over the time period of six months.

*Tactic 1:* IKEA will implement the use of specialties of various values in random frequencies over a six-month period to reinforce consumers visiting the stores. The most effective form of reinforcement to create and maintain a behavior is that which is based on a variable-ratio schedule (About.com, 2011). Using this understanding of operant conditioning, IKEA will randomly give away items of varying values to "reward" consumers for visiting the store that particular day.

The product giveaways would range in cost, adding to the variability concept. Examples of inexpensive products from this year's catalog are the TOLSBY frame for two pictures (\$0.99), YNGSJO tealight holders (\$1.99/3pk), and VIRSERUM frame (\$1.99) (Catalog, 2011). Most of the giveaways will be less expensive items, such as these. An added benefit to giving away small items like this is that it brings attention to inexpensive accessory products that IKEA sells.

Psychologically, this will encourage the consumers to visit the stores as frequently as possible to find out if they visited on a "winning" day. As buzz is generated through word of mouth and social media tools,

more consumers will attempt to visit the store. When consumers visit the store, they are more likely to make a purchase.

The objective will be measured by counters at the door and compared to monthly averages in previous years. In addition, survey invitations will be printed on receipts during the six month period with questions designed to gauge the effectiveness of the campaign.

*Objective 2:* Increase traffic to the children's furniture section of IKEA stores or website section by 10%.

*Tactic 2:* IKEA will use event marketing as a sales promotion technique. Stores will partner with local children's charities to design rooms for children using solely IKEA furniture and accessories. Participants will be invited to sign up for this event online and will be asked to donate \$25 to the charity of choice. The participants decorating the "favorite" room, judged by the children benefitting from the charity's services, will receive 25% off their next IKEA purchase. All other participants will receive 5% off their next purchase.

This technique will increase brand and product identification. This will not only serve as a sales promotion, it will also double as corporate advertising. Dedication to the IKEA Social Initiative, whose mission is "to improve the rights and life opportunities of the many children (*Welcome inside*, n.d.), will be highlighted during this event." By creating goodwill internally and externally, the company may see increases in sales.

*Recommendation:* IKEA should choose the first sales promotion tactic listed, the use of specialties distributed using a random schedule. Both options will cost nearly the same amount of money for IKEA, but the first one will reach more people. The event option is also a form of corporate advertising, which is a bit controversial because it is perceived that "consumers are not interested in this form of marketing," "it is a costly form of self-indulgence," "the firm must be in trouble," or "corporate advertising is a waste of money (Belch & Belch, 2011)." The first option will also bring attention to smaller, less expensive, sometimes overlooked products by giving them away. In addition, the results of the first option will be more precisely measured.

### Measurement and Evaluation Plan

The objectives in this IMC plan all revolve around two basic elements: increasing sales and increasing store traffic, both in the brick and mortar stores as well as online. These elements are the measurable criteria that the plan will be evaluated on. There will be testing throughout to gather information about the specific aspects of the plan as well as pre- and post-testing to evaluate the plan as a whole. The measurement and evaluation plan will include a variety of methods and will gather both qualitative and quantitative data.

As a pretest, IKEA will gather people into focus groups and will show them ads from the campaign as well as the direct marketing and sales promotion ideas and asked their opinions. Do the ads say what they are intended to say? Do the direct marketing and sales promotions make customers want to visit the store? Which ideas are preferred? This data will be primarily qualitative.

Intercept surveys will be used after purchase, with links to online surveys being printed on the cash register receipts. The questions on these surveys will focus primarily on why the customers visited the store that day, how soon they plan on coming back, and how content they are with various aspects of the shopping experience. When allowed by customers filling out the surveys, customers will be contacted for

further detail about their responses. The data collected through this method will also be primarily qualitative.

Inquiry tests will be used to collect quantitative data on the effectiveness of the various aspects of the campaign. The number of inquiries will be compared to the average rate in previous years. Inquiries will be counted based on the type of discount the customer is trying to redeem or a special code that will be included on each coupon.

### Conclusion

“The integrated marketing communications approach seeks to have all of a company’s marketing and promotional activities project a consistent, unified image to the marketplace (Belch & Belch, 2011).” The IMC plan proposed herein follows this approach. The plan integrates all forms of external contact into one message that will help IKEA grow over the course of 2012. The objectives included in this plan can be efficiently measured and the tactics are well researched, thought out methods to improve the branding and positioning of the company. Objectives and tactics have been designed to fall in line with IKEA’s strong mission and values. Many of the strategies to be implemented accomplish more than one goal, making the plan more cost efficient.

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