



THE EFFECTS OF INTERNET PAGES AND ONLINE
ADVERTISING IN
CONSUMER BEHAVIOUR

Case IKEA Tampere

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ABSTRACT

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This thesis was conducted for IKEA Tampere Home Furnishing. In addition to the theoretical framework discussing consumer behaviour and online marketing, the thesis includes a research based on web analytics data and face-to-face customer interviews. The interviews aimed at getting insights about the level of the current online content at IKEA Tampere's local website. The study aims at finding out points of improvement for the IKEA website in order to serve better customer needs and furthermore discover options of what could be done in the future to reach this goal.

The research was done using a mixed methods research design combining quantitative and qualitative approaches. This type of method was chosen in order to expand the overall understanding from one method to another and to confirm findings from different data sources.

IKEA Tampere received valuable information about the current situation of their website usage and web statistics. The thesis concluded that there still remains potential to be used on the local store web pages and the development plan will be implemented. The writer of this thesis received a large amount of information about analyzing web statistics and online marketing in theory and practice.

Due to the confidentiality agreement the results cannot be revealed as a whole, part 5, analysis and findings will be left unpublished as well as 2.2 marketing at IKEA.

Key words: online marketing, web analytics, mixed methods research, development plan

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1 INTRODUCTION

Marketing has been rooted to the online environment during the last few decades. If you are not online, you do not exist. Consumers browse regularly through companies' web pages in search of information affecting their buying decisions and shopping online has become easy and time saving. An e-marketing strategy is almost unexceptionally a crucial part of a company's marketing plan. The knowledge of what consumers do is vital for developing effective marketing plans. Well-designed web page content affects customers behavior and help build long-term customer relationships. Knowing what customers want and providing them with vast online content can increase sales significantly.

This thesis is done in order to find out what IKEA Finland's customers do when entering the company's website, seeing the possible correlation between page views and sales figures and furthermore analyzing that information in order to point out strengths, weaknesses, opportunities and threats there are in online advertising. The research includes follow-ups on visitor rates, analyzing the visitor profile and creating a plan for improving the website content of the local store page of IKEA Tampere based on web analytics and customer interviews.

IKEA uses the Adobe Site Catalyst software to track traffic on the website and it provides an excellent database to follow page visits and paths used by customers on the web page. The problem is that there is no one to profoundly analyze them on a local level. Results are being published monthly on a national level but whether they are appealing enough to the primary market area of the local stores, remains a mystery.

The goal of this thesis is to find out patterns among the IKEA customer base based on how they behave online and how they use the ikea.fi web page and to focus on analyzing the results on a local level for the Tampere store. This information is used in order point out strengths and weaknesses of the web page and develop a plan to be able to answer customer needs even better in the future and have an attractive enough website to drive more traffic to the store. Figures from web analytics have been combined with personal interviews with the customers to find out if the two methods result in a similar outcome.

The data used has been collected during the first three months of the business year. From September 2012 to November 2012.

The commissioner of this thesis is IKEA Tampere store. IKEA Tampere opened its doors in 2010. The store currently employs about 250 people and is one of the best selling stores in Finland. Tampere usually rates in second place after Vantaa store when comparing sales. The primary market area for Tampere Store is Pirkanmaa region but secondary markets can be found as far as Jyväskylä region and Vaasa region. IKEA Tampere has a broad customer base and over 150 000 registered members in the IKEA FAMILY loyalty program. (2012)

2 THE COMPANY

2.1 The history of IKEA

IKEA was founded in 1943, when its founder Ingvar Kamprad was only 17 years old. The four letters of the name IKEA derive from Kamprad's initials and the first letters of the words Elmtaryd and Agunnaryd, which were the names of the village and farm he grew up at. The IKEA business started on a very small scale. The original recruiting base was the friends and family of IKEA founder Ingvar Kamprad. As time went by, the circle of co-workers grew slowly but steadily with other local people, who shared the same spirit and liked to work together. (IKEA: The History, 2012.)

The very first IKEA catalogue was published in 1951, which Kamprad saw as a marketing opportunity to reach more potential clients. An important year in the development of the IKEA concept was 1953 when the first furniture showroom was opened in Älmhult, southern Sweden. This enabled the clients to touch and feel the products before ordering them. Being able to touch and feel the products is still a strong factor of the IKEA concept. The first IKEA store, as we know today was opened in 1958, also in Älmhult. It was the biggest furniture retail store in the Nordic countries. The IKEA restaurant was joint to the concept in 1960. (IKEA: The History, 2012.)

The IKEA concern was founded in 1982 and it is owned by Stichting INGKA Foundation, registered in the Netherlands. In addition, the IKEA FAMILY customer program was launched in the 1980's. Today IKEA FAMILY has been adapted to 16 different countries (over 167 stores) and comprises of about 15 million members. (IKEA: The History, 2012.)

Today the IKEA concept embraces thousands and thousands of co-workers who operate the IKEA Concept and develop, produce, supply, market and sell IKEA products across the world. The IKEA business has come a long way and yet keeps on growing. (IKEA: The History, 2012.)

In 1996, Finland got its very own IKEA store. The first store was opened in Espoo. Later there have been 4 more store openings in Finland: Vantaa (2003), Raisio (2008), Tampere (2010) and Kuopio (2012). (IKEA: The History, 2012.)

The IKEA Concept consists of four parts. These parts include the IKEA product range, the systems, methods and solutions to sell it and the IKEA symbols (trademarks). It is briefly summarized by the expression, “You do your part. We do our part. Together we save money.” The IKEA Brand promises 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. This goes hand in hand with the IKEA business vision, which is “To create a better every day life for the many people” (IKEA Toolbox: IKEA Concept & Brand Objectives 2012.)

2.2 Marketing at IKEA

3 THEORETICAL FRAMEWORK

The theoretical framework of this thesis is divided into two parts. First part will focus on consumer behaviour and the buying process and the second part on online marketing as a part of a marketing strategy and related theories. Both parts were chosen due to their relevance to the topic.

3.1 Consumer Behavior

Consumer behavior is one of the most studied topics in the field of marketing. Various differing theories exist but a few common factors can be found. Consumers and their behavior are influenced by internal and external stimuli. Three of the most common stimuli are cultural factors, social factors and personal factors. In addition, the consumer's personal factors such as motivation, perception, learning and memory comprise an influence on how the consumer responds to the marketing stimuli. (Kotler & Keller 2007,92.)

Pant (2007) defines consumer behavior as follows: "The study of individuals, groups or organizations and the processes they use to select, secure, use and dispose of products, services, experiences or ideas to satisfy needs and the impacts that these processes have on the consumer and society." (Pant 2007,53.)

3.1.1 Buying Process

Kotler and Keller (2007) introduce a five-stage model of the consumer buying process.

In the first stage of this model the buyer recognizes a problem or a specific need that has been triggered by internal or external stimuli, that eventually becomes a driving force. Internal stimuli refer to a feeling coming from the inside of the buyer, the buyers mind. A few examples of this sort of stimuli are basic needs like hunger or thirst. External stimuli on the other hand refer to a stimulus coming from the environment, seeing a piece of advertisement for example. Those circumstances that trigger a particular need can be identified and marketing strategies can be developed following the paths of these

circumstances that will push the consumer interest to the next stage of a buying process. (Kotler & Keller 2007,92.)

The second stage of the buying process is the phase of information search. At this point, the consumer aroused by internal or external stimuli is inclined to search additional information of the desired product or service. There are two different levels of arousal. Milder arousal refers to a situation where the buyer becomes more receptive of information about the product and will pay more attention to the specific product and similar alternatives. (Kotler & Keller 2007,92.)

The other level of arousal is called the active information search level. At this stage the buyer talks with other people, actively seeks information on the Internet and visits stores in order to gain as much information about the product as possible. Information may be gathered from personal sources, commercial sources, public sources and experimental sources. (Kotler & Keller 2007,92.)

After a triggered interest and information search, the buyer reaches the point where potential alternatives are evaluated. On one hand, the buyer decides on whether the product will satisfy a specific need. On the other hand the buyer is looking for certain benefits of this specific product and its solutions and finally evaluates if the product and its attributes will deliver enough benefits to satisfy this need. By knowing which attributes are most important to different consumer groups, the marketers are able to segment their markets. Buying behavior is influenced by the buyers beliefs and attitudes acquired through experience and learning. An attitude is defined as a personal evaluation of an object or idea and it may be either favorable or unfavorable. An attitude is always an emotional feeling and reflects the buyers' action tendencies. (Kotler & Keller 2007,92.)

The fourth stage of the process is where the actual purchase decisions are made. Nevertheless, there are two factors possible to intervene with the purchase decision. A ready-made purchase decision can be rethought due to other people's attitude toward the buyers chosen alternative and his or her willingness to accord with the other persons wishes. There are also some unforeseen situational factors that may interfere with the buying decision, such as sudden financial trouble or even badly experienced customer service. It is obvious that buyers look for minimizing the risk of their purchases. This can be done by gathering information, preferring national brand names and warranties

to mention a few examples. The marketers also play a significant role in reducing risk by providing enough accurate information to the potential buyer. (Kotler & Keller 2007,92.)

The final stage of Kotler and Keller's model takes place after the purchase has been made. One may think that the marketer's job ends, where the product is bought but in real life the marketer must manage the post-purchase customer relationship as well. The marketer gains valuable knowledge by monitoring post purchase satisfaction, actions and product uses. Satisfaction can be measured at the level where the buyers expectations and the products perceived performance meet. A high satisfaction level results in feeling of joy and it influences a second buy of the same product and positive word of mouth marketing in addition. (Kotler & Keller 2007,93.)

3.1.2 The Hierarchy of Effects

The Hierarchy of effects is a model that can be traced all the way back to the end of 1800's. St Elmo Lewis was the creator of this original model by believing that, an effective salesperson actually guided a buyer through a series of stages rather than just closing a sales action. He stated that a proper salesman must ensure Attention, maintain Interest, create Desire and finally lead the customer to Action (purchase). This is also known as the AIDA model. (Hierarchy of effects briefing paper, 2009.)

In 1961 Robert Lavidge and Gary Steiner published a seminal paper about the Hierarchy of Effects in the Journal of Marketing. As support to the AIDA model, they stated that consumers appeared to progress through cognitive (thinking), then affective (feeling) and finally conative (intention/doing) stages. This is known as the modern "Think-Do-Feel" model or the DAGMAR model (Defining Advertising Goals for Measured Advertising Results). This model starts with awareness, moves to comprehension, then conviction, and ends with action. (Hierarchy of effects briefing paper, 2009.)

The hierarchy of effects model can also be expressed graphically (Figure 1)

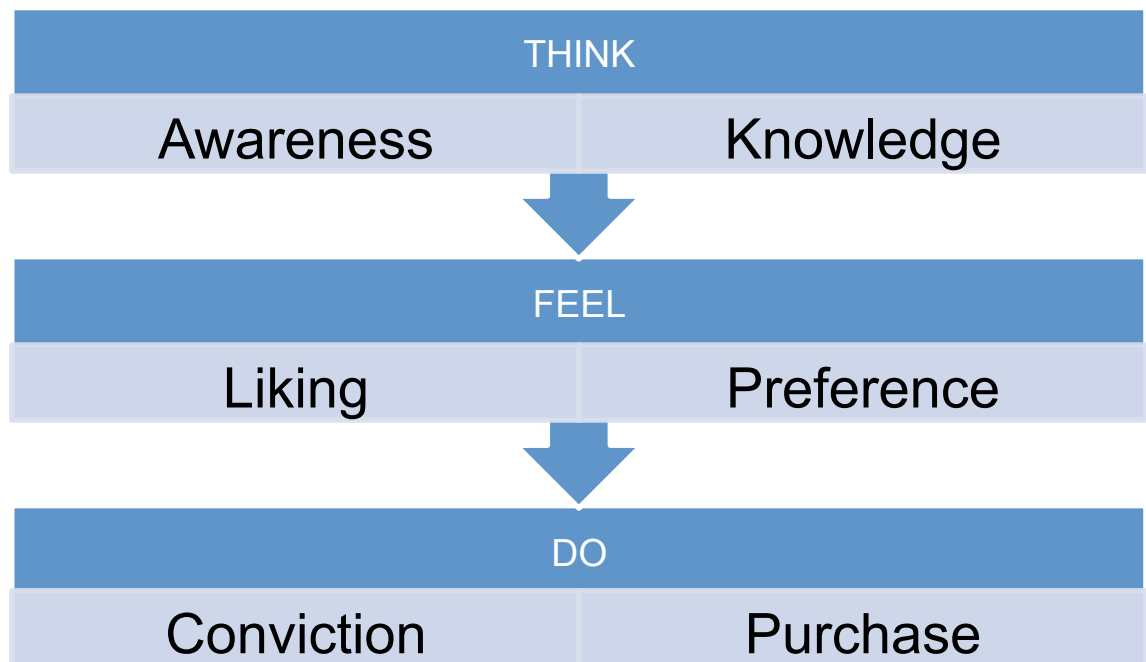


Figure 1 The Hierarchy of Effects .(The Marketing Savant Group 2009)

When applying the Hierarchy of Effects Model, the purchasing process starts from the awareness stage meaning that the product or the company is something consumers have heard of. To test awareness, one might ask “Have you heard about product/company X?”. Although consumers may be aware of the product/company, they might not remember the context where they heard it and thus not acknowledge the purpose of the product/company. (Hierarchy of effects briefing paper, 2009.)

After consumers know what a company does and how they might benefit from that, they begin to form opinions. Maybe due to their heightened awareness, they now seem to acknowledge the product/company in the newspaper, in the trade journals and might even receive a newsletter on the matter. They’re forming an opinion of whether or not liking the product/company. The preference stage is where the real value of the Hierarchy of Effects model is shown. When being in the preference stage, a prospect has a clear definition of why they would want to buy a certain product or do business with a certain company. Marketers also measure interest through trials, surveys and other means to better understand the customer at this stage of the buying cycle. (Hierarchy of effects briefing paper, 2009.)

At the conviction stage, the prospect is in a state of already being convinced that a certain product or company is the right choice for whatever problem that they need have solved. They believe, through credible demonstration of capability, that this is the right fit and everything has been done right to this point. Testing for conviction is now a matter of moving the conversation to the stage of purchasing. However, in long sales cycles, maintaining conviction is also important. At the final stage, the work done in order to move the prospect through the hierarchy will result in the purchasing of the offering. However, it is important for the consumer to recognizably go through all the aforementioned stages. It is also a risk trying to convince purchase straight forward since a customer purchase without the rigor of having them traverse the Hierarchy of Effects may possibly lead to post-purchase dissonance. (The Marketing Savant Group - Hierarchy of effects briefing paper, 2009.)

The Think-Feel-Do model is known as the high-involvement model since it is most commonly applicable for consumers who are active participants in the process of gathering information and making a decision; active thinkers in other words. This type of hierarchy is usually found with product categories and situations where there is a clear need for information, such as high-priced or major purchases, or where there is a lot of product differentiation, for example industrial products or consumer durables. The communication commonly provides many specific product details and is very informative. (The Marketing Savant Group - Hierarchy of effects briefing paper, 2009.)

Another high-involvement model appears with a slight change of phases. This is the Feel-Think-Do model. In this model, consumers begin the purchasing process with the affective (feeling) stage where an emotional attachment is linked to the purchase or decision in question. At this stage, the consumer shows high interest in the product, but the type of interest is less rational and utilitarian and based more on feeling or personal significance. Jewelry, cosmetics and antiques are good examples within this model. (The Marketing Savant Group - Hierarchy of effects briefing paper, 2009.)

There is also a low-involvement model that may be applied by changing the order of responses to Think-Do-Feel, with the idea that consumers first learn about a product, then try it, and finally form an opinion about the product. When there is little initial interest in the product or when the products do not differ significantly, and do not require important deci-

sion making, this type of situation is likely to occur. Furthermore it also describes impulse purchasing.

A fourth variation is the Do-Feel-Think model, which explains how people try something and learn from the experience. It is called a rationalization model because consumers typically select from several alternatives and then rationalize their decision by developing strong positive feelings about the product. This happens in product categories such as candy, grocery items and other low price or low involvement sale items or consumables. (Hierarchy of effects briefing paper, 2009.)

3.2 Internet Marketing

The Internet is the number one information source in today's world. When a buyer thinks of a new item to be bought, the web will be the first source to seek for product information. People are not looking for breathtaking TV commercials but real information to support their buying decision. The moment of truth is when the potential customer enters a company's website. Will the website drive the customer into the sales process or make him click away from the page. (Scott 2010,4.)

Before the time of World Wide Web, marketers had two significant alternatives to choose from. Buying expensive TV time or get the media to write about them. The new rules of marketing are all about building direct relationships with the customer. If a company chooses not to be present at the same channels their customers use, they will for sure make loss on potential business opportunities, despite of successful offline marketing activities. (Scott 2010,5.)

Consumers have more control than ever before and brand images are being shaped by every online post a buyer makes about a product. Consequently customer relationship capital should be considered as a valued asset for the companies. (Strauss and Frost 2009,13.)

Scott points out new rules of marketing and PR that are applicable in business today. First of all, marketing is more than just advertising and PR stands for more than just a mainstream media audience. Everything that is published reflects the company image

and its values. Consumers are looking for authenticity and participation instead of high-speed spin and propaganda. Comprehensive and clear online content drive people into the purchasing process. (Scott 2010,23.)

Understanding the audience is the key factor in online marketing. Web content should be built according to the needs of the audience, which will then efficiently drive them towards the purchasing process. Good online content reflects the company's passion towards the industry and strengthens the branding process of your company as the market leader. Online marketing is meant to be the beginning of a relationship with potential customers. (Scott 2010, 31,33,114,120,128,151.)

Sometimes it's not only about marketing the product, which applies at IKEA. Marketing concentrates on the whole shopping experience, e.g "A fun day out with the family". To reach the level of high effectiveness, the online content should be published with the buyers own language, with real words and phrases your market segment would use (Scott 2010, 31,33,114,120,128,151.)

The right way to measure the effectiveness of online marketing is not only the traffic on the website, but the ratio between the traffic and the actual sales. By comparing how many people saw the ad to how many people actually bought it, the marketer may obtain a realistic outcome on the effectiveness of online advertising. (Scott 2010, 43-44.)

3.2.1 E-marketing in Finland

The "Online Advertising" is survey conducted every two years about Internet marketing. The target group for this survey comprise of 500 of the biggest marketers in Finland. It is a multifaceted survey for finding out the role of Internet marketing as a part of the whole marketing plan, the effectiveness of e-marketing, set goals and factors effecting marketing investments. The latest survey (2011) also included the role of social media as a marketing channel. (TNS Gallup 2011.)

The importance of Internet marketing can also be seen from the amount of euros invested in e-marketing purposes. According to "Online Advertising" survey made by TNS Gallup Finland, a significant Finnish advertiser invested 17% of their budget on

average into the Internet in 2011, which has increased if we compare to the year 2009 when the percentage was 13. (TNS Gallup 2011.)

In 2011, social media was part of the survey for the first time and it seems that it has been a success among marketers. Already 80% of big marketers have experience in using social media as marketing channels, mainly through interactive campaign marketing but also advertising in social media pages and sponsorships. (TNS Gallup 2011.)

The strongest development was seen in display advertising. Marketers tend to have a lot of experience in the field, which reflects the huge amounts of investments. A strong runner up for display advertising is search engine advertising. These two forms of advertising go hand in hand but are aimed for different purposes. Search engine advertising is a tactic, high-speed form of advertising where display advertising seems more efficient in strategic campaign marketing. (TNS Gallup 2011.)

Social media marketing offers the most diverse forms of advertising, which many marketers find interesting as it offers new possibilities but also intimidating as it is still a very unknown marketing field. (TNS Gallup 2011.)

The challenges of e-marketing remain the same as in previous surveys. Poor coverage and the Internet being such a shattered field complicates the marketing strategies. Measuring the effectiveness, and campaign follow-ups seem to be challenging for marketers in the Internet. (TNS Gallup 2011)

3.2.2 Media advertising in Finland 2011

The total amount used in media advertising in 2011 was 1394,7 M€ (+3,7 % 2010). Newspapers were clearly the most used media but investments in Internet advertising had grown the most, over 8% compared to the previous year. (Figure 2.)

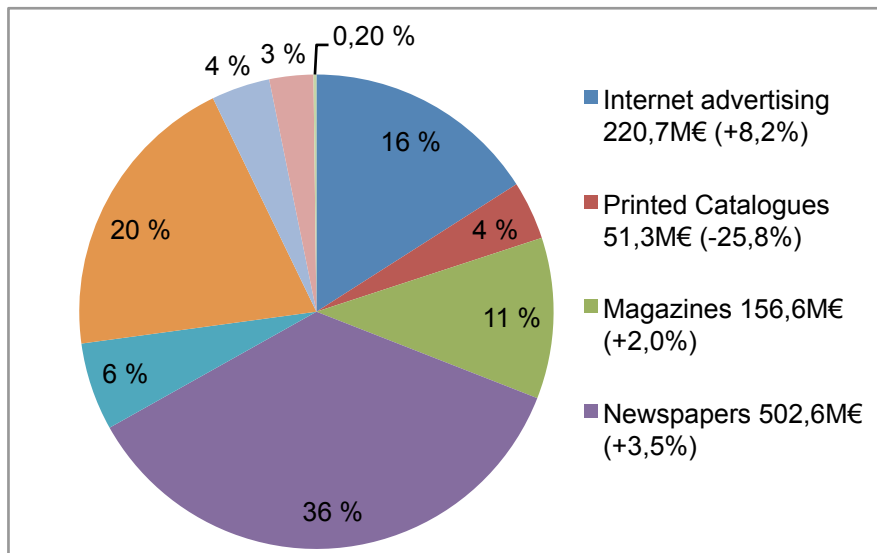


Figure 2 Media advertising in Finland (TNS GALLUP 2011)

3.2.3 Internet advertising in Finland 2011

The total amount used in Internet advertising in 2011 was total 220,7 M€ (+8,2% 2010) Display advertising and search engine advertising dominate the scene but electronic directories and other classified objects have also gained a fair market share. (Figure 3.)

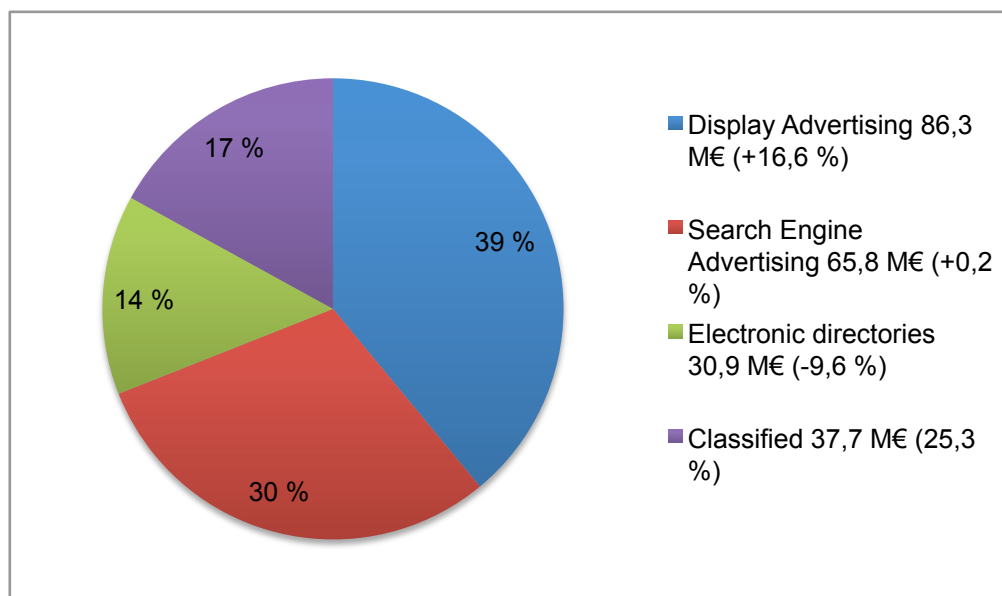


Figure 3 Internet advertising in Finland (TNS GALLUP 2011)

3.2.4 E-marketing strategies

According to the definition of Judy Strauss and Raymond Frost, e-marketing strategy is the crucial point where marketing strategy meets with technology strategy. By using digital technology to implement a marketing strategy, it becomes an e-marketing strategy. The e-marketing strategy capitalizes the electronic information capabilities to reach specified goals and objectives. (Strauss & Frost 2009, 27.)

It is difficult to reason why a company would not enjoy the benefits of e-marketing. The benefits of e-marketing enable online mass customization, which means that different products may be marketed to different audiences by different messages, it provides a 24/7 convenience by giving stakeholders relevant information and companies can easily learn from their customers by interactive marketing actions and social networking sites. In addition it lowers communication costs, costs for knowledge acquisition and customer service. Moreover, companies can easily add value to the products by e-marketing and it also facilitates reaching new markets and consequently increasing the customer base which may lead to increased sales. (Strauss & Frost, 2009,29.)

3.2.5 The e-Marketing Mix

The four P's of the traditional marketing mix stand for product, place, price and promotion. It offers a simple framework for marketers to organize their marketing decisions, strategies and actions. (Varey, 2002, 125.)

The framework for Internet marketing is a modification from the traditional marketing mix. According to Dave Chaffrey and PR Smith, the e-marketing mix includes people, physical evidence and process in addition to the traditional four P's which are commonly known as product, place, price and promotion These 7 P's were originally developed by American Academics, Booms and Bitner in 1981. (Chaffrey & Smith 2008, 61.)

There should be an online value proposition to the product, something that differs from the offline value proposition. It could be the easiness or cheapness of buying online or more available information of the product online for example. The online value should embrace the brand values and clearly communicate the benefits customer can get online for the product. (Chaffrey & Smith 2008, 61.)

As prices are publicly informed on the web, it makes it easier for the consumer to compare prices quickly. Customers are often looking for the lowest prices which gives pressure for the companies in their pricing strategies. (Chaffrey & Smith, 2008, 68.)

Placing and distributing widely the product or the brand is crucial for gaining success. Representation should be widely and readily available to target customers. Marketers are obliged to think of multi-channels regarding distribution, ensuring they make the products or services easily available to as many potential customers as possible. (Chaffrey & Smith, 2008,71)

Websites may be considered as separate communication tools but in fact they combine multiple ways of online promotion by advertising, selling, promoting sales, direct mailing or sponsorship for example. By being interactive with the customers, integrating online and offline communication, being creative, globalizing the website and investing resources on keeping up-to-date with appealing online content, marketers can achieve highly increased sales figures with the help of their websites. (Chaffrey & Smith, 2008, 74-77.)

People/Staff play an important role in marketing. Service before and after a purchase are needed. When developing contact strategies, companies should always think of giving customers a choice of contact but yet minimizing costly interactions with staff. Automated services help but people are also required. (Chaffrey & Smith, 2008, 81)

Customers need reassurance and websites are able to provide this by high quality site design, reassurance via guarantees and refund policies and membership awards for example. Customers could also be encouraged to print coupons as physical evidence and also to keep the company at the top of their minds. Reviewing processes and systems can also help to redesign supply and distribution chains which may then lead to better competitiveness. (Chaffrey & Smith, 2008,83)

3.3 The ROI of Marketing

Return of Investment (ROI) is a very common business term. It is defined as a performance measure that used to evaluate the efficiency of an investment to a project or to compare the efficiency several investments. To calculate ROI is calculated by dividing the benefit (return) of an investment by the cost of the investment; and then multiplied by 100 so the result is usually expressed as a percentage. (Business Dictionary- ROI)

For marketing purposes, ROI is about creating a positive value for a business or brand through a demonstration of cost against payback, yet it is very difficult to demonstrate actual cost-effectiveness of marketing actions. A process aimed to deliver profitable marketing communication for a company needs to have a clear coordination between communication and business result. It also needs to define the short (within 6-8 weeks) medium (2-12 months) and long term(over 12 months) goals for the specific marketing activity, and in addition it needs to establish what return is, what the “R” in ROI stands up for. The return on investment will obviously differ depending on the brand and its objective. But it will always need to be a measuring unit that is readable and attributable to a business metric. In addition, it will need to demonstrate relative cost-effectiveness versus other alternatives. Market-mix modeling, post evaluation and tracking cause and effect may help in maximizing the Marketing ROI . (Young & Aitken, 2007,16)

Probably the most common indicator of the relative marketing intensity is marketing expenditure counted as a percentage of sales. This is a metric that may vary significantly by segment or country but it is a quick and easy way of determining whether the expenditure is within a healthy range. A common percentage varies from 0,7 to 2,5 of sales revenues spent on marketing. Sometimes extreme cases such as a need to drive short-term profitability or long-term growth may result in exceeding this scope. (Perrey & Spillecke, 2011, 85)

According to Perrey & Spillecke there are three different approaches to calculate the ROI of marketing. These are: testing and learning, comparative heuristics and econometric modeling. Testing and learning is about tracking the effects of specific campaigns or other marketing activities. Probably the most common example of this technique is the analysis of direct marketing activities including a response element, a

coupon for example. The ROI assessment of this type of activities is calculated as sales or profit triggered by a response element over campaign cost. Sometimes this approach is also used to track activities that are not directly directed to sales simulation, for example brand image campaigns. In this case the retailer would assess the pre-campaign image perception and compare it to the image observed after the campaign.(Perrey & Spillecke, 2011, 116.)

The advantage of this testing and learning technique is that the refinement of the campaign may be very detailed and hands-on. Simply following the path that works best among customers based on tests and build on that. This technique also has its limitations since other campaigns carried out parallel might impact the results. This method is applicable most easily for direct marketing activities. When operating in a market characterized by push marketing, this method could be the tool of choice. (Perrey & Spillecke, 2011, 116.)

Another measuring technique listed is called the comparative heuristics technique which is one way of comparing the relative return of marketing investments at different touch points founded on simple linear algorithms. This means that based on the definition of a common currency ('apples-and-apples' comparisons'), comparative heuristics enables marketers to compare the performance of multiple marketing channels. The "Reach-Cost-Quality" (RCQ) approach is probably the the most significant type of comparative heuristics that is being used in calculating the ROI of marketing. It makes use of "cost per actual reach" as the only currency within all touch points and channels. (Perrey & Spillecke, 2011, 116.)

Comparative heuristics provides a utilitarian approach for optimizing multiple media, or even the entire media range, but it does not produce a "dollar-for-dollar" ROI. Specifically it will not pick up touch points that create a negative ROI for marketing. Comparative heuristics should be chosen if testing and learning is too narrow a method to achieve the desired insights but full scale econometric modeling is thought to be too time consuming or expensive. It allows for solid, yet analytically straight forward trade-off decisions between different channels. Comparative heuristics is usually a good choice of technique if the market environment is highly volatile and for that reason not

suitable for the statistical analysis that modeling requires. (Perrey & Spillecke, 2011, 116.)

Econometric marketing mix models (MMM) use advanced statistics to conclude the impact of advertising expenditure on sales at different touch points. Developing sales estimates is an important part of MMM. The sales-curves help to identify the the highest marketing spend efficiency for specific channels. MMM not only includes an assessment of the past and current ROI of multiple media but it also acts as the base line for optimizing the future marketing mix. Despite the fact that regular marketing mix models provide the most precise ROI output of the three approaches, a true comparison of the sales or profit impact of the marketing channels may only be made reliably in a relatively stable market. MMM usually requires a vast data collection, for internal spend figures as well as market data. Due to their high level of analytics, many marketing mix models are thought to be as “black boxes” with little transparency in the reasonable recommendations they produce, this often prevents the acceptance of MMM efforts among marketing executives. While MMM gives a dollar-for-dollar ROI based on sales impacts it does not capture the marketing impact on brand equity. (Perrey & Spillecke, 2011, 116.)

To successfully use the MMM technique, it requires a stable market situation in which historical data can surely be considered to be representative of current business and marketing trends. It is the most applicable technique in cases where the retailer has the necessary data and analytical capabilities needed to run the modeling. If the retailer has to rely on external experts to conduct the data collection and modeling, the costs of this approach can be significant, typically more than EUR 100 000. (Perrey & Spillecke, 2011, 117.)

4 RESEARCH

Traditionally a research is based on either qualitative or quantitative research. For the purposes of this thesis, a combination of these approaches was decided to be used. The chosen research method is the mixed method research design which combines both quantitative and qualitative research methods. The concept of mixing different methods originated in 1959 when Campbell and Fiske used multiple methods to study validity of psychological traits. They encouraged others researchers also to implement their “multimethod matrix” to examine various approaches to collecting data in a study. Soon more researches were associated with both field methods, observations and interviews (qualitative data) were combined with traditional surveys (quantitative data). (Creswell, 2003,17.)

Knowing that all methods have limitations, researchers felt that biases in one single method could neutralize or cancel the biases of other methods. The results from one method can help develop or inform the other method and alternatively one method can be nested within another method to provide insight into different levels or units of analysis. (Creswell, 2003,17.)

The mixed methods approach is an approach where the researcher bases knowledge claims on pragmatic grounds. In this case the grounds are consequence oriented and problem centered. It employs inquiry strategies that involve collecting data either simultaneously or sequentially to best understand research the problems. The data collection involves gathering both numeric information together with text information so that the final base represents both quantitative and qualitative information. (Creswell,2003 18, 209, 210.)

The researcher bases inquiry on the assumption that collecting diverse types of data best provides and understanding of a research problem. The study begins with a broad data collection analysis in order to generalize results to a population and then focuses in a second phase on detailed qualitative interviews to collect detailed views from participants.

Of course there are some challenges for this research method, it requires extensive data collection, it is very time-consuming to analyze both text and numeric data and it requires the researcher to be familiar with analyzing both quantitative and qualitative data.

Yet the mixed methods approach was chosen to be used for this thesis in order to expand the understanding from one method to another and to confirm findings from different data sources. Collecting different types of data provides a better understanding for the defined problem. The study begins with broad generalized results and secondly focuses on detailed, qualitative interviews. The analysis is based on a three month period from 1.9.2012 which is the beginning of the IKEA Catalogue year until 30.11.2012.

The tool used for data analysis is Omniture SiteCatalyst. Omniture is a web analytics tool owned by Adobe Systems Incorporated which is why it may also be referred to as Adobe SiteCatalyst. Adobe SiteCatalyst provides marketers with actionable, real-time web analytics intelligence about digital strategies and marketing initiatives. It helps to quickly identify the most profitable paths through a website, segment traffic to spot high-value web visitors, determine where visitors are navigating away from the site, how they enter a site and identify critical success metrics for online marketing campaigns. (Adobe – Product information 2012)

5 ANALYSIS AND FINDINGS

6 CONCLUSIONS

The goal of this thesis was to find out patterns among the IKEA customer base based on how they behave online and how they use the ikea.fi web page and to focus on analyzing the results on a local level for the Tampere store. This information is used in order to point out strengths and weaknesses of the web page and develop a plan to be able to answer customer needs even better and have an attractive enough website to drive more traffic to the store.

Strengths of the webpage is its clear structure, easiness of usage and broad offering of information of the products, IKEA as a company and ongoing campaigns. Being too plain, simple and boring could be mentioned as a weakness for the local store pages. Customers stated to find inspiration from the national web pages which could be brought more to the local web pages as well in order to make the local customers develop a want to come visit the store.

Based on the data analysis and the interviews and supported by the theoretical framework, a conclusion was made that the local website is not used at its full potential. IKEA Tampere has established a large customer base, with over 150 000 registered members to the IKEA FAMILY loyal customer programme so the possibilities are numerous. These IKEA FAMILY members are IKEA “fans” who are fairly easy to attract to come visit the store.

“IKEA Tampere” was the second most popular search keyword visitors had typed and the local store page was the second most visited after Vantaa store, with over 182 000 page views, which shows a clear interest towards the local store page. However, when comparing the sales figures of the weekly offers advertised online, with the amount of visitors on the offers page, the percentage was minimal. This study is not completely liable on bigger scale as other campaigns shown on the national website sold well or average compared with other stores. Regardless, it implies that the local offers should be more clearly communicated and preferably on the front page in order to maximize the effect of the advertisement.

The customer interviews revealed that the current layout of the website is only fairly attractive. Nevertheless it was considered to be clear and things were found easily in

general but it was not found to be appealing or memorable. The layout could be rethought in order to catch the customers immediate attention when entering the Tampere store home page. The current bounce rate is 10% on the front page meaning that only 10% of the visitors leave the page after entering the front page. Yet there is a point of improvement and by being visually attractive from the first click, at least one other click can be achieved and more marketing time gained.

The customers from IKEA Tampere stores primary market area seem to be bargain hunters according to the interview as “last chance” page attracted a lot of attention. It has been a test from Tampere store, and based on the results of this interviews it should be kept vital and updated as there is also a chance for increasing sales via the last chance page.

Customer service was also a factor the respondents highlighted. Contacting IKEA is always done via the national call center, but Tampere store could provide its own Frequently Asked Questions at its own website to prevent customers from having to contact the call center.

Due to the amount of registered IKEA FAMILY members, a new marketing channel for IKEA Tampere could be a customized e-mail for the registered IKEA FAMILY members, promoting local happenings at the store as well as local offers.

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APPENDICES

Appendix 1. The interview questions

Perustiedot

Ikä

- Alle 25 vuotta
- 25 – 35
- 35 – 45
- 45 – 55
- 55 – 65
- Yli 65 vuotta

Sukupuoli

- Mies
- Nainen

Asuinpaikkakunta

- Tampere
- Pirkkala
- Nokia
- Lempäälä
- Kangasala
- Ylöjärvi
- Muu, mikä? _____

Taloudessani asuu

- 1 Ihminen
- 2 Ihmistä
- 3 tai enemmän

Asumismuoto

- Kerrostalo
- Rivi- tai paritalo
- Omakotitalo
- Muu, mikä? _____

Oletko IKEA FAMILY jäsen

- Kyllä
- Ei

Oletko kokenut hyötyväsi IKEA FAMILY jäsenyydestä?

Miten? _____

INTERNETIN KÄYTTÖ

Käytän Internetiä

- päivittäin
- muutaman kerran viikossa
- pari kertaa kuussa
- kerran kuussa tai harvemmin

Mihin käytän Internetiä?

Oletko vierailut IKEA.fi sivulla

- kyllä
- ei

Olivatko sivut mielestäsi houkuttelevat? Miksi/Miksi ei?

Mitä sivuja katsoit?

- Tietoa tuotteista
- Kampanjasivuja
- IKEA FAMILY sivuja
- Nettikauppa
- Tietyn tavaratalon sivuja, minkä tavaratalon? _____

Oliko IKEA Tampereen Internet sivut helppo löytää

- kyllä

- 🍏 ei,
miksi? _____
- _____
- _____

Miten kuvailisit IKEA Tampereen Internet sivuja? _____

Mitä katsoit IKEA Tampereen sivuilta

- 🍏 Ajankohtaista
- 🍏 Tarjoukset
- 🍏 Tietoa tavaratalosta
- 🍏 Ravintola
- 🍏 Viimeinen mahdollisuus
- 🍏 Palvelut
- 🍏 IKEA FAMILY sivuja
- 🍏 Muuta,
mitä? _____

Löysitkö etsimäsi tiedon

- 🍏 Kyllä, helposti
- 🍏 Kyllä, mutta jouduin etsimään
- 🍏 En

Onko sinulla tapana käydä tavaratalon Internet sivuilla ennen kuin tulet tavarataloon?

- 🍏 Kyllä
- 🍏 Ei

Jos vastasit kyllä, minkälaista tietoa etsit ennen saapumistasi tavarataloon?

Mikä on mielestäsi tärkein tieto tavaratalon Internet sivuilla?

- 🍏 Ajankohtaiset kampanjat ja tapahtumat

- 🍏 **Tarjoukset**
- 🍏 **Tietoa tavaratalosta**
- 🍏 **Ravintola**
- 🍏 **Viimeinen mahdollisuus**
- 🍏 **Palvelut**
- 🍏 **IKEA FAMILY sivut**

Miksi? _____
