

**Rehan Liaqat**

**DIGITAL MARKETING PLAN**

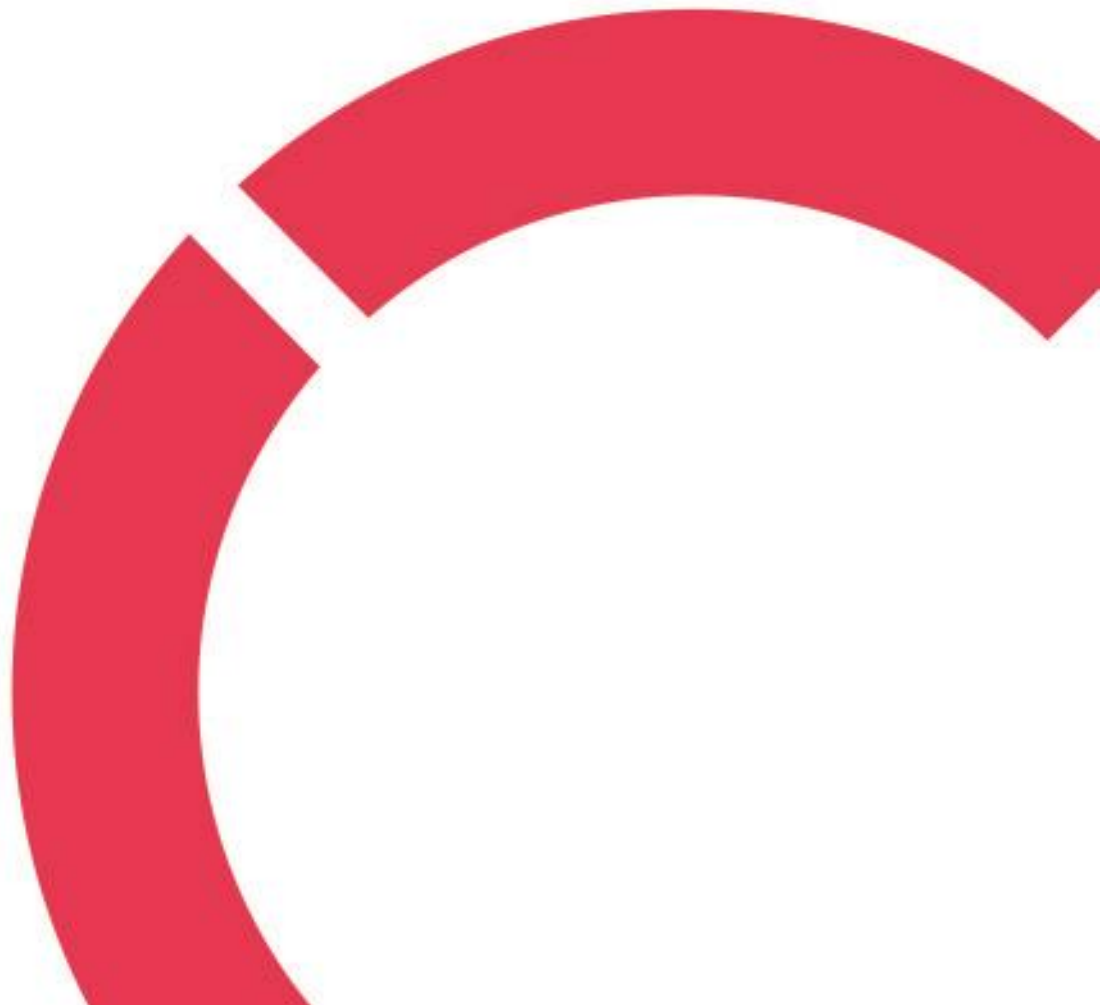
**Case IKEA**

**Thesis**

**CENTRIA UNIVERSITY OF APPLIED SCIENCES**

**Business Management**

**May 2022**



**ABSTRACT**

<b>Centria University of Applied Sciences</b>	<b>Date</b> May 2022	<b>Author</b> Rehan Liaqat
<b>Degree programme</b> Bachelor of Business Administration, Business Management		
<b>Name of thesis</b> DIGITAL MARKETING PLAN. Case IKEA		
<b>Centria supervisor</b> Janne Peltoniemi		<b>Pages</b> 37 + 7
<b>Company</b> IKEA		
<p>IKEA is a globally well-known furniture company, which offers luxury, strength, reputation and low cost all together. IKEA was established in 1953 in Almhult, Sweden and Ingvar Kamprad was founder of it. IKEA is quite curious about people’s purchasing power and about the well-being of our planet.</p> <p>IKEA is taking care of planet and people at the same time. IKEA’s aim has always been very clear to everyone. IKEA is providing a luxury life style to its customers and working for a better environment also. Nowadays, people are more aware of their products and material they are using. IKEA is providing durable products at an economical price and allows its customers to enjoy their products for a long time.</p> <p>People have become increasingly mindful and worried about the environment in the twenty-first century. Ikea tried to run a campaign called "Fortune Favours the Frugal," but it failed miserably. In this thesis, I critically examined the company campaign and provided a comprehensive SOSTAC model-based digital marketing strategy framework, as well as an operational strategy, in order to ensure a successful campaign and finally, made recommendations to conclude the thesis.</p> <p>Moreover, this marketing plan's objective is to showcase a digital marketing strategy that effectively addresses the company's situational examination of the environment (PEST), SWOT analysis, and Porter's five force analysis as well as all parts of digital marketing that is possible for campaign success.</p>		

<p><b>Key words</b> Campaign, digital marketing, economical, environment, Ikea, material, Pest, products, recommendations, Sostac, Swot</p>
---

**ABSTRACT**  
**CONTENTS**

<b>1 INTRODUCTION</b> .....	<b>1</b>
<b>2 DIGITAL MARKETING</b> .....	<b>3</b>
2.1 Engagement .....	5
2.2 Channels of digital marketing.....	7
2.2.1 Marketing via email .....	7
2.2.2 Search engine marketing.....	8
2.2.3 Content marketing .....	8
2.2.4 Instant message marketing .....	9
2.2.5 Social media marketing .....	10
<b>3 FORTUNE FAVOURS THE FRUGAL</b> .....	<b>11</b>
3.1 The campaign's objectives .....	12
3.2 Critical evaluation .....	12
<b>4 THE SOSTAC PLANNING FRAMEWORK</b> .....	<b>14</b>
4.1 Situational analysis .....	14
4.1.1 External marketing audit .....	15
4.1.2 Analysis of internal marketing .....	16
4.1.3 SWOT Analysis .....	17
4.2 Objectives .....	18
4.2.1 Vision statement .....	19
4.3 Strategy .....	19
4.3.1 Retailing .....	20
4.3.2 Direct marketing .....	21
4.3.3 Franchisees from around the world .....	21
4.3.4 IKEA Future saves the frugal campaign .....	22
4.3.5 ANSOFF matrix application on IKEA .....	22
4.3.6 STP process .....	25
4.4 Tactics .....	25
4.4.1 Product.....	26
4.4.2 Place .....	26
4.4.3 Price .....	27
4.4.4 Promotion .....	27
4.5 Action plan .....	28
4.6 Control and implementation .....	31
4.6.1 Balanced scorecard approach .....	31
4.6.2 Issues and operating strategies.....	32
4.6.3 Marketing and operations integration.....	33
4.6.4 Recommendations and risk analysis .....	34
<b>5 CONCLUSION</b> .....	<b>36</b>

<b>REFERENCES.....</b>	<b>38</b>
<b>APPENDICES</b>	

**FIGURES**

FIGURE 1. Relocation of people.....	20
FIGURE 2. Ansoff Matrix Representation.....	23
FIGURE 3. IKEA operational strategy .....	33

**PICTURES**

PICTURE 1. Digitalization around the world .....	4
PICTURE 2. IKEA – Fortune favours the frugal TV Advertisement 2021 .....	11

**TABLES**

TABLE 1. SOSTAC planning framework .....	14
TABLE 2. PEST analysis on IKEA .....	15
TABLE 3. Porter's Five-Force Model Analysis of IKEA .....	16
TABLE 4. SWOT Analysis of IKEA.....	18
TABLE 5. Ansoff Matrix on IKEA .....	24
TABLE 6. STP Process for campaign .....	25
TABLE 7. IKEA sales chart.....	28
TABLE 8. Budget analysis for the campaign .....	29
TABLE 9. Gantt's Chart to portray the digital marketing strategy.....	30
TABLE 10. IKEA Balance Scorecard Approach .....	32
TABLE 11. Ikea Marketing and Operations Integration Balanced Scorecard.....	34

## 1 INTRODUCTION

As a global furniture manufacturer, IKEA brings together affordability, quality, reliability, and pride all under one roof. Ingvar Kamprad established it in the Swedish village of Imhult in 1953. IKEA has been thinking about people's financial stability as well as the health of the world for decades. IKEA benefits both the environment and the people. Because IKEA offers a wide choice of high-quality appliances that perform according to the needs of customers at a very reasonable price, it makes IKEA different from others. It's not just that, IKEA's mission has always been the same; to enrich people's lifestyles while also taking into account the impact of the products on the environment. Living in the twenty-first century has made all of us quite aware of how damaging everyday things are to the environment; therefore, through endurance and sustainability, new buyers can spend a small amount and have fun with durable products for their remaining life.

IKEA had developed almost 445 stores in more than 50 countries till March 2021. IKEA had generated revenue of €38.8 billion (US\$44.6 billion) from around the world in year 2021. Inter IKEA Systems B.V. franchisees all of their stores and the IKEA Group is operating the majority of them, with exception of a small number of stores that are independently owned and operated. On IKEA's website they posted around 12,000 products, between September 2018 and August 2021, the company's websites had over 2.1 billion views. It is one of the largest wood users in the retail industry, accounting for roughly 1% of global mercantile wood consumption (IKEA Group Balance Sheet & Income Statement 2021).

Ikea, the Swedish furniture business, increased its online presence last year. Over 5 billion people browsed its websites, and online revenue grew by 73%. Given that the vast majority of Ikea's offline shops have already opened, internet sales currently account for 26% of the company's overall revenue (IKEA Group Balance Sheet & Income Statement 2021).

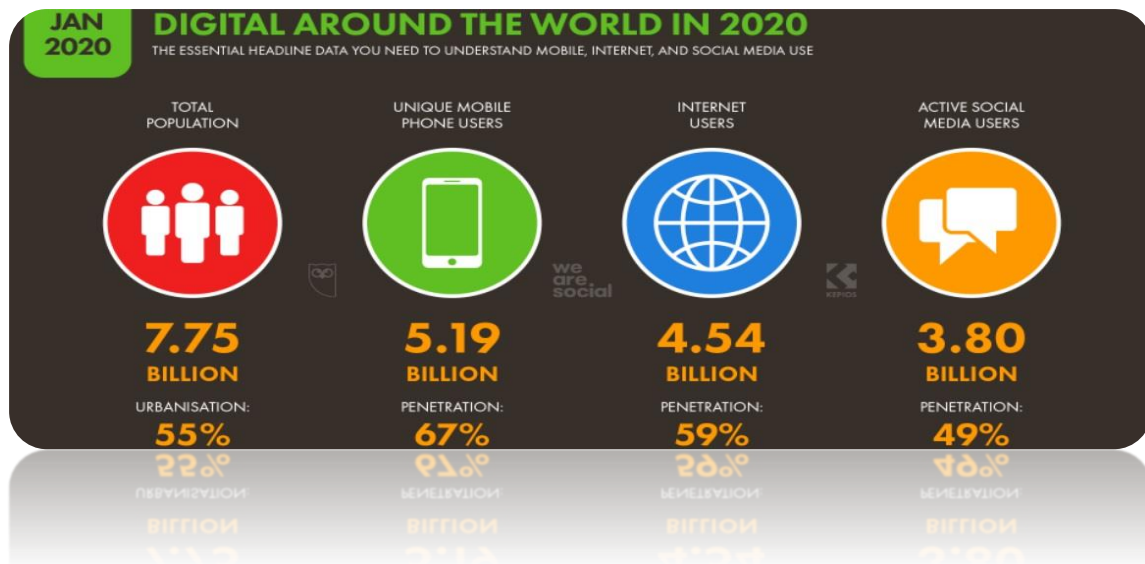
IKEA's objective is to attain 100 percent sustainability by 2030, and they're working to make their products least hazardous. IKEA launched a promotion in January called Fortune Favours the Frugal, but it did not go over well. Customers were not attracted because the concept was not presented in a reasonable method. Secondly, no one agreed to buy refurbished items at a high price. So, their sales remain low during this promotion. The purpose of this thesis is to examine IKEA's marketing and create a digital marketing plan using the SOSTAC framework analysis. The goal of this marketing plan is

to propose a digital marketing strategy that incorporates Porter's five forces analysis, PEST analysis, and SWOT analysis to critically examine the company's environmental situational analysis, as well as all aspects of digital marketing that can contribute to campaign success. Although IKEA is a well-known corporation, displaying marketing and internal operations metrics may limit the scope of the research.

## 2 DIGITAL MARKETING

The "digital world," which has revolutionized the way organizations and sectors sell them, is noted for its rapid innovation in information and communication. Companies can get a competitive advantage by incorporating new digital communication trends into their marketing plans. Professionals must be well-versed in digital technology and its implications for marketing communication. Digital marketing is getting more well-known by the day, despite the fact that the concept was not well-understood previously. Although email, RSS (Rich site summary), broadcast of fax, broadcast of voice, different bloggings, videos, stream, text messaging through wireless connections, and instant messaging process are commonly associated with digital marketing, these modes are yet to be considered limited by including email, RSS, fax broadcasting, SRO (Standing room only), voice broadcasting and PPC (Pay per click). Digital marketing is more than just a term; it covers a far broader concept and approach. The term "digital marketing" refers to the marketing of products and services over the internet or the use of various technological resources to promote products, services, or brands. Marketing through internet, web marketing or online marketing are common terms to narrate digital marketing. (Mankad 2019, Chapter 1.)

According to the Digital Report 2020, the use of modern mobile devices and social media has rapidly increased world-wide. The internet is now used by a huge amount of 4.5 billion people from which 3.8 billion people are using social media. Approximately 60% of the world's population is now online, and it is anticipated that by 2020, social media users will account for more than half of the world's population. Internet usage has climbed by 7% in 2019 due to the addition of 298 million new customers. Users of social media surged by 9% year over year, with 321 million newcomers, while smartphone users increased by 2.4 percent, as seen in PICTURE 1. (Kemp 2020.)



PICTURE 1. Digitalization around the world (Kemp 2020)

Newspaper advertisements and mail-order advertising were two new revolutions in advertising that emerged in the 18th and 19th centuries. The radio, which was introduced in the twentieth century, was another way for businesses to reach out to their customers. Gradually, television emerged, bringing with it the invention of the "internet" at the turn of the century, which gave rise to digital marketing. All of the previous modes of advertising have been impacted by technological advancements, which have offered new ways of communicating with clients. The fascinating part is that traditional advertising strategies are still in use and can be utilized in some ways. (Rayan 2014, 11.)

Internet Consumers use EWOM (Electronic word of mouth) as an informal means of communication through web-based technology. There are several varieties of EWOM, but feedback given by the online customers is considered to be more practical. EWOM is a well-organized means of studying a terrible experience with a product, particularly for commodities and services whose quality cannot be determined prior to usage, such as hotels. As a result, customer online reviews are seen as a more precise and reliable source of information than the available content on the company's website.

Digital marketing is the use of electronic content, statistics, and technology to achieve marketing objectives. Another definition of digital marketing is the application of digital technology, intelligence, and technologies in conjunction with traditional marketing tactics to achieve marketing goals. Digital marketing is the practice of managing various forms of online company presence, such as mobile applications, websites, company pages, and social media, through online communication techniques such as social media marketing, online advertising, email marketing, collaboration with other businesses,



and search engine marketing. All of these online communication tactics assist in attracting and pleasing existing and new consumers, allowing for the building of customer relationships through customer relationship management. (Chaffey & Chadwick 2016, 11.)

For hotel customers, online reviews are the most dependable source, as they represent more legitimacy, awareness, and the company's good reputation. The quantity of reviews implies that the hotel is more well-known and performs well. 4.4 % boost in sales can be found by 10% of reviews given by the customers positively. According to a survey, digital marketing strategy should be created by the companies and monitor the online reviews regularly. The following methods are included in a digital marketing plan: monitoring customer input and responding to it, monitoring social media, building a digital plan, and so on. Digital marketers can analyse two types of data with digital data: feedback and consumer responses, both of which boost engagement. (Pelsmacker, Tilburg & Holthof 2018, 1-3.)

## **2.1 Engagement**

Engagement, from the customer's perspective, is a compelling driving force that entails a behavioural presentation toward a business or brand as a purchasing replacement. Customer participation indicates positive word-of-mouth activity; for example, customer recommendations influence other customers' judgments, resulting in consumers becoming brand ambassadors. Following, liking, and having a social presence can all assist a company establish a positive relationship with its clients. Because customers expect information from their trusted organizations on a regular basis, brands should invest in their fans to build loyal customers. This can be done, for example, by offering pure and beautiful items. When a customer is involved, positive consequences arise in the form of favourable word-of-mouth, which promotes brand equity and sales. This is only possible if customers become brand loyalists. To reach high levels of engagement, brands must connect with their customers and contribute to conversations with a persuasive and trustworthy brand voice. As a result, marketers could provide valuable content, such as downloads, shareable widgets, and wallpapers, and show appreciation for followers by notifying them about upcoming new products, business news, promotions, or job opportunities. (Tuten & Solomon 2015, 147.)

Events, contests, and challenges are effective ways to increase social media participation. Gamification refers to the employment of tournament strategies in non-game activities to increase participation. According to a Gigya study, adding gaming to a website increases engagement. Games enhance the num-

ber of comments by 13%, social sharing to Facebook, Twitter, and other social media sites by 22%, and content discovery by 68%. (Lardi & Fuchs 2013, 87.)

Online content marketing can attract clients to a brand, product, or service if the information is well-designed, well-developed, enticing, and value-oriented. Content such as; videos, photographs, e-books, infographics, webinars, case studies, and costing tables can all help boost sales and customer retention. Customers recognize goods based on unique and compelling content, which implies there are a lot of businesses selling the same thing. It is critical to keep the information up to date on a regular basis. Make a calendar with industry-related festivals, holidays, awareness days, trade shows, and award ceremonies. (Smith 2020.)

Because videos are a simple and clear source of information, video content rules supreme. People are drawn to a video that illustrates the production process. Getting some professional advice for the website's video creation is a good idea. Because photographs play an important role on the page and that is the reason people use low-resolution images. Images that include the product name or names of people score higher in SEO (search engine optimization). Websites benefit from visuals. Info graphics raise product and service awareness while also capturing the attention of a large audience. Info graphics are useful for presenting complex structures, such as numerical data, in an easy-to-understand fashion. Because shared info graphics build trust, they are vital. (Smith 2020.)

Customers respond to new content, so employ the help of agency freelancers to create a video. Content produced to attract and engage visitors in order to convert them into paying customers includes analyses, feedback videos, podcasts, articles, and eBooks. Starting with a lengthy article and then cutting and pasting to generate Facebook updates, Twitter postings, and small articles, blog posts are a short-written piece of content whose goal is to address a single issue that needs to be addressed. (Smith 2020.)

Webinars can be aired live or recorded and placed on the company's website to increase engagement. You can communicate with the audience via text chat and questions & answers during a live webinar. During the consideration and decision-making stages, webinars are excellent at raising brand awareness. Customers should be aware of the cost table and be able to make informed judgments that increase sales if it is provided on the website. (Smith 2020.)

Focus on specialty content and create high-quality content that people want to share, comment on, and follow. By sharing, like, or involving folks in brand-related issues, you can add value to the conversation. Audience involvement would be boosted by viral trends, political issues, or social events taking place across the world or in the country. Online relationships are critical to the effectiveness of online marketing. Although it is not necessary to contact every single audience member, it is necessary to respond to those who ask questions or offer suggestions, as excessive sharing may lead to a loss of followers. (Dollwet 2019, 5-7.)

Visual representations of data or information are charts and graphs. Any market trend or step-by-step procedure instruction can be used as data. Info graphics are informational visuals that are visually pleasing. The goal of an infographic is to maintain the viewer's attention. (Sheikh 2020.)

## **2.2 Channels of digital marketing**

The traditional economy and offline marketing methods have gotten increasingly linked with digital marketing. It has come to the point where distinguishing between online and offline is more difficult than ever. Because of the widespread use of the internet and other digital technologies in marketing, thinking in terms of online and offline marketing is unlikely to be relevant for much longer. For further proof, consider this: according to a Salesforce report, firms are now spending more than 75% of their marketing budgets on digital marketing, proving that the mainstream and digital marketing areas are merging. Furthermore, industrial sectors establish a shared professional language and meanings, and the phrase "digital marketing" has now become synonymous with all strategic marketing actions that are completely or primarily done using digital channels and techniques among the marketing professionals. (Giovannoni 2020, Chapter 5.)

### **2.2.1 Marketing via email**

Email is among the earliest and most extensively utilized kinds of digital promotion. It is inexpensive and yields a high return on investment. Sending out regular promotions and pamphlets via email is simple and clear (Alaka & Bhibuti 2020).

Email marketing, which uses email to promote a brand or company, has become a popular method of promotion. It is both a type of direct and a type of digital marketing. It can help make your customers aware of your latest items or offers by putting it into any marketing automation initiatives. It can also play a major role in your marketing strategy by generating leads, developing brand awareness, building connections, and keeping customers engaged in-between transactions through various forms of marketing emails.

### **2.2.2 Search engine marketing**

It is an approach to improve a website and its content in order to achieve increased visibility in search engines, as defined by Search Engine Journal (Shakti 2021). Most commonly used and well renowned search engines, such as Google, assist online customers in developing phrases and keywords. Ikea sells its products through online stores, so SEO (Search engine optimization) is critical for any e-commerce business. As more consumers research and shop for things online, search engine marketing has become a crucial online marketing strategy for growing a company's reach. In fact, a search engine query brings the great majority of new visitors to a website. In search engine marketing, advertisers only pay for appearances that result in visitors, giving it a cost-effective way for a company to spend its marketing money. Additionally, each visitor contributes to the website's organic search results ranks. Consumers entering search queries with the aim of discovering commercial information are in an excellent state of mind to make a purchase as compared to other sites such as social media, where users are not deliberately shopping for something. When consumers are exposed to search marketing, they are more receptive to new information. Unlike the majority of internet advertising, PPC advertising is non-intrusive and does not interfere with their tasks. SEM yields instant findings. It is without a doubt the quickest way to enhance website traffic. (For more information on marketing channels distribution, see Appendix 2.)

### **2.2.3 Content marketing**

Consumer awareness, leads, and conversions all rise as a result of content marketing. As the digital era has developed, content is becoming more and more compulsory component of every strategy of marketing (Forbes 2020).

Content marketing employs advertisements and blog posts across a variety of platforms to assist customers in making important decisions. It contains YouTube videos as well as advertising. Outbound marketing methods are not as helpful as they once were engaging with and converting the audience. Today's content must interact with your audience in a natural way, which is referred to as inbound marketing. A common method for accomplishing this is to create a narrative for your stuff or to tell a story. As a consequence, your content will feel more real, engaging, and personalized to your target audience. Material marketing is the process of creating, producing, publishing, and distributing content through various channels such as social media, blogs, websites, podcasts, apps, press releases, and print publications, among others. The goal is to increase brand awareness, sales, engagement, and loyalty among your target audience.

#### **2.2.4 Instant message marketing**

Instant message marketing contains WhatsApp, Instagram, SMS text messages, Facebook, and other channels for communicating with old and new clients to keep them informed about current products, campaigns, and endeavours. Instant messaging (IM) appears to be the fastest growing technology right now, compared to live video streaming or blogging. With 990 million users on WhatsApp, 800 million on Facebook Messenger, and 650 million on WeChat, the IM user base is a pool of enormous and rapidly rising accessible audiences. However, marketers and organizations chose to dismiss this powerful marketing tool as only a communication tool. Although social media is great for spreading information and becoming viral, messaging applications are better for one-on-one communication, such as sharing personal stories, answering customer questions, and, most crucially, selling. Because communications are unique and customized to a specific audience, interaction via messaging applications is more intimate. Brands can now send direct messages to fans, and even better, these messages are handled in the same way as messages sent by friends.

IM allows you to multitask while the customer support person investigates using both rapid and non-parallel communication. It also ensures that dropped signal locations do not obstruct calls, allowing customer care representatives to work with many customers at once. People utilize these apps to interact with friends or acquaintances, yet they are always concerned about privacy breaches when online. Using Touch ID or Face ID to unlock phones has resulted in the safest platform we've ever seen. Pin codes and passwords are no longer required; instead, you may enjoy seamless personal and secure service at your fingertips. Because of a high level of trust, a speedier response rate, and a personalized

human connection, the engagement rate among fans is comparatively higher. Messages received through messaging apps are frequently viewed and read within minutes, resulting in considerably more efficient message delivery. Marketers can use private messaging apps to reach nearly all of their IM list's followers.

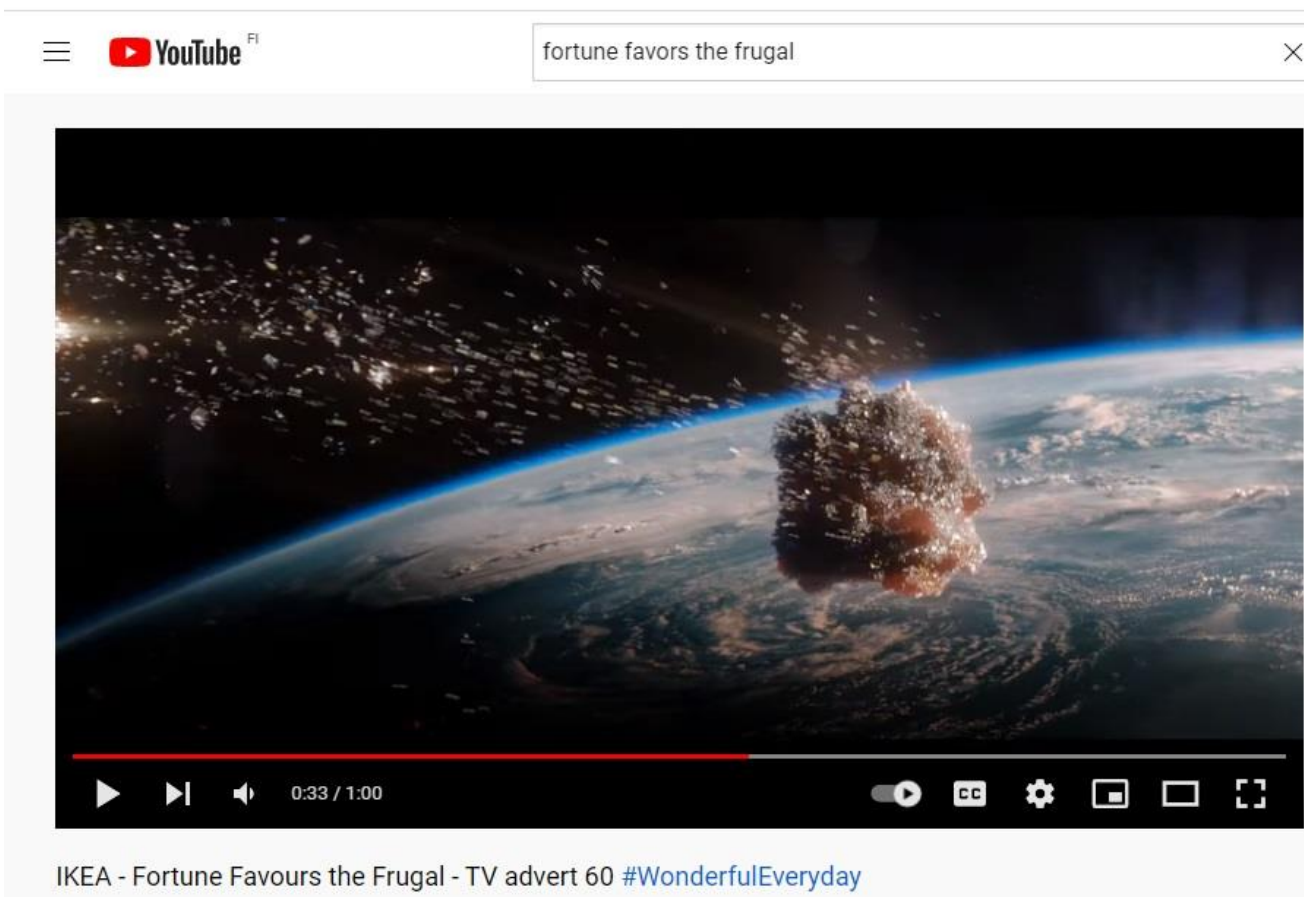
### **2.2.5 Social media marketing**

According to predictions, in 2020 more than 3.8 billion people will use social media; in comparison with 2019 this ratio was 9%. Marketing combined with the usage of influencers on social media can help us gain more clients. Social media trends change quickly, indicating that this channel has more potential. Advertisers can use social media sites like Twitter, LinkedIn, Instagram, YouTube, and Facebook to engage and connect with potential clients. With a clever social media strategy and the ability to create interesting content, marketers can engage their audience. A variety of social media management solutions are also available to help businesses get the most out of the sites described above. Buffer, for example, is a social media management tool that could aid your social media marketing efforts. (Dollwet 2019.)

The origin of social media marketing was publishing. Businesses used social media to promote their content in order to increase website traffic and, potentially, sales. Social media, on the other hand, has evolved into much more than a medium for sharing content. Social media is used by businesses in a variety of ways nowadays. For example, a corporation concerned about what its brand is being said about it might monitor social media conversations and reply to relevant mentions. An analytics tool could be used by a company that wants to know how well it's performing on social media in terms of reach, engagement, and sales. Highly focused social media marketing could be used by a corporation that wants to reach a specific audience on a huge scale. (Dollwet 2019.)

### 3 FORTUNE FAVOURS THE FRUGAL

Fortune encourages economy in terms of spending resources wisely and saving money for longer-term goals. The corporation also represents fate favouring those who spend wisely on good deeds and save money for the future. They portrayed a fireball of non-biodegradable rubbish heading towards the planet in the advertisement, and it was widely known to people. It signified the truth that, everyone in this era understands how much awful the condition of our environment is and how dangerous these products are, but people carry on to buy them, utilize, and then waste countless objects and the reason is they become broken or getting old fashioned. Purchasing a large number of durable and long-lasting items from the proper manufacturer, on the other hand, can actually benefit the environment by reducing litter. They communicated the campaign's key idea and subject via internet platforms and television video illustration:



PICTURE 2. (IKEA – Fortune favours the frugal TV Advertisement 2021)

### **3.1 The Campaign's Objectives**

They aimed to promote long-lasting products through the campaign in order to make the environment a better place to live. The planet is in hazardous condition as a result of over usage of plastic and non-biodegradable materials. The purpose of the campaign was to raise awareness among people regarding non-recyclable waste which is increasing quite dangerously with the passage of time. Ikea also wanted to provide long-lasting and environmentally sustainable furnishings to their customers.

Creating less environmentally harmful equipment and sell high-quality products at reasonable pricing was one of the key goals of that campaign. "Fortune Favours the Frugal" highlights IKEA's dedication to managing to adapt the brand and motivate people to consider the advantages of leading a moderate rather than an extravagant existence. Small deeds now will have a significant impact afterwards. IKEA intends to reposition the term "frugal," which frequently has negative connotations, by emphasizing the advantages of being thrifty and sustainable, for both people and the environment, with the new campaign, "Fortune Favours the Frugal."

### **3.2 Critical Evaluation**

There is no doubt that the idea behind the campaign was absolutely fantastic and attractive. A great business idea without proper implementation will give nothing but a failure to a company. The campaign's failure was largely due to the campaign's lack of use of accessible platforms. Digital marketing is important because it connects a firm with its clients when they are online and works in all industries. When companies appear on Google through SEO and PPC, on social media through social media marketing, and via email through email marketing, it connects them with ideal customers. But IKEA just used a single TV commercial and a single Instagram post to achieve their goal, which may not have been enough.

Social media marketing is one the most important branch of digital marketing and even though if Ikea would chose the social media channels properly then the results would have different from now. Inefficient implementation of plan or less productive strategies have been adopted by Ikea eventually leads the campaign to a failure. Project success is heavily influenced by implementation planning since without it, your strategic goals are still inactive. Therefore, implementation is a crucial phase in turning your strategic ideas into action so that you may accomplish your objectives.



A short survey has also been taken to get the people's point of view. All participants were adults and majority were male but a sufficient amount of female also took part in that survey. Majority of participants frequently use social media, which shows the importance of social media these days. 87% of the participants show their priority in social media channels as Facebook. Second priority channels were Tiktok and Youtube. Almost everyone was familiar with IKEA but most of the participants had never heard about IKEA's campaign "Fortune favours the frugal". That response was quite understandable because the most famous and trending social media channels such as Facebook and Tiktok were not used in that campaign. IKEA completely ignored the risk factor in this specific campaign and they started promoting the products made of recycled items without knowing if people are interested in buying products created of the recycled items or not. Most people showed less interest in buying products made from recycled material.

## 4 THE SOSTAC PLANNING FRAMEWORK

In its sphere, any company can either expand or contract. The marketing plan developed and implemented could represent the difference between a successful and unsuccessful business (Chaffey & Smith 2005). Despite the fact that other advertising approaches have shown to be effective throughout time, a number of highly experienced experts believe the SOSTAC model is one of the most amazingly effective and functioning plans. (Smith & Taylor 2004.)

TABLE 1. SOSTAC planning framework (Smith 2003)

<b>PR SMITH'S SOSTAC PLANNING FRAMEWORK</b>			
S	Situational Analysis	What are our current circumstances?	Stage 1
O	Objectives	Where do we intend to go?	Stage 2
S	Strategy	What is the best way for us to get there?	Stage 3
T	Tactics	What tools can we utilize to put the approach into action?	Stage 4
A	Action Plan	Shouldn't there be a detailed action plan for each tactic?	Stage 5
C	Control	Monitoring, updating, measuring, and reviewing progress are all ways to keep track of your progress.	Stage 6

### 4.1 Situational analysis

Depending on the intention of any association to develop into a different commercial or industry setting, situational analysis must be conducted in order to continue with changing environmental drifts and then to improve the base of plans (IDM Firm 2007). A resolution framework for collecting past and present data in a structured and methodical manner in order to monitor market patterns, pressures, foreign or local components that may have a possible impact on business efficiency is known as an ecological or environment analysis (AMA 2007). Conducting a situational analysis, which comprises Porter's Five Forces Analysis, PEST Analysis, and SWOT Analysis, is the first step in the SOSTAC planning framework.

#### 4.1.1 External marketing audit

PEST research was used effectively to examine IKEA's external market by studying political, financial, social, and digital patterns. It is a fairly large environmental guidance that is used around the world to help people examine business more closely (Mindtools 2007).

TABLE 2. PEST analysis on IKEA

<b>Political</b>	The sale and marketing of brands are influenced by Brexit in the United Kingdom and elections in other nations. Its principles are shared by all suppliers and distributors, and they are all committed to working toward Code compliance. GDP recovery has been slowed by the pandemic, which has had an impact on many companies' marketing tactics.
<b>Economic</b>	Because the UK inflation rate and index during the pandemic are far worse, companies should think about product price. Global crises include the global market and the post-pandemic globe. Lockdowns and breakdowns have a negative impact on the economy. In the Euro and other international currencies, the rate of exchange of US dollars is also a key role. Because IKEA is a Swedish firm with a special relationship with the dollar on the global market.
<b>Social</b>	Cultural difficulties, such as the representation of homosexuality in Russia and the objectification of women in other nations, damage the company's image. IKEA should stay on top of the most popular products and services in the firms with which it works. Business should rectify its error and respond to customer complaints.
<b>Technology</b>	The organization should focus digital media in order to reach more customers. The e-commerce platforms and delivery system of the organization need to be enhanced. It's because a lot of customers have had bad experiences with the delivery services provided by the organization. It will be a great benefit to the organization if they can improve it.

#### 4.1.2 Analysis of internal marketing

According to the IIA and CIPFA, a core audit of a firm or corporation includes a self-governing oath purpose and identifying disruption that is aimed to boost value in order to improve a firm's procedures. It assists an organization in achieving its goals by reviewing, analysing, and documenting, as well as improving risk management, financial regulation, and resource allocation through a systematic, controlled approach (Mindtools 2007).

Porter's five forces prototype will be used to evaluate IKEA's internal market in order to conduct a thorough internal marketing audit. In simple terms, the Porter's model is a powerful tool for evaluating where real power is in a business situation. This is useful because it allows one to understand the current small location's strengths and advantages, as well as the power that the future intends to move into and rule (Mindtools 2007). Following are the IKEA internal marketing audit's Five Force Model.

TABLE 3. Porter's Five-Force Model Analysis of IKEA

Force	Issues	Impact
Rivalry between industries	The existence of multiple major firms like Wal-Mart, Home Depot, Alibaba as well as online sellers, intensifies industry competition; if competition can offer lower prices or appealing offers, IKEA's market share might be severely reduced.	High
Customer's bargaining power	Customers will migrate to other rivals if IKEA's items become less economical, affecting IKEA's profit margin and resulting in losses. IKEA's product quality and safety are being questioned, and the corporation appears to be employing double standards by recalling harmful products from first-world countries (the United States and the United Kingdom) while skipping the same action in other areas. Such a strategy for different markets can lead to a loss of consumer loyalty and a decision to switch to a competitor.	Moderate

(continues)

TABLE 3. (continues)

Supplier bargaining power	If IKEA's current suppliers choose to increase cost levels, IKEA has a huge range of vendors to choose from. Suppliers are eager in forming solid partnerships with IKEA because it is a well-known brand with a global presence.	Low
Substitutions as a threat	Customers receive a one-of-a-kind set of products and services that are rarely available from other businesses. The brand's image, reputation, and support gained through effective marketing reduce the brand's chances of success when compared to competitors. It's unclear whether competitors' products will be cheaper than IKEA's.	Low
New start-ups as a threat	To compete with IKEA, newcomers must make significant investments and gain industry knowledge. The majority of new entries will be tiny businesses with insufficient clout to pose a threat to IKEA's market dominance.	Low

#### 4.1.3 SWOT Analysis

An organization's strengths, weaknesses, opportunities, and threats can be identified and analysed using the SWOT analysis framework. The SWOT acronym is made up of these words. The main objective of a SWOT analysis is to raise awareness of the variables that influence business decisions or the formulation of business strategies. You may find the parts of your organization that are doing well by conducting a SWOT analysis. These are your crucial success elements, and they provide your company an edge over the competition. You can ensure that you preserve these strengths so that you don't lose your competitive advantage by identifying them. Following review of outer (macro) and inner (micro) factors, SWOT analysis is utilized to analyse IKEA's current state of affairs. IKEA's setting was studied using the SWOT analysis framework, which helped to manage its significant flaws (internal), potential (external), difficulties (external) and turn them into major strengths (external) (Gürel 2017).

TABLE 4. SWOT Analysis of IKEA

<b>SWOT ANALYSIS</b>	
<b>STRENGTHS</b>	<b>WEAKNESSES</b>
Low-cost, stylish furniture has earned the company a global reputation. Networks of ultra-modern stores that are vast and numerous. An integrated production and supply chain strategy Profitability and revenue growth are both strong.	Stores that are not in the city centre. New store planning takes a long period. Across the globe, a standard product selection is available. Furniture's safety and durability have sparked debate.
<b>OPPORTUNITIES</b>	<b>THREATS</b>
Expansion into emerging markets, with the possibility of low-cost production. Investigating raw resources sourced locally. E-commerce and pick-up formats are becoming increasingly popular. Brand image can be improved by raising awareness about sustainable products.	E-commerce and furniture rental firms are posing a threat. In unexplored markets, there are entry hurdles, rules, and restrictions. Competitors' price battles and diversification initiatives.

## 4.2 Objectives

Future business goals, such as where the company would have been in the future, must be developed by organizations. The objectives are determined by the company's mission and vision statement, customer engagement and retention, productivity measurement through promotional spending, and targeted added value. The vision statement identifies immediate and long-term objectives that can be achieved by breaking them down into smaller, more attainable objectives. Market swings affect corporate operations, and forecasting can be straightforward if the company's aims are short-term. Use the SMART rule to achieve your goals, which suggests that each goal should be specific, measurable, actionable, relevant, and time-bound. (Stephenson 2020.)

IKEA has declared the unveiling effective marketing campaign designed to persuade the public to reconsider the benefits of leading a moderate lifestyle. IKEA assist in the start of a low-cost reuse and refurbished furniture market. As 'Fortune Favours the Frugal' is the new campaign, IKEA intends to

reposition the term 'frugal,' which is often associated with negative meanings, by emphasizing the benefits of being economical and sustainable for both people and the environment. By displaying and raising awareness of refillable bottles, recyclable straws, organic herbs, and energy-saving LED lights against dramatic sceneries of the natural world, special marketing offers were created to bring the long-term consequences on the environment and how to combat them to life. To track the campaign's success and growth through the use of digital marketing tools such as YouTube, Facebook, Twitter, and online marketing. All these targets are the accepted SMART targets for November 2021 to April 2022.

#### **4.2.1 Vision statement**

Our only home is the Earth. And today, more than ever, our homeland requires our assistance. Poverty has the potential to make it unaffordable. Prejudice has the potential to make it unpleasant. And, as a result of climate change, the world has become uninhabitable. Home, on the other hand, has always been what we make of it. And we're determined to make a difference in the lives of a billion people (IKEA 2021a).

The company has increased its emphasis on sustainability in recent years. It will release a "green" Christmas advertisement at the end of 2020 and open Greenwich, New York, in 2019, which it dubbed as its most sustainable location to date. By 2030, the company wants to make all of its goods out of recycled or renewable plastic. Ikea's advertisement provides a much-needed alternative to the doom-filled prophecies about the future of our planet by emphasizing the simple, doable efforts people can take. The messaging around the climate crisis has left many people feeling overwhelmed and urged marketers to "bring some lightness and debate" into the conversation. The fact that Ikea is taking this action is promising, and it seems like a more effective method for businesses to promote genuine change.

#### **4.3 Strategy**

A digital marketing plan explains how a company can achieve its goals. For businesses, the purpose of marketing strategy is to identify resources that may be used to communicate with customers, create brand awareness, and sell items. A digital marketing plan can include things like possible strategic

collaborations, tactical tool and database integration, positioning, critical techniques, and interaction. (Stephenson 2020.)

A strategy is the shortest and most important part of the planning process since it directs the techniques used to produce sales. What are the current trends that we are following? What are the segments that are being targeted? What are the client acquisition and retention communication strategies? Which media will be most effective in attracting new customers? Which method of interaction will be more beneficial? (Chaffey & Smith 2017, 59.)

Ikea's distinctive brands can be developed through three primary growth avenues. The following are some of them.

#### 4.3.1 Retailing

IKEA is reaching out to customers via a range of channels, including city-centre locations, traditional out-of-town stores, expanding e-commerce with online buying capabilities, and distribution businesses and infrastructure.

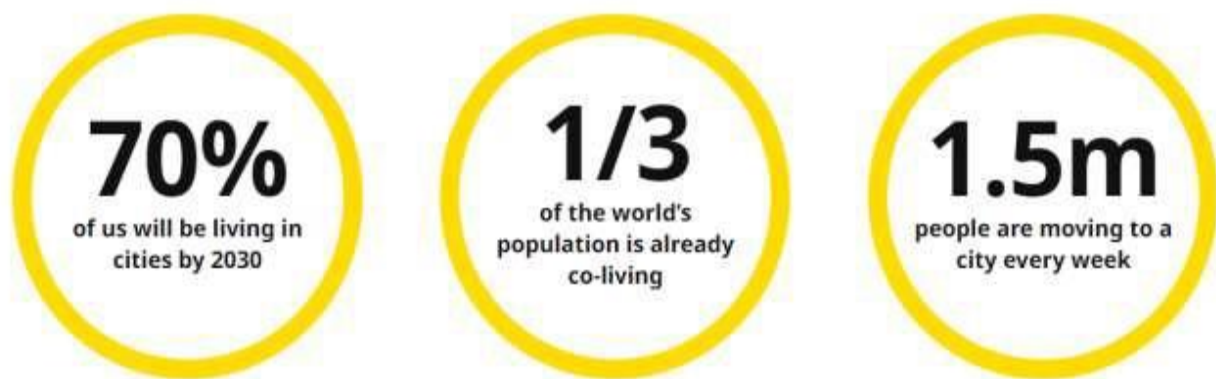


FIGURE 1. Relocation of people (IKEA 2021c)



### **4.3.2 Direct marketing**

Direct marketing is a style of advertising that involves communicating with your target market directly to offer information about your business, product, or service. A particular technique, like making an order, entering a website, or asking for information, is what direct marketing aims to elicit from a targeted audience of consumers. The advertisers may choose to engage in a wide range of ways, including through advertisements, telephone, or direct mail. The use of direct email marketing is among the most fascinating strategies. The fact that the consumer attitude to direct marketing is quantifiable is a crucial component. For instance, you should include a token if you give a discount for an online business so that you can determine whether the user has used the coupon.

Direct marketing is exemplified by IKEA's catalogue. IKEA spends more than 70% of its advertising budget on the catalogue, which is mailed to 200 million people in 28 countries and 17 languages every year. The Swedish furniture company recognizes the importance of its catalogue. In 2015, the catalogue was promoted with a smart video campaign.

### **4.3.3 Franchisees from around the world**

We enjoy the challenge of reaching out to as many people as possible with IKEA products. To safeguard the IKEA business's long-term growth and development, we use a franchising system. This ensures franchisees' financial security while also allowing them to try out new markets and innovations. We're working together to help the IKEA brand grow. Ikea receives predetermined percentages of royalties from overseas shops. They enjoy the challenge of reaching as many people as they can with IKEA products. IKEA has a franchise system to guarantee the long-term growth and development of its business. This offers financial security while enabling franchisees to test, challenge, and research new markets and concepts. They work together to advance the IKEA name.

They form joint ventures in places where significant growth is anticipated. Inter IKEA Systems B.V. assesses potential IKEA franchisees. After making a decision, a franchisee signs a contract granting them the authority to use the IKEA franchise systems and procedures to run an IKEA store and other sales channels. IKEA franchisees give Inter IKEA Group a 3% cut of their net sales as an annual fee. They gain access to the IKEA trademarks in exchange. They are also permitted to run IKEA stores and other sales channels, as well as market and sell the IKEA product line (IKEA 2021b).

#### **4.3.4 IKEA Future saves the frugal campaign (The proposed strategy)**

IKEA's cutting-edge strategy illustrates that the company is committed to raising public awareness about sustainability and that exponential growth and continuing improvement in the field are the company's goals. IKEA has announced the start of a new integrated campaign that aims to change how the public views the advantages of leading a moderate lifestyle. IKEA intends to reposition the term "frugal," which frequently has negative connotations, by emphasizing the advantages of being thrifty and sustainable, for both people and the environment, with the new campaign, "Fortune Favours the Frugal."

Beginning on January 1, 2021, the campaign will run in broadcast TVC, theatres, and digital media in the UK and Ireland. OOH support will begin on December 28, 2020, and the campaign will run throughout the year in a number of IKEA markets, including the US and the Netherlands. The initiative is a continuation of Mother's well-known "Fortune Favours the Frugal" promotion. With two primary goals in mind, the campaign is launched. First, to use humour to deliver a powerful message about the sustainability of our world in the future.

#### **4.3.5 ANSOFF matrix application on IKEA**

Igor Ansoff created the Ansoff Matrix as a tool to help firms estimate the rate of market development and the effectiveness of their product. The strategy step of the marketing planning process employs the Ansoff Matrix. It is used to determine which overarching strategy the company should employ, after which it guides the choice of marketing activity strategies. An organization may occasionally use two tactics to target various markets.

Making a four-quadrant grid that incorporates Market Penetration, Market Development, Product Development, and Diversification will enable you to design an Ansoff matrix. The matrix should also demonstrate the overlap between the quadrants' new and existing markets, as well as their new and existing items. Ikea is pouring money into a new form of marketplace that provides service and raises awareness about the benefits of repurposing old items, which is project development with diversification in terms of the Ansoff matrix.



FIGURE 2. Ansoff's Matrix (Ansoff 1988)

None of Ikea's big competitors had proposed the concept of sustainability and repurposing existing furniture. Ikea, on the other hand, has built a positive reputation among its consumers and the wider public over the past 70 years. For the sake of our planet's existence, people are increasingly turning to sustainable products. The sustainability of our planet has also been discussed by various groups on various platforms, thus Ikea's concept will undoubtedly encourage customers to reuse their furniture by renovating it or utilizing the old material to make a new Ikea product.

TABLE 5. Ansoff Matrix on IKEA

<p><b>Penetration of the market (Present strategy)</b></p>	<p>IKEA should make a concerted effort to develop and design interesting communication content for each of its market categories.</p> <p>IKEA may propose competitive pricing and price reductions to increase the appeal of its items.</p> <p>IKEA can identify new features and quality in existing goods for existing markets.</p>
<p><b>Growth of the market (Present strategy)</b></p>	<p>Discovering and analysing varied market cultures, trends, and customer behaviour should be the focus of research and development.</p> <p>Increased IKEA brand awareness leads to increased brand memory, which is important when making purchasing decisions.</p> <p>Customers must have this market knowledge in order to comprehend the items and services available.</p>
<p><b>Development of a product (New strategy)</b></p>	<p>IKEA has the ability to make alterations and upgrades to existing products in order to present clients with new and better options.</p> <p>Furthermore, by bringing a variety of high-quality products into the same market, the firm can engage in new product development.</p>
<p><b>Diversification</b></p>	<p>IKEA would diversify through new ideas by looking at new business opportunities.</p> <p>Opportunities for growth and development, as well as the ability to create or acquire them.</p>

### 4.3.6 STP process

STP is made up of three steps: targeting, positioning, and segmentation. In the instance of Ikea's "Future Saves the Frugal" ad, the illustration is as follows:

TABLE 6. STP Process for campaign

Type of segmentation	Segmentation criteria	Target customer segment
<b>Geographic</b>	Area	Europe, Americas & Asia
	Populated	Urban
<b>Demographic</b>	Gender	Males and Females
	Age	22 years
	Stage of life cycle	Bachelors young age, Married couples and their dependent kids, old married couples along with their kids, retired people
	Occupation	Students, professional workers, labor
<b>Psychographic</b>	Social class	Middle class, lower class and working class
	Life style	Finding job, left job, retired

### 4.4 Tactics

Marketing executives use a wide variety of approaches, such as releasing or delivering promotional products, sending emails, and interacting with customers on social media channels. Additional examples of marketing strategies include targeted publications, club and organization membership recruitment, and television and radio advertising. Even AI marketing technologies are now readily available that can be used as a component of a marketing strategy.

The aspects of a multimedia mix that are used to accomplish the aims of a digital marketing strategy are known as tactics. It's vital to identify the market you want to target when developing a digital mar-

keting plan. To attain goals, the 4Ps of marketing strategy, which include product, pricing, place, and promotion, might be used. To promote the product range and the distinctive brand feature, numerous digital approaches, such as email marketing, are used for marketing. Set email goals and send to current customers based on previous purchases, such as "buy one, get one free," "special pricing offers on some product offerings," and "benefits," such as "share the email to 5 others, get 30% off your next purchase."

The elements of the 4P's utilized to pick Ikea's new digital marketing strategy are as follows.

#### **4.4.1 Product**

The good or service being marketed to the target market is called the product. Successful goods typically meet a demand-generating unmet need in the market or offer a fresh client experience. IKEA has made great efforts to promote environmental stewardship. As part of IKEA's commitment to a sustainable future, many of its items are created from renewable and/or recycled resources. To produce minimal or no waste, all IKEA products are meant to be repurposed, recycled, reused, mended, and resold. It also allows DIY (do-it-yourself) to be more creative. IKEA is trying to eliminate all single-use plastic products and run its operations and direct suppliers entirely on renewable energy.

The campaign's main goal was to produce sustainable products and services for repurposing old furniture and building a global clean energy network. This can be accomplished through working with social groups and developing environmental awareness among the general public. IKEA's mission is to improve the quality of life for as many people as possible. Their business plan is to provide a wide selection of elegant, useful home furnishings at costs as cheap as feasible so that as many people as possible may afford them.

#### **4.4.2 Place**

Place refers to the store where you sell your goods and the methods you employ to deliver them to your customers. Finding the ideal location to market and sell your goods is crucial for reaching your target market, much like price. The majority of consumers in the furniture sector are unaware of the importance of sustainability and planet survival. As a result, Ikea will focus on consumers who can't afford new furniture but want their existing IKEA furniture restored. Second, the campaign's goal is to

raise awareness, and it will specifically target people from social groups that are working on environmental concerns.

IKEA has advanced to become the third most well-known leader in the world for social responsibility and environmental sustainability since the introduction of its People & Planet Positive program in 2012. IKEA's 2020 Corporate Social Responsibility (CSR) goals focus on healthy and sustainable living, climate positive efforts, and social equality and fairness, with an ambitious and innovative agenda. (For more information on IKEA's social responsibility efforts, see Appendix C.)

#### **4.4.3 Price**

Pricing your products may promote product positioning, increase profitability for your business, and enhance your marketing mix. You must decide how much to charge clients to buy the product once your firm is prepared to market it. In other words, the pricing structure needs to be decided. The cost factor is really important. We can utilize psychological pricing to entice clients and brand switchers who are concerned about reusing their furniture and saving the environment. Low prices are just the beginning at IKEA. You receive a product that is stylish, sustainably created, well-designed, and well-built for the price that it is.

That is the end product of what they refer to as "Democratic Design," a concept that places function, form, quality, sustainability, and, of course, low pricing at the centre of everything we do. It's a key component of our strategy for improving the quality of life for the majority of people. And it's how you may get fantastic prices on furniture and home decor for your complete residence. IKEA has a distinctive approach to pricing. The quality that is offered to the clients makes them happy even though they must pay greater costs. The products' quality is in line with their cost. Prices are correct, and when compared to rivals, IKEA's goods are more reasonably priced.

#### **4.4.4 Promotion**

Your goods or service will be advertised through promotion. With the help of promotion and an engaging marketing strategy that appeals to your target market, you can spread the word about your product. The use of promotion as a marketing tool helps suppliers and buyers communicate with one another.

By doing this, the vendor seeks to persuade and influence customers to purchase their goods or services. It helps to inform consumers about the company, its goods, and its services.

A digital marketing strategy is a plan for creating an online presence using tools like social media, paid search, organic search, and other web-based platforms like your website. Essentially, the word refers to a strategy that uses digital activities to further business objectives. A digital company plan might seem straightforward, but; its implementation calls for knowledge and experience. Due to the rise in popularity of digital platforms, digital marketing channels will be employed to promote the campaign.

TABLE 7. IKEA sales chart (Office for National Statistics 2021)

Category	Online sales serve as a form of retail training	Compared to a year ago, online sales in the most recent month	Recent month's online sales compared to the prior months	The % weight of the index categories
Nonfood items	25	-2.5	-1.5	38
Food items	11	2	0.2	14.5
Retailing	28	-2.5	0.5	100
Departmental stores	28	-15.0	4	9
Textile industry, shoes factory	30	6	-2.0	10
Home appliances shops	25	-1.0	-4.0	8
Other segments	20	-1.0	-2.0	10
Non retail shops	84	-4.0	2	50

#### 4.4.5 Action plan

Who does what, when, and how is action. Determine the duties and frameworks for internal marketing performance quality of internal employees vs. external, as well as the systems, procedures, checklists, and rules. (Smith 2020.)

As a result, action entails putting the plan into practice in order to translate actions into computations. What has to be done for each tactic is decided under action? That was already mentioned under techniques for achieving the digital marketing plan's goals. Keyword research, keyword selection, website



optimization for high Google rankings, outreach to industry bloggers, forums, and websites for content creation, and linking target people with similar attributes are all SEO tactics.

Which crucial points will we target with Pay-Per-Click actions, and what budget will be required? Are we concentrating on the correct issues? Are we aiming our marketing efforts in the proper direction? or are we making the correct things available for purchase? Affiliate networks are made up of two components: affiliate programs and business growth. An affiliate program entails understanding the effects of competition; such include compensation tiers, providing publishers with marketing tools, and the amount of affiliations Will these relationships help in discovering and recruiting important affiliates for the program? Business success necessitates building ties with affiliate programs; will these relationships aid in identifying and hiring key affiliates for the program? Mail marketing's goal is to ensure that software items are used correctly. The indicators used to measure email delivery performance and efficacy include click-through rates, open rates, and conversion to sales. (Swan 2020.)

The following is a budget breakdown of how campaign funds will be dispersed. A total budget of \$2.5 million has been allocated to the campaign.

TABLE 8. Budget analysis for the campaign (IKEA 2021)

<b>Budget analysis for “Future saves the frugal” campaign</b>	
Email Marketing	£0.10 million
Search Engine Marketing	£0.80 million
Content Marketing	£0.75 million
Instant message	£0.10 million
Social media	£0.5 million
Digital marketing team	£0.25 million

For a six-month period, digital marketing experts will be employed to activate and run the campaign on all of the platforms mentioned above. All of the aforementioned pricing has been estimated based

on market research, and the optimum prices have been offered in order to execute a successful campaign.

The Gantt chart below depicts the timetable and chronological development of the IKEA Campaign's strategy and tactics.

Table 9. Gantt's Chart to portray the digital marketing strategy

	A	B	C	D	E	F	G
1		Nov-21	Dec-22	Jan-22	Feb-22	Mar-22	Apr-22
2	Email Marketing	Targeting the audience and achieving corresponding marketing tools	Production of Promotions content and sending them to target audience	Approved by marketing department, reviewing changes recommended	Sending the content to the target audience	Sending the content to the target audience	Responses from customer via email
3	Search Engine Marketing	Selecting the Search engines, Google & Yahoo	Preparing content and directing it to website	Approved by management And monitoring traffic before	Starting ads by SEM and working on building good SEO	Working on building SEO and monitoring traffic	Working on building SEO
4	Social Smedia marketing	Targeting the influencers and selection of mediums. Facebook, Instagram and tweeter	Contacting the influencers and producing the content with the selected products	Streamline the content with the campaign and launch them by all social media influencers	Running paid ads on all these selected platforms And monitoring traffic	Analyzing the reach and reviewing the results.	Running paid ads and monitoring traffic
5	Content Marketing	Hiring of bloggers and contacting media personals and production of visual ads.	Finalize the content ad message of the campaign with senior management	Publishing of contents online and monitoring the reviews and comments	Monitoring the reach and traffic on online	Monitoring the traffic through different analytics and approving more contents of bloggers	
6	Instant Messages marketing	Production of written content and preparing promotional messages	Sending messages to the targeted audience	Sending messages to the targeted audience	Sending messages to the targeted audience		

## **4.5 Control and implementation**

In this final step of the model, it's vital to assess the success of the established objectives. The tactics are going well, indicating that the control stage has verified that each approach has been applied correctly. Examine the KPIs (Key performance indicators) allocated to each strategy in relation to the anticipated objectives, and develop an evaluation plan to ensure that the goals are reached. To secure the purchase of the company's planning, involve as many team members as possible in your concern. (Swan 2020.)

During the governance chapter, everything that was expected would be compared and matched to the actual results. To examine the implications, Gantt charts, statistical measurements, efficiency observing structures, and internet traffic monitoring coordination can all be used. The marketing department of Ikea, as well as senior management knowledge, should be highlighted. Data-driven marketing, in contrast to input-led marketing, views marketing as a revenue centre that must be maintained. Campaigns that forecast the future have a higher chance of succeeding. Ikea may utilize contingency planning if faced with dire situations and unanticipated results. This is due to the insurance market's volatility, which is influenced by a variety of factors such as taxes, inflation, and home values, among others. It's difficult to know what will happen. Contingency planning should be used when various approaches must be used to deal with the arcade's vicissitudes, such as changing price packages through negotiation, emphasizing which products should be highlighted to boost sales, or even increasing the amount of labour to handle the increased customer orders.

### **4.5.1 Balanced scorecard approach**

Ikea will use the Balanced Scorecard method to manage the events of achieving the advertising targets for the launch of its new project, as shown in table 8.

The Balanced Scorecard approach was developed by Kaplan and Norton in 1992 as a tool to measure efficiency through a well-designed system that focused on planned non-financial key metrics rather than traditional financial metrics, with the goal of giving executives and managing directors a sense of 'balanced' in any legislative routine (Balanced Scorecard Institute 2010).

The table below shows how the Balanced Scorecard method concepts are applied to the achievement of an advertising plan.

TABLE 10. IKEA Balance Scorecard Approach

Indicators	Objectives	Performance measures	Targets
<b>Financial</b>	Increase efficiency and make the most use of resources. reduction in sales costs	Sales growth rate, net profit ratio, and return on capital equity ratio	25% increase in sales
<b>Customer</b>	Increased brand recognition	Survey of customer satisfaction	Level of satisfaction: 80%
	To entice buyers, low-cost products are created.	Conduct a customer needs analysis and determine the number of suppliers.	The marketing and sales teams receive the results of the surveys.
<b>Internal Methodologies</b>	Ensuring long-term quality	Product returns	Environmentally friendly raw material collecting
	Techniques for Reusing Products	Raising public knowledge to 50% of the population	Evaluate the success of marketing initiatives and the degree to which tasks have been completed.
<b>Learning and Development</b>	Digital media gurus with a systematic approach	Hire interns in digital marketing	Examine the trainee's techniques and impact.

#### 4.5.2 Issues and operating strategies

As indicated in the marketing plan in the table below, Ikea's 'Fortune Save the Frugal' campaign will mix all events and services in such a way that the core conveniences are supplied. The operational strategy addresses the management of participation transformation and integration into outputs, as well as the supply of numerous maintenance services relevant to the core job (Hill, 2004).



FIGURE 3. IKEA operational strategy

#### 4.5.3 Marketing and operations integration

The following is a scorecard for the IKEA campaign's marketing and operations integration:

TABLE 11. Ikea Marketing and Operations Integration Balanced Scorecard

<b>Marketing and Operations Integration Balanced Scorecard</b>	
<b>Preparation</b>	The marketing and operational strategy of IKEA is detailed in this section. These strategies must be approved by IIA's senior management team. To ensure that each goal is reached, the corporate strategy, marketing strategy, operations strategy, performance metrics, key objectives of the strategies, and two-three crucial success criteria are all stated at this point.
<b>Decide what you will be measuring</b>	At this point, management has agreed to the objectives and strategic goals and objectives of the marketing and operational strategies, as well as the key measurements that are linked to these goals and objectives. Financial, customer, internal, learning, and growth aspects will be provided for the strategies. Because they are at the heart of the digital marketing strategy's execution success, it is vital that they are adequately defined.
<b>Complete the implementation strategy</b>	IKEA will hold meetings with its employees and the digital marketing team to improve and complete the measurement strategy, goals, and activities, ensuring that the metrics chosen are linked to the key success factors. Assign responsibilities to each person in charge of their digital platform at this point.
<b>Set up the system</b>	IKEA will develop an implementation strategy and communicate it to its workers. Staff will receive the necessary training and support to help them achieve their objectives.
<b>Make the outcomes public</b>	At first, IKEA will collect the results of all the measurements on a weekly basis to ensure that the target goals are being met as planned. For the first three months, these findings will be presented to senior management in a weekly report written by the digital team manager.
<b>Utilize the outcomes and re-evaluate the strategy</b>	The company will assess the results of its marketing and operations strategy and develop an action plan outlining how existing measurements and strategies may be enhanced.

#### 4.5.4 Recommendations and risk analysis

Risk assessment, as the name suggests, is a calculation of the risk that will be caused or can be caused during a firm's or campaigns operational lifespan. The study's main purpose is to find the underlying risk and manage it using strategic thinking and a predictive forecast. How can employees in a firm or on a campaign be protected from the project's risks? In terms of operating strategy and marketing strategies, many homes are in jeopardy. The risk could take the form of a company's most recent campaign

failing, resulting in a direct negative impact on revenue and, as a result, a drop in compensation for people working on the project. Aside from that, looking after the company's employees, senior citizens, pregnant ladies, and people with medical problems. Developing programs and campaigns that directly target the target market, enhancing product quality, and implementing creative revenue and customer satisfaction schemes are all criteria that a company must meet in order to succeed; otherwise, these points constitute risk factors for the organization. No business can develop or prosper without favourable client feedback. Because of weaknesses in the operational strategy or strategic thinking, IKEA did not receive the intended response or input from the targeted market for this campaign. It had a replace and purchase furniture strategy; however the overall campaign was declared a failure due to the target market's unsatisfactory response.

There are certain analyses that may be utilized to access the target audience's needs, changes in demand, and market trend variations. Some of them include PEST, Five Forces, and SWOT Analysis. IKEA was aware of all of this, and kept a close eye on how ambiguities should be dealt with and combated if they emerged, but the campaign failed for indistinguishable reasons. A balanced scoreboard is essential to combine marketing and operations, as well as an action plan to control marketing activity. Employee involvement with utmost sincerity is necessary to dispel business myths and achieve all planned targets in order to ensure the most effective implementation of the strategy. It is vital to guarantee that the corporate strategy, marketing plan, and operational strategy are all aligned in order to generate higher quality, which can only be accomplished if co-workers are truthful and sincere in their statements to one another.

Staff supervision that is qualified and competent, as well as the staff itself, are required to innovate and work in order to understand the company's goals and work towards them in such a professional manner that the project or campaign objectives are reached; staff is viewed as a company's asset. IKEA also guarantees a positive work environment and a big number of potential employees in their working area.

## 5 CONCLUSION

First of all, I would like to express my feelings before conclusion. I have already gone through this process once earlier in my home country as I am graduated in my country also. But getting further education, exploring and observing the teaching methods in Finland and more specifically in Centria UAS was really a wonderful experience.

Writing thesis is not a difficult process but it is a test of your patience, knowledge, creativity and consistency. Although I was a bit late of the targeted time but with the consistency and full support of my supervisor I completed my thesis in a handsome amount of time. First of all, I would like to say that it was more than an honour for me to have a supervisor like Janne Peltoniemi. I found him a highly qualified and fully supportive teacher and a supervisor throughout my thesis and degree also.

In conclusion of my thesis I would say that I had chosen IKEA as a case and gone through their marketing failure along with the implementation of SOSTAC planning model. I had no need to collect the primary data as researches and reports have already been made on IKEA's financial position by international monetary foundation and other financial institutions. I just needed to dug in and work on the secondary data and qualitative research methodology in the thesis. Out of four research philosophies, realism philosophy has been used. As the realism research philosophy is based on the assumption that fact is separate from the conscious imagination. This ideology is built on the presumption that knowledge is developed in a scientific manner. Direct and critical realism are the two types of realism. I have critically evaluated the marketing strategies of IKEA also, so the realism philosophy suits the most to this research.

IKEA, still one of the best-known firms, has a prestigious reputation for delivering goods all over the world. It has created a name for itself by providing high-quality products at low prices to its loyal customers. Household appliances, home furnishing items, and fully prepared furniture are among its most well-known products. IKEA is known for producing low-cost, high-quality, and innovative items. IKEA had a new strategy for marketing their products called 'Fortune Favours the Frugal,' which entails buying less expensive items that are ecological and lasting for long-term outcomes and preserving that money to invest in something big and massive in the future. IKEA has been assisting individuals with their incredible ideas and inventive tools, which have assisted people in redesigning their lifestyles and transforming imbalances into balances in their lives.



Organizational plan outside of an overall marketing strategy fails miserably, because the actual implementation of the concepts is crucial, and if not executed flawlessly, they can have a detrimental impact on the company's reputation. IKEA is well-known for implementing its marketing strategy in a way that it completely complements the operational strategy. In order to boost income, gain market share, and engage a diverse range of potential clients, it is critical that digital marketing tactics are utilized to their full potential. The campaign is suggested to be promoted through digital marketing, which will include all social media platforms and some websites also, where ideas were reflected into realities that are now occurring. In our era, social media platforms have a lot of weight; if a product is exhibited correctly from the right angle with an artistic approach and a supporting remark, it attracts the attention of many people. Many people use social media sites such as Facebook, Instagram, YouTube, and Facebook. IKEA can promote its potential campaign across all social media channels in order to attract the attention of its intended audience.

They didn't even justify that the recycled items used as a raw material will give the same results or not because people thought that the products made from recycled material will not stay longer and they will have to buy again in no time. As per the people's perspective if company is using recycled items as raw material then price of that product should be a bit lower than actual but IKEA didn't offer any promotional or discounted prices on such products. Different sources have been used to show the visible fall in IKEA sales due to improper use of digital marketing plan.

I was able to examine IKEA's growth rate thanks to their annual report, which revealed where they failed as a firm in terms of delivering an attractive and creative atmosphere to their customers for green, disposable, and recyclable household appliances. The recommended action plan will be able to capture the attention of a large number of people, resulting in increased awareness. Digital marketing has a huge amount of potential, and because more people are utilizing these platforms, it can be highly beneficial to businesses in terms of growing their business and sales.

## REFERENCES

- Alaka, S. & Bibhuti, B. 2020. *Importance of E-Mail marketing*. Palarch's Journal of Archaeology of Egypt/Egyptology 17(6).
- AMA. 2007. American Marketing Association, *Dictionary of Marketing Terms*, situation analysis. Available at: <https://smash.vc/most-important-articles-published-by-marketingpower/> Accessed 5 May 2022.
- Balanced Scorecard Institute. 2010. *Balanced Scorecard Basics*. Available at: <https://www.balancedscorecard.org/BSCResources/AbouttheBalancedScorecard/tabid/55/Default.aspx> Accessed 5 May 2022.
- Chaffey, D. & Chadwick, F. 2016. *Digital marketing strategy, implementation & practice*. 6th edition. UK. Pearson. Available at: <https://garshadma.com/wp-content/uploads/2020/07/dave-cheffy-digital-marketing-strategy.pdf>. Accessed 5 May 2022.
- Chaffey, D. & Smith, P. R. 2017. *Digital marketing excellence planning, optimizing, and integrating online marketing*. Fifth edition. New York: Routledge. Available at: <https://books.google.fi/books?id=biwIDwAAQBAJ&printsec=frontcover&dq=digital+marketing++planning+and+sostac+planning+model&hl=en&sa=X&ved=2ahUKEwjqqZymsdDrAhVOr4sKHcP5DuIQ6AEwAnoECAIQAg#v=onepage&q&f=false>. Accessed 9 May 2022.
- Chaffey, D. & Smith, P.R. 2005. *E-marketing excellence: The heart of e-business*, Elsevier
- Dollwet, S. 2019. *Social media Marketing*. SD Publishing LLC. Available at: <https://books.google.fi/books?id=cTXsDwAAQBAJ&printsec=frontcover&dq=inauthor:%22Sean+Dollwet%22&hl=fi&sa=X&ved=2ahUKEwj6u7nhwLDtAhWJ-yoKHRkjCCoQ6AEwAHoECAMQAg#v=onepage&q&f=false>. Accessed 9 May 2022.
- Forbes. 2018. *Content Strategy VS Content Marketing*. Available at: <https://www.forbes.com/sites/forbesagencycouncil/2018/10/17/content-strategy-vs-content-marketing-whats-the-difference/?sh=691830167e7b>. Accessed 15 May 2022.
- Giovannoni, E. 2020. *Digital marketing planning*. 2nd edition. Chasefive. Available at: [https://books.google.fi/books?id=n3LLDwAAQBAJ&printsec=frontcover&dq=components+of+digital+marketing&hl=en&sa=X&ved=2ahUKEwi3rN\\_OopLTAhUGn6QKHWI0Dg8Q6AEwBHoECAIQAg#v=onepage&q=components%20of%20digital%20marketing&f=false](https://books.google.fi/books?id=n3LLDwAAQBAJ&printsec=frontcover&dq=components+of+digital+marketing&hl=en&sa=X&ved=2ahUKEwi3rN_OopLTAhUGn6QKHWI0Dg8Q6AEwBHoECAIQAg#v=onepage&q=components%20of%20digital%20marketing&f=false) Accessed 15 May 2022.
- Gürel, E. 2017. SWOT analysis: A theoretical review. *Journal of International Social Research*.
- Hill, T. 2004. *Operations Management*, Palgrave Macmillan; 2nd Revised edition. Accessed 15 May 2022.
- IDM Firm. 2007. *Internet Design Marketing, Situation Analysis*. Available at:
- Ikea 2021a. *Ikea annual sustainability report*. Available at: <https://www.ikea.com/us/en/this-is-ikea/about-us/the-ikea-sustainability-strategy-making-a-realdifference-pubb5534570> Accessed 18 May 2022.

- Ikea 2021b. *Ikea annual report*. Available at: <https://gbl-sc9u2-prcdn.azureedge.net/-/media/interikea/igi/financial-reports/inter-ikea-group-financial-summaryfy213.pdf?rev=9e0d8eaf3c054bc4937e33e36d80c3c5&hash=1E3F4A4D474711B7841748BFD015B4F3> Accessed 18 May 2022.
- Ikea 2021c. *About*. Available from: <https://about.ikea.com/en/sustainability/healthy-and-sustainable-living> Accessed 25 May 2022.
- Kemp, S. 2020. *Digital 2020: 3.8 billion people use social media. We are social*. <https://wearesocial.com/uk/blog/2020/01/digital-2020-3-8-billion-people-use-social-media> Accessed 25 May 2022.
- Lardi, K. & Fuchs, R. 2013. *Social media strategy*. Zurich: vdf Hochschulverlag AG an der ETH. Available at: <https://books.google.fi/books?id=BjCXiqJSt9UC&printsec=frontcover&dq=what+are+the+social+media+channels&hl=en&sa=X&ved=2ahUKEwjTlqC8rbDtAhXhsYsKHZkvBL4Q6AEwBXoECAQQA#v=onepage&q=what%20are%20the%20social%20media%20channels&f=false>. Accessed 25 May 2022.
- Mankad, D. 2019. *Understanding digital marketing strategies for online success*. BPB publication. Available at: [https://books.google.fi/books?id=LkCwDwAAQBAJ&printsec=frontcover&dq=digital+marketing+books+online&hl=en&sa=X&ved=2ahUKEwj8Jn2sc\\_qAhWRzcQBHVXLB0cQ6AEwBnoECAYQAg#v=onepage&q&f=false](https://books.google.fi/books?id=LkCwDwAAQBAJ&printsec=frontcover&dq=digital+marketing+books+online&hl=en&sa=X&ved=2ahUKEwj8Jn2sc_qAhWRzcQBHVXLB0cQ6AEwBnoECAYQAg#v=onepage&q&f=false). Accessed 25 May 2022.
- Mindtools. 2007. *Porter's Five Forces, Assessing the Balance of Power in a Business Situation*. Available at: <https://www.mindtools.com/> Accessed 2 June 2022.
- Pelsmacker, D. P. Tilburg, V. S. & Holthof, C. 2018. *Digital marketing strategies, online reviews, and hotel performance*. International journal of hospitality management. Belgium. Elsevier. 72. 1 - 3. Available at: <https://tarjomefa.com/wp-content/uploads/2018/10/F1131-TarjomeFa-English.pdf>. Accessed 2 June 2022.
- Rayan, D. 2014. *Understanding digital marketing*. 3rd edition. Great Britain. British Library. Available at: [https://books.google.fi/books?id=veuhAwAAQBAJ&printsec=frontcover&dq=digital+marketing+books+online&hl=en&sa=X&ved=2ahUKEwj8-Jn2sc\\_qAhWRzcQBHVXLB0cQ6AEwCHoECAkQAQAg#v=onepage&q=digital%20marketing%20books%20online&f=true](https://books.google.fi/books?id=veuhAwAAQBAJ&printsec=frontcover&dq=digital+marketing+books+online&hl=en&sa=X&ved=2ahUKEwj8-Jn2sc_qAhWRzcQBHVXLB0cQ6AEwCHoECAkQAQAg#v=onepage&q=digital%20marketing%20books%20online&f=true). Accessed 8 June 2022.
- Shakti, K. 2021. *Digital Marketing Trends and Prospects*. London: University College London Press
- Sheikh, M. 2006. *What is an Infographic? (Examples, Tips and Templates)*. *Visme pricing*. Available at: <https://visme.co/blog/what-is-an-infographic/>. Accessed 15 June 2022.
- Smith, J. 2020. *Digital marketing for businesses*. UK: In Easy Steps Limited. Available at: <https://books.google.fi/books?id=iyLfDwAAQBAJ&printsec=frontcover&dq=digital+marketing+channels&hl=en&sa=X&ved=2ahUKEwiS1P3ooZLtAhUOGewKHT4TD6UQ6AEwB3oECAkQAQAg#v=onepage&q&f=false>. Accessed 8 June 2022.

Smith, J. 2020. *Digital marketing for businesses*. Uk. In Easy Steps Limited. Available at: <https://books.google.fi/books?id=iyLfDwAAQBAJ&printsec=frontcover&dq=digital+marketing+channels&hl=en&sa=X&ved=2ahUKEwiS1P3ooZLtAhUOGewKHT4TD6UQ6AEwB3oECAkQAg#v=onepage&q&f=false>. Accessed 15 June 2022.

Smith, P. 2004. PR Smith's SOSTAC R Planning System. *PR smith marketing success*. Available at: <https://prsmith.org/sostac/>. Accessed 15 June 2022.

Smith, P.R. & Taylor, J. 2004. *Marketing Communications: An integrated approach*, Kogan Page Publishers

Stephenson, R. 2020. *How to write a digital marketing plan using PR Smith's SOSTAC® planning model*. *Digital dimensions*. Accessed 15 June 2022.

Swan, S. 2020. How to use the SOSTAC® planning model and the RACE Framework. *Smart insights*. Available at: <https://www.smartinsights.com/digital-marketing-strategy/sostac-plan-example/>. Accessed 15 June 2022.

Tuten, T. & Solomon, M. 2015. *Social media marketing*. 2nd edition. London: SAGE. Available at: [https://books.google.com.pk/books?id=1\\_iCwAAQBAJ&printsec=frontcover&dq=social+media+marketing+tuten&hl=en&sa=X&ved=2ahUKEwixoeLFp7\\_uAhXCQkEAHaAYCbIQ6AEwAHOECAQQAg#v=onepage&q=social%20media%20marketing%20tuten&f=false](https://books.google.com.pk/books?id=1_iCwAAQBAJ&printsec=frontcover&dq=social+media+marketing+tuten&hl=en&sa=X&ved=2ahUKEwixoeLFp7_uAhXCQkEAHaAYCbIQ6AEwAHOECAQQAg#v=onepage&q=social%20media%20marketing%20tuten&f=false). Accessed 15 June 2022.

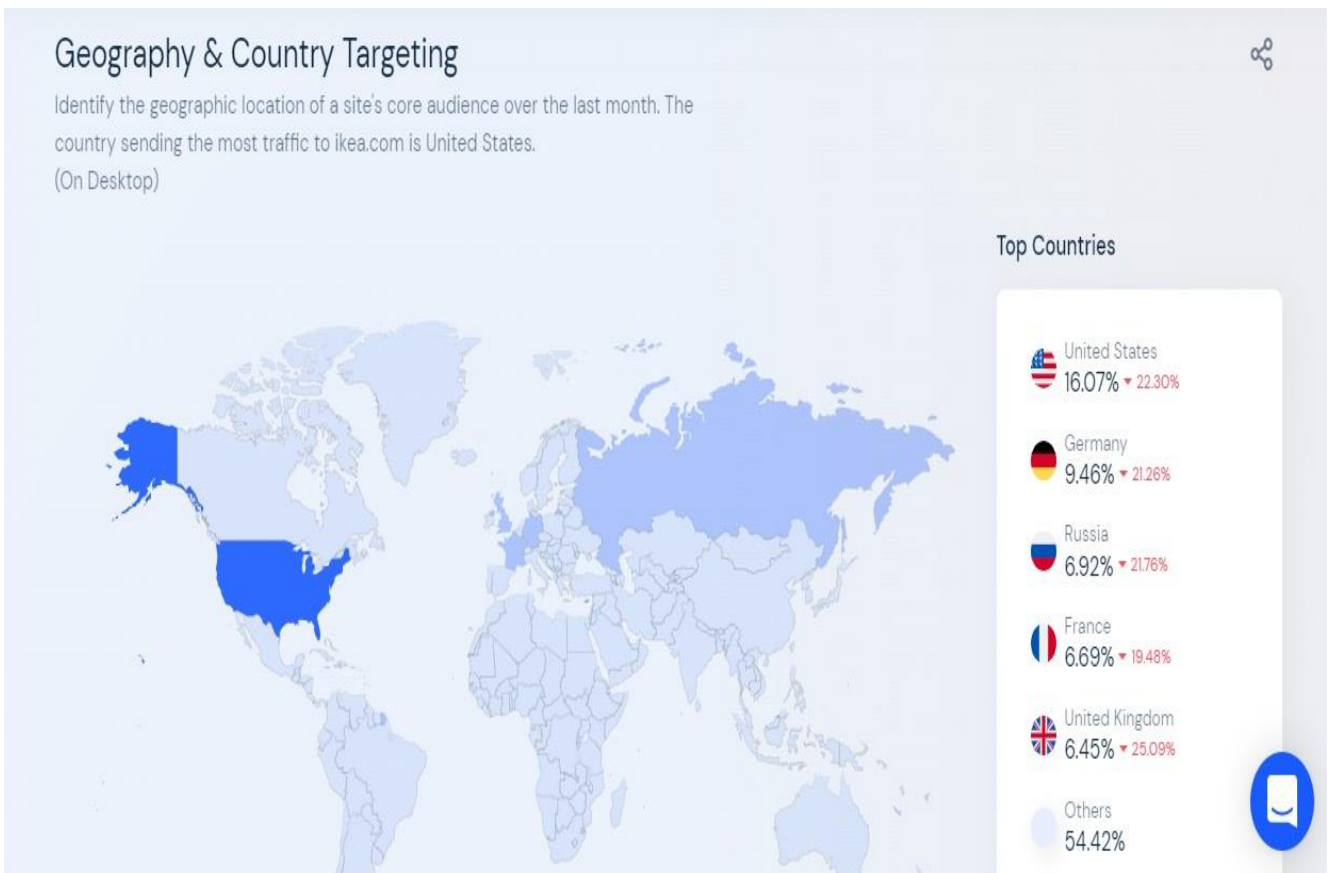
**Consolidated balance sheet**

<b>In millions of EUR</b>	<b>31 Aug 2021</b>	<b>31 Aug 2020</b>
Intangible fixed assets	9,711	10,004
Tangible fixed assets	1,702	1,691
Financial fixed assets	251	250
<b>Total fixed assets</b>	<b>11,664</b>	<b>11,945</b>
Inventories	3,752	3,661
Receivables	5,831	5,276
Cash and cash equivalents	160	225
<b>Total current assets</b>	<b>9,743</b>	<b>9,162</b>
<b>Total assets</b>	<b>21,407</b>	<b>21,107</b>
Group equity	10,115	9,541
Provisions	255	322
Non-current liabilities	5,429	5,979
Current liabilities	5,608	5,265
<b>Total liabilities</b>	<b>11,292</b>	<b>11,566</b>
<b>Equity and liabilities</b>	<b>21,407</b>	<b>21,107</b>

**Consolidated income statement**

<b>In millions of EUR</b>	<b>FY21</b>	<b>FY20</b>
Sales of goods	24,282	22,387
Franchise fees	1,273	1,162
Other income	60	64
<b>Total revenues</b>	<b>25,615</b>	<b>23,613</b>
Costs of goods sold	21,137	18,860
<b>Gross profit</b>	<b>4,478</b>	<b>4,753</b>
Operational cost	2,622	2,529
<b>Total operating income</b>	<b>1,856</b>	<b>2,224</b>
Financial income and expense	-151	-201
<b>Result before tax</b>	<b>1,705</b>	<b>2,023</b>
Income taxes	-272	-295
Results from the sale of entities	-	3
<b>Net income</b>	<b>1,433</b>	<b>1,731</b>

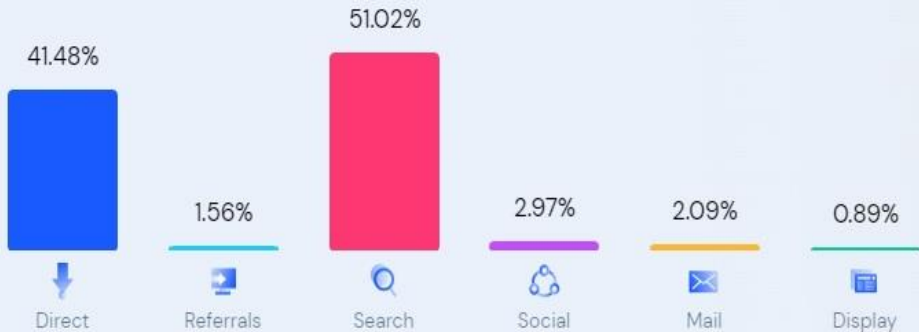
Source: Inter IKEA Group Balance Sheet & Income Statement (2021)



## Marketing Channels Overview

Discover the digital marketing channels driving traffic to your website. ikea.com receives traffic from search (51.02%) and direct (41.48%). An underutilized channel is "ads."  
(On Desktop, Worldwide)

### Marketing Channels Distribution



## Keyword Search Traffic

See the list of top paid and organic keywords driving traffic to ikea.com.  
(On Desktop, Worldwide)

### Organic vs. Paid



### Top Keywords

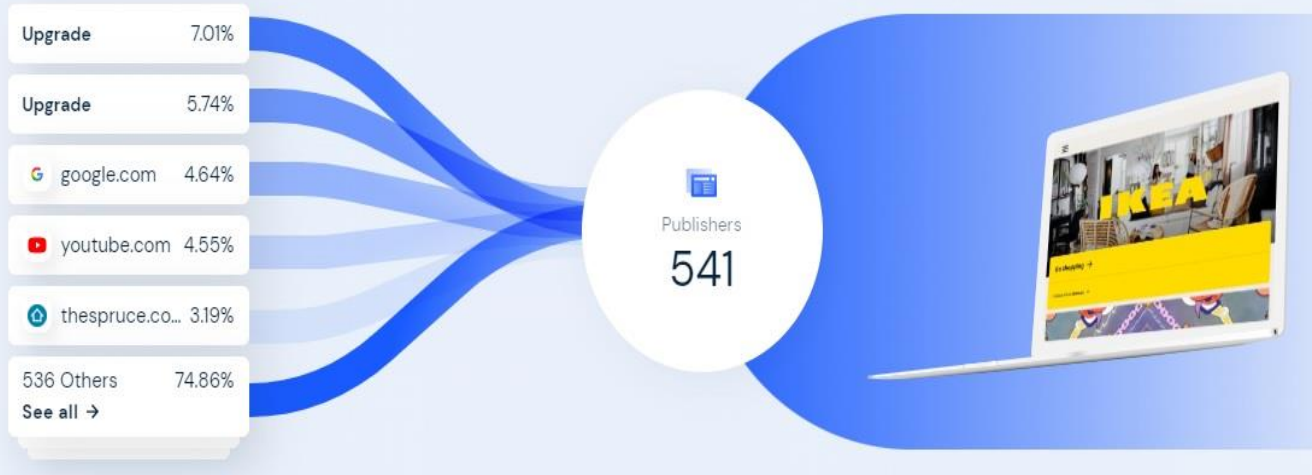
ikea	35.71%
икea	2.41%
икeя	0.95%
ikea uk	0.54%
ikea canada	0.53%
15.8K Others	59.87%
<a href="#">See all →</a>	



## Display Advertising Traffic

Analysis of the top publishers sending traffic to ikea.com. Currently, there are 541 publishers referring visitors.

### Top Publishers

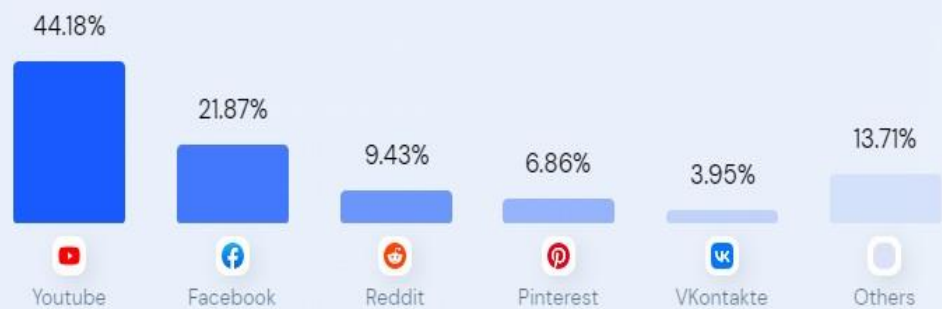


## Social Media Traffic

The top social media networks directing traffic to ikea.com are Youtube, Facebook, and Reddit. Look for opportunities to engage audiences through VKontakte or other networks.

(On Desktop, Worldwide)

### Social Network Distribution



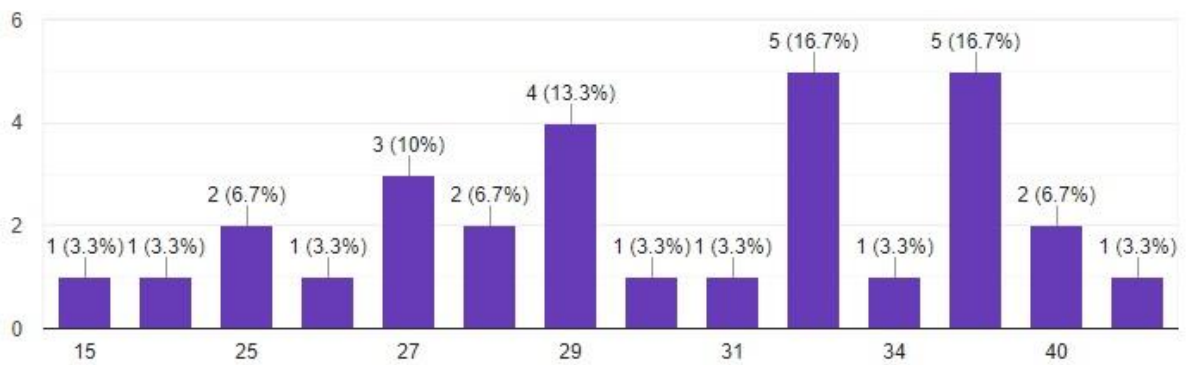
Source: <https://www.similarweb.com> (2022)



## Age

 Copy

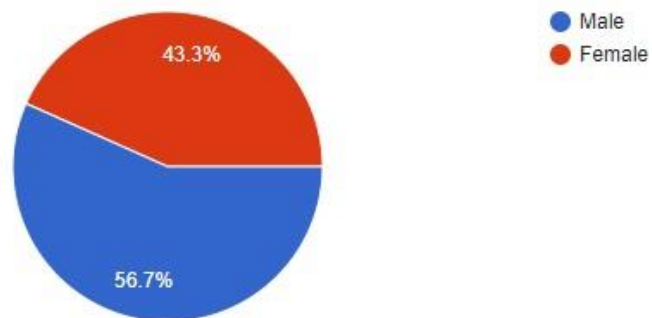
30 responses



## Gender

 Copy

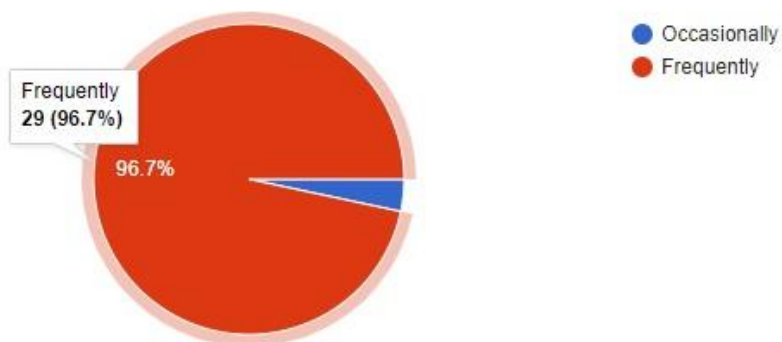
30 responses



## How often do you use social media?

 Copy

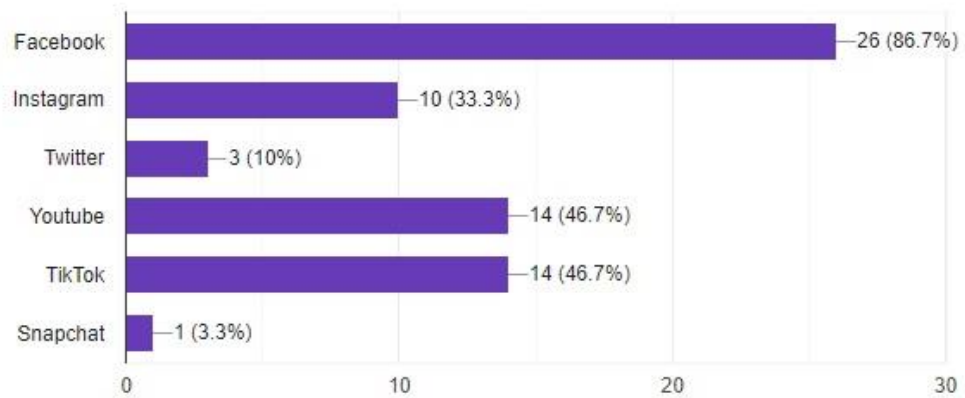
30 responses



### What is your priority in social media platforms?

Copy

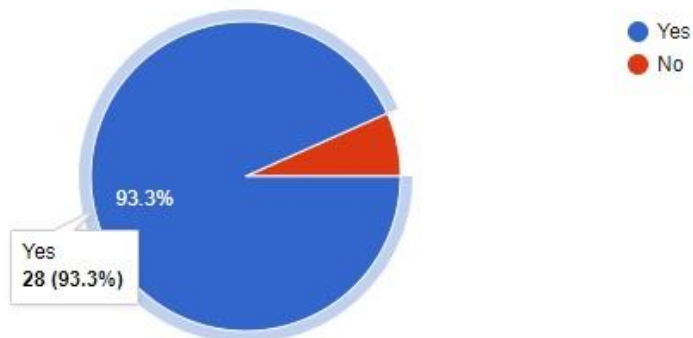
30 responses



### Are you familiar with IKEA?

Copy

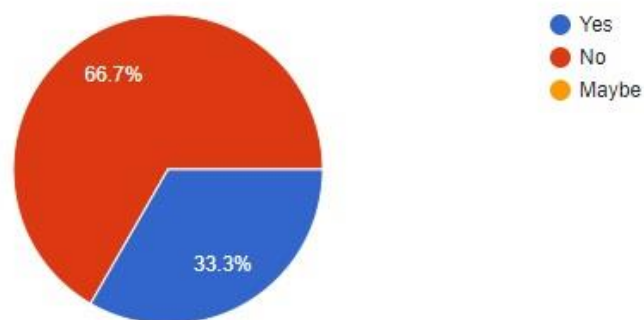
30 responses



### Have you heard about the IKEA campaign "Fortune Favors the Frugal"?

Copy

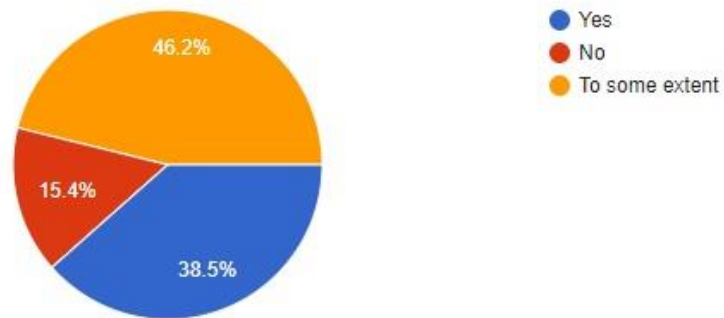
30 responses



Do you think that the campaign delivered its message clearly and efficiently?

 Copy

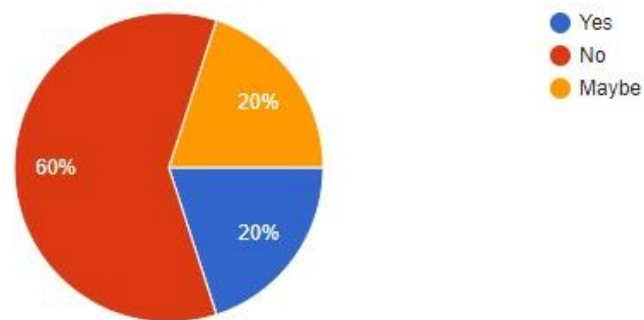
13 responses



Are you willing to buy products made from recycled materials on an actual cost?

 Copy

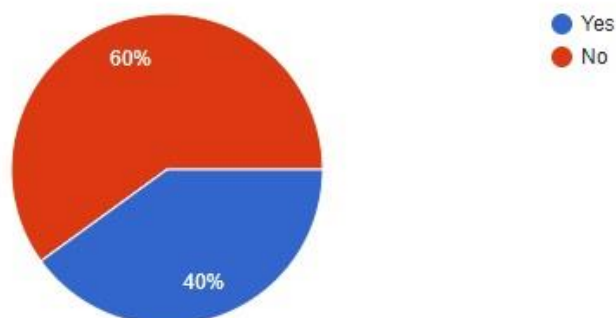
30 responses



Will you buy furniture or home appliances made from recycled items?

 Copy

30 responses



Products made of recycled materials can stay longer.

30 responses

 Copy

