

Corporate Storytelling and IKEA:

An Analysis and Recommendations for American Markets

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Introduction

In the words of Seth Godin, an American entrepreneur, author, and TEDTalk speaker, “a brand is the set of expectation, memories, stories and relations that, taken together, account for a consumer’s decision to choose one product or service over another.” In such a diverse market that is continuously changing because of the advancements of technology, it is imperative for marketers to strategically communicate a corporate story to appeal and resonate with the target audience.

Before examining multiple examples of this strategic communication and discussing recommendations for a new one, it is important to first expound upon what is meant in ‘corporate story’ or corporate storytelling. Bryan Alexander, author of *The New Digital Storytelling; Creating Narrative With New Media* describes corporate storytelling as, “the context entertainment, the focus is on the story of the brand, with the use of new digital and social media platforms.” This project includes the current IKEA corporate story and a theoretically based new story for a surprising targeted audience.

Analysis

IKEA is more than a Swedish furniture store with strong driving values. This international organization seeks to make the lives of consumers easier by offering them modern, innovative, inexpensive products to assist in daily activities. As the vision statement conveys, “*to create a better everyday life for the many people*” IKEA aims to positively impact the target markets while staying environmentally conscious.

The company was founded in 1943 and has since then grown to a business group of over 400 locations in 49 different countries. In its humble beginnings, Ingvar Kamprad, a 17 year old Swedish man began by selling things like pens, wallets, picture frames, table runners, watches, and jewellery. Over the years it grew to launching a catalog and expanding the company across Europe and to North America. In the 1990s the IKEA Group was formed with a heavy focus of environmental business practices. Today, IKEA continues to expand its markets into new places like Japan and Russia. The company now mainly targets young families, students and couples who are starting a life together. Below is the evolution of the IKEA brand throughout the years with the most recent update in 1983 that includes the Swedish flag colors in the design (Newsroom, n.d.).

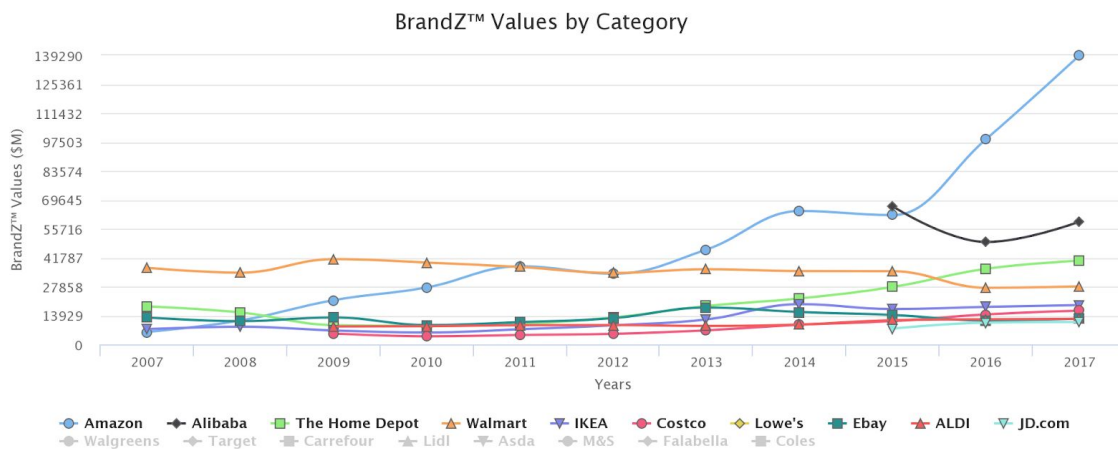


The IKEA group is owned and operated by numerous nonprofit and for profit organizations. “INGKA [a foundation founded by Kamprad in the 1980s] currently manages almost everything that most customers see as IKEA – the stores, furniture design, manufacturing, procurement and logistics. But Inter IKEA owns the rights to the IKEA brand, patents and business processes – collectively considered to be the IKEA ‘concept’” (Bergin, 2016).

Forbes named IKEA number 41 of *The World’s Most Valuable Brands* for 2017. With a brand value of \$13.5 billion and a brand revenue of \$37.3 billion it is no surprise that IKEA is in the top five of the retail list beating out companies like ALDI, Lowe’s, and Costco (Forbes, n.d.).

For a better visual of how IKEA is doing, specifically in the retail market, research lead to BrandZ™ for a look at brand reputation. A reputable online consumer research of over two million consumers across the world with thousands of products to determine brand value. The following are the BrandZ™ top ten most valuable global retail brands with the corresponding value in millions - U.S. dollars.

As shown in the diagram below the top ten retail brands include, Amazon, Alibaba, The Home Depot, Walmart, IKEA, Costco, Lowe’s, Ebay, ALDI, and JD.com that are represented by each line with corresponding colors and shapes. IKEA, which is shown as the purple upside down triangle, has some stiff competition with Amazon, The Home Depot, Walmart, and in recent years recently Alibaba (*Most Valuable*, n.d.).



This list of organizations are not considered direct competition for IKEA, but rather just other highly recognized brands. In the international competitive market there is no clear competition

for IKEA. The company has done a superb job of diversifying their offerings to their prospective markets.

The IKEA Corporate Story

As Godin stressed a brand is so much more than a logo, mission and vision statement, or shared values; it is everything that relates the consumer to the organization. This compilation of experiences for the audience is important for marketers, public relations professionals, and brand managers to work together to communicate a positive authentic and creative story. The following are examples of the IKEA corporate stories that have been launched across in a variety of markets.

The BookBook

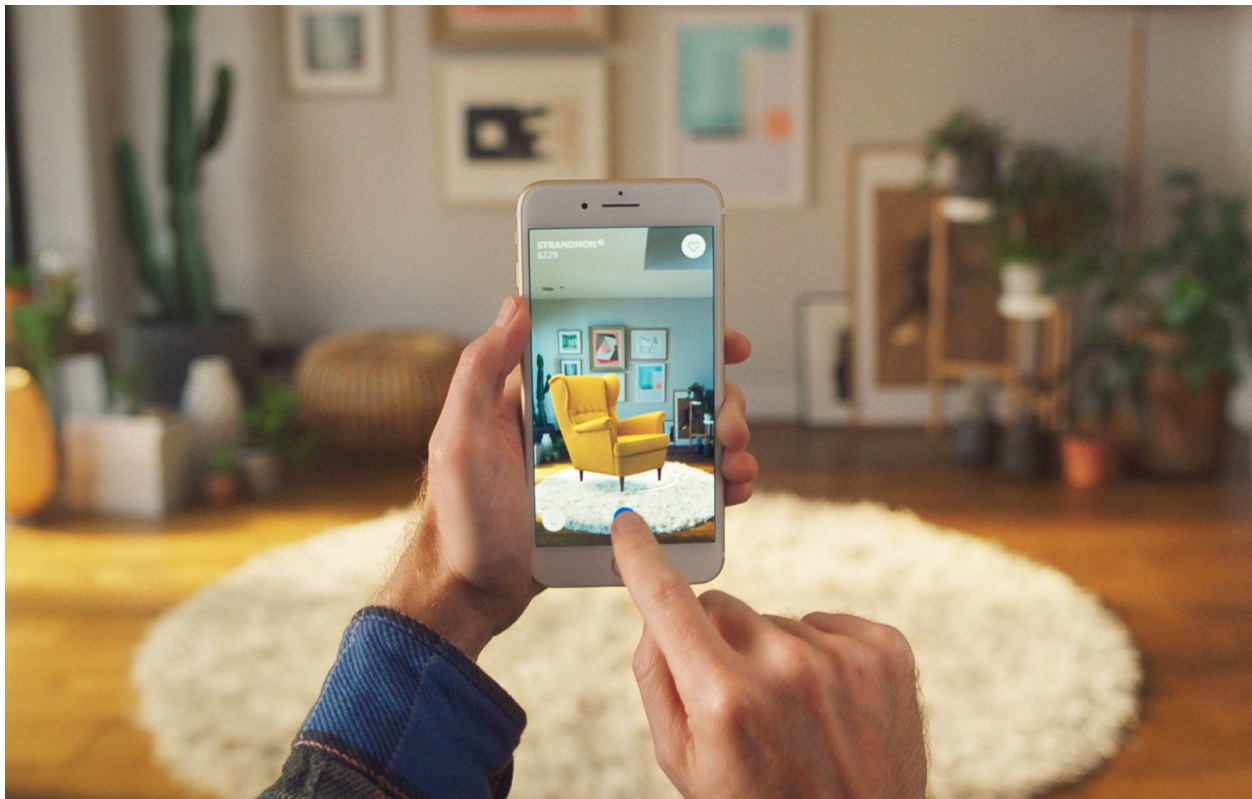
The BookBook campaign consists of an ad promoting the IKEA catalogue and is more or less a spoof of Apple. It could also be interpreted as a tribute of the actual book which never goes out of style. With this ad, IKEA tells a humoristic story which feels personal and up-to-date. It also shows that IKEA knows its main target audience; young adults and families who are heavy technical device users. The story says true to the democratic principles of IKEA; modern design for everyone (Kain, 2014).

This video is an example of efficient storytelling due to the fact that the message is clear and distinct; the IKEA book is timeless and therefore endlessly viable, which makes the assortments of IKEA available to everyone. In that way the message aligns with the main mission of IKEA. The content of the video ad appeals the target audience since it's relevant in today's digital society. Due to the uniqueness of the humoristic tone and the typical "Swedish" English that is heard throughout the video, it's memorable and original.



The IKEA App

IKEA recently launched an AR app which is available for iPhone iOS11 and currently in the US only (Lee, 2017). This app lets people see how IKEA's furniture look like in their home using AR. It is easy to use and brings the IKEA store into people's homes. In this way the app is part of IKEA's vision statement, to create a better everyday life for the many people, since it allows you to pick out your furniture in peace and quiet.



The AR app is not storytelling per se, but it sends a message that IKEA is affordable, easily accessible and made for the many people. It takes the brand promise one step further into a new technology. The app complies with the target audience since it's a new, innovative technology which suits young people. Since the app recently launched it is too early to say if this is effective or not. One can only speculate, but one thing it shows is that IKEA is a company that embraces new technology and is ready for the future.

The Blue Bag

2017 marks the 30th anniversary for the symbolic Frakta, IKEA's blue bag anyone can pick up at the register. The Acne Creative Hub, IKEA's marketing agency, paid tribute to the bag in response to an unusual salute. Balenciaga, a French designer, "unveiled a fancy new leather bag that looks strikingly like Ikea's famous blue tote—though the price tag looks a whole lot different. Balenciaga's goes for \$2,145. IKEA's is just 99 cents" (Nudd, 2017).



The striking parallel left people wondering if the design for the expensive leather bag drew inspiration from a bag at the other end of the shopping spectrum. An IKEA rep explained "We are deeply flattered that the Balenciaga tote bag resembles the IKEA iconic sustainable blue bag for 99 cents. Nothing beats the versatility of a great big blue bag!" (Nudd, 2017). But the 'official' statement about the design wasn't all the global organization did in response. The IKEA team decided to show off the best qualities of the bag and shed light to how this simple - and affordable - bag is a symbol of what the brand stands for.

Dubbed *the most hardworking bag in the world*, the production team got busy to show people just that. The 30th anniversary video of the Frakta depicts how a diverse range of individuals would use it. From break ups, cooking with family, moving across country, and even how professional use. The clear message is that the Frakta is, “an object of utility, it’s perhaps the clearest and most stripped-down example of IKEA’s philosophy of “democratic design”—the merging of form, function, sustainability, quality and low price” (Nudd, 2017). The video was released on YouTube on June 1, 2017 on the global IKEA channel for the world to view.



The short movie has elements of a good story. The emotion and visual appeal of the video brings together audience members from around the world. The story line does not follow a certain character but a variety of individuals and families that use the bag for their own benefit. Specifically, it does show one family getting out of the house at the beginning and by the end of the short clip they are playing basketball together. The narration of the video cuts through everything that is happening on screen for viewers to watch the Frakta and its many uses. It is a unique and authentic way to highlight the benefits of a 99-cent bag. There is a lot of emotional appeal which draws the audience to care and leaves them interested in all the ways the bag can be used. This video encompasses the brand of IKEA with phrases like, “Why should function and quality be a privilege for the few,” which aligns perfectly with their vision statement. It also states a *call to action and purpose* by stating that when a person carries around the bag, they carry around what the organization believes in (IKEA, 2017). It is clear example of Robert Mckee's approach to a hook, hold, payoff storyline.

Proposed Corporate Story

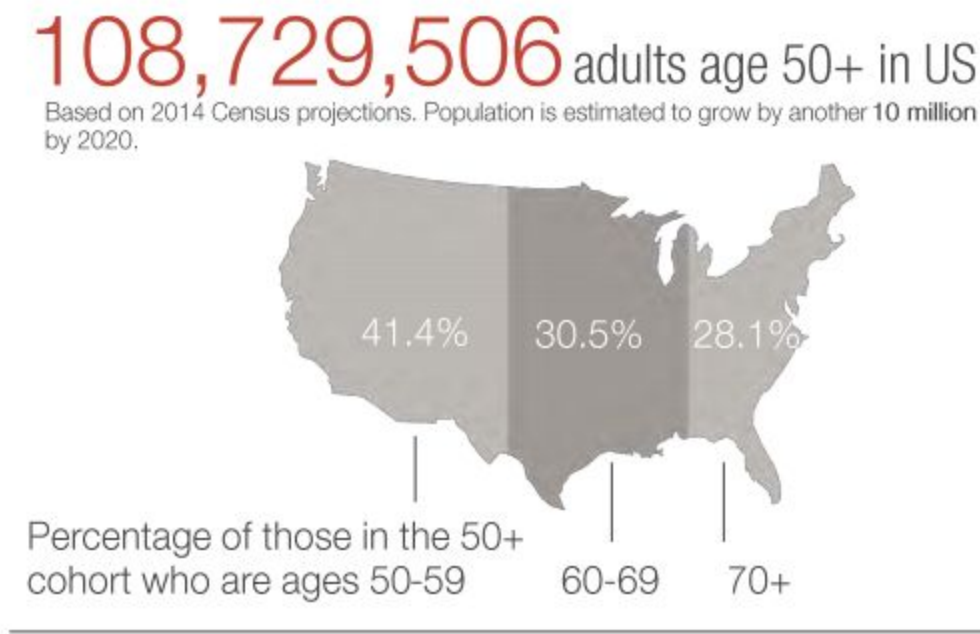
IKEA has positioned itself in the middle of the top brands globally. The following is a proposed corporate story that could add value to the IKEA brand in United States markets that could lead to an overall increase of consumer engagement and revenue.

Target Market

As stated, the IKEA brand is present in almost 50 countries, with each country having their own market and target audience. For the purposes of this project, the focus will be on the United States market that encompasses 45 stores across 18 different states. The company opened its first store to the American market in 1984 - over thirty years ago.

Many efforts in the current corporate storytelling target audience include the younger generation or is surrounded by family life. IKEA has made many strides to stay up to date with the advancement of technology through their new room design application and by their satire the 'BookBook' advertisement poking at Apple, the maker of iPads.

In this proposed corporate story the target audience includes retired *Baby Boomers*, individuals 50 years old and older with an income of \$55,000 or more. By targeting an older generation this will open a market of individuals who live at home. According to the 2012 US census, 51.6 percent adults 50 or older are not in the labor force which is close to 54 million potential buyers (Bureau, 2017).



This sector of the market is sometimes overlooked as potential targets for brands looking to expand their market share. IKEA can use this untapped market to boost shareholder revenue as well as increasing the corporate following.

Purpose of the Story

Through the use of corporate storytelling IKEA has an opportunity to inspire an older generation to start fresh after retirement by showcasing what it has to offer in high quality, sustainable and personable products. Also, to raise awareness, educate, and build trust with retired individuals across the United States can utilize the diverse products in the IKEA stores to remodel, update, or freshen up their living space. IKEA can assist in making the transition from *work life* to *home life* more comfortable.

Furthermore, this campaign aims to raise awareness, educate, and build trust with the target market. The thirty-year-old United States market does have great brand recognition but may not be seen as top of mind for anyone who isn't starting out - college aged or young professionals. This story illustrates how IKEA products can and should be used for established middle class citizens. By educating potential buyers it will lead to a line of trust between the general public and the brand. Transforming IKEA to be a top recognized brand but also to be a top of mind choice for buyers' needs.

Synopsis of the Story

The overall theme of IKEA's new corporate story is *Make Room for New Beginnings*. It shows the target audience that IKEA is there for them when they need to adapt to their new lifestyle. This story will be communicated through different platforms in different ways, but all stories have come out from the same general storyline. That is what this synopsis will depict.

Two regular chairs play the leading part in this story along with their owners, a young couple who just moved into their new home. We get to follow these chairs through the years starting from a moving in party when they are all new and shiny. The years go by in high speed and the chairs get more and more neglected and are used as a storage area rather than a furniture to sit in. When the now old couple finally have time to sit down and relax in these chairs after their retirement, they realize that they are not so comfortable after all. The chairs doesn't fit into their lives anymore. They spot an IKEA catalogue that fell on the floor when they removed all the things that once cluttered the chairs and they start flipping through it. Then there is a cut to when the couple gets help from some delivery guys dressed in IKEA clothes who just put their new comfortable chairs in place. It all ends with the retired couple sitting in their new IKEA furniture, looking remarkably relaxed and content with their new purchase as well as their new life.

Storytelling and Theory

The proposed storytelling model for IKEA's new corporate story is McKee's five stages of storytelling. This includes an inciting incident, progressive complications, crisis, climax and resolution (Alexander, 2011). The story should also follow McKee's principles for a good plot; a

hook, a hold and a pay-off. This means that the inciting incident immediately has to catch the curiosity of the audience, the protagonist's pursuit of their desire holds the audience's interest without interruption and the climax answers all of the audience's questions of why and how (McKee, n.d.).

McKee's principles makes a good storytelling model for the new corporate story since it is a relatively easy model to follow and doesn't involve that many steps. Since the general story is not that long, it would be too complex to apply Freytag's pyramid for instance as a storytelling model.

The United States market is comprised of forty locations in eighteen states. Many Americans may not risk the benefits to travel to the scattered locations leaving the potential consumer uncertain to choose IKEA. Theories that will be applied to the target market for this issue will be the Uncertainty Reduction Theory of Communication and the Media Richness Theory. The Uncertainty Reduction Theory of Communication created by Charles Berger and Richard Calabrese in 1975 states that people want to reduce the uncertainty they have toward something. An individual can do this in three ways, passively, actively, or interactively. The Media Richness Theory explains that is communicated on a continuum from low to high richness. The higher the richness the more interactive and engaging. This corporate story aims to reduce the target audiences' uncertainty or potential risk of the brand by interactively communicating with them through the use of social media. By creating an online experience with a 'rich' and engaging environment the older generation will be more comfortable with the company. IKEA can inform, educate, and build trust with targeted publics to show that it is a reliable, affordable, and value-based company (*Uncertainty Reduction*,2012).

Proposed Social Media Platforms

At first glance it may seem difficult to target an older generation of Americans through social media. Research has shown that the number of *Baby Boomers* have warmed up to the idea of utilizing these online tools.

In 2016, Greenwood, Perrin, and Duggan concluded in a Pew Research study, "roughly eight-in-ten online Americans (79%) now use Facebook, a 7-percentage-point increase from a survey conducted at a similar point in 2015." Interesting enough, "some 62% of online adults ages 65 and older now use Facebook" (p. 2). Furthermore some 16% in the same age group use Pinterest, which means that Pinterest is the third biggest platform among the target audience. LinkedIn has only a slightly higher number of users ages 65 and older but isn't seen as a relevant platform for IKEA's storytelling. The focus here is on visualization and that is why Pinterest is a better option for this story.

IKEA could potentially use Facebook as the main way to inform, educate, influence, and engage with the target audience. This platform allows both video content, images and text which enables many ways of storytelling. In this case IKEA can pin the main video to the top of the

Facebook-page, create photo albums with selected furniture that suits the target audience and other relevant material. The fact that IKEA can reply to and have a dialogue with people commenting on their posts and such, tells the story that the company is open minded and easy to reach. That could be a comfort to the target audience for this story. Since Facebook is also by far the most used social media platform among the target group, it is an obvious choice to reach as many as possible.

Pinterest is the other proposed social media platform for this story. According to the study mentioned earlier, this platform is commonly used by the target audience and therefore a good choice. Through Pinterest IKEA can create boards full of interior inspiration for homes that could use a modernization, such as furniture that suits older people. They can also show how a specific piece of furniture and other accessories can be used in different ways, to make home life more comfortable.

Illustration of the Story

Moodboard

The visual concept is characterized by subdued colors, fonts with serifs and minimalistic graphic elements. The serif fonts is stabile and classic, still contemporary. It should all feel modern yet timeless, distinct and serious to align with the target audience and their interests. The expression should also feel classic and neutral to appeal to the older audience segment.

Austin

Originally designed for British style magazine *Harpers & Queen*, *Austin* is a loose revival of the typeface cut by Richard Austin in the late 18th century. Narrow without being overly condensed, *Austin* is a British Modern with the styling and shewn of New York in the 1970s.

STUDIO MCGEE GUIDE TO HANGING ART

DON'T **DO**

DON'T **DO**

Interior Design - Process -

- 1 Define Brief**
Establish the project brief and key objectives, including budget and timeline.
- 2 Schematic Design**
Develop a conceptual design for the project, including site plan, floor plan, and elevations.
- 3 Construction Documentation**
Prepare detailed construction documents, including specifications, notes, and drawings.
- 4 Design Development**
Develop a more refined design, including material selection, color palette, and furniture choices.
- 5 Tender**
Prepare tender documents, including drawings, specifications, and contract documents.
- 6 Construction Admin**
Manage the construction process, including site visits, communication, and problem-solving.
- 7 FF&E Selection**
Select furniture, fixtures, and equipment (FF&E) for the project, including lighting, furniture, and accessories.

**ABCD
EFGH
IJKL
MNOP
QRST
UVW
XYZ**

Graphic examples

Make room for new beginnings

Make room for new beginnings

Make room for new beginnings

Make room for new beginnings



**"It's time
for a new
time!"**



**"It's time for
a new time!"**



**"It's time
for a new
time!"**

Facebook mock-up

The image is a mock-up of a Facebook page for IKEA. On the left is a navigation menu with links for Home, About, Photos, Instagram, Pinterest, Videos, Events, Posts, Locations, and Community, along with a 'Create a Page' button. The main header area features the IKEA logo and a large image of a living room with two wicker chairs and a table, with a text box overlaid that reads 'Make room for new beginnings'. Below the header are interaction buttons for Like, Follow, Share, and Message, and a 'Shop Now' button. The main content area includes a status update field with a 'Write something on this Page...' prompt. Below that is a 'Photos' section showing a large, ornate patterned rug. On the right side, there are two informational boxes: one for 'Furniture' showing 25,049,752 likes and 25,041,467 followers, and another 'About' box stating 'Typically replies within a day' and providing the website 'www.IKEA.nl'.

**IKEA**
2 hrs · 🌐

Finally realizing that those chairs that you've had for 20 years aren't that comfortable? Or that those curtains are actually really ugly? IKEA helps you make room for new adventures and new experiences. For new beginnings at any time in your life.



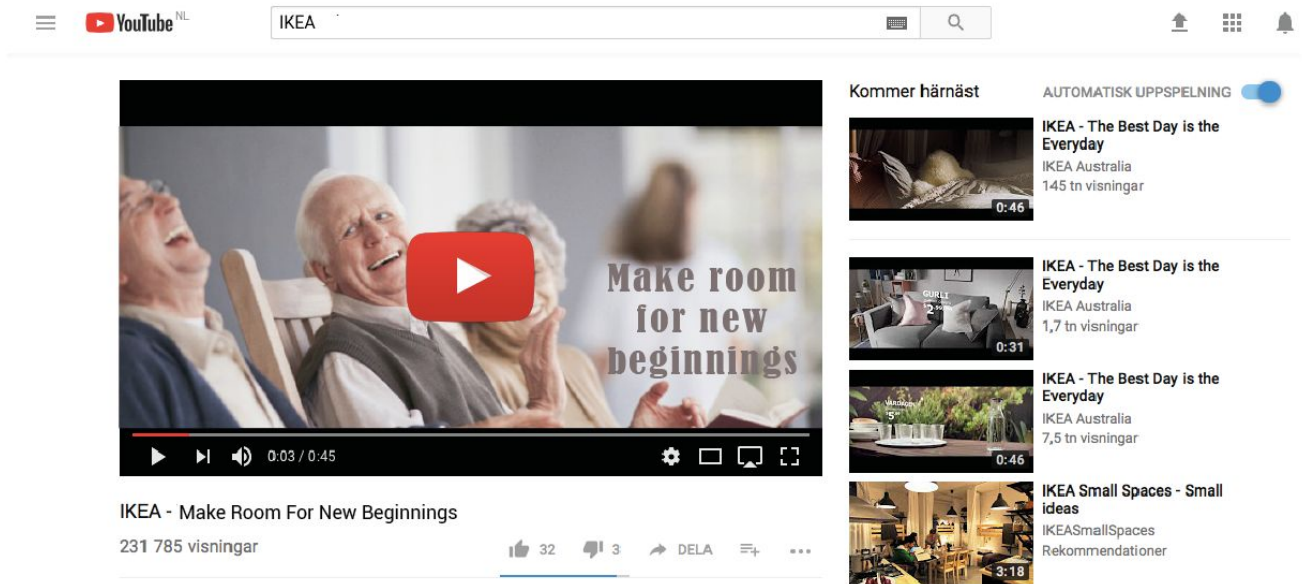
**Make room
for new
beginnings**

Make Room For New Beginnings

IKEA.COM [Learn More](#)

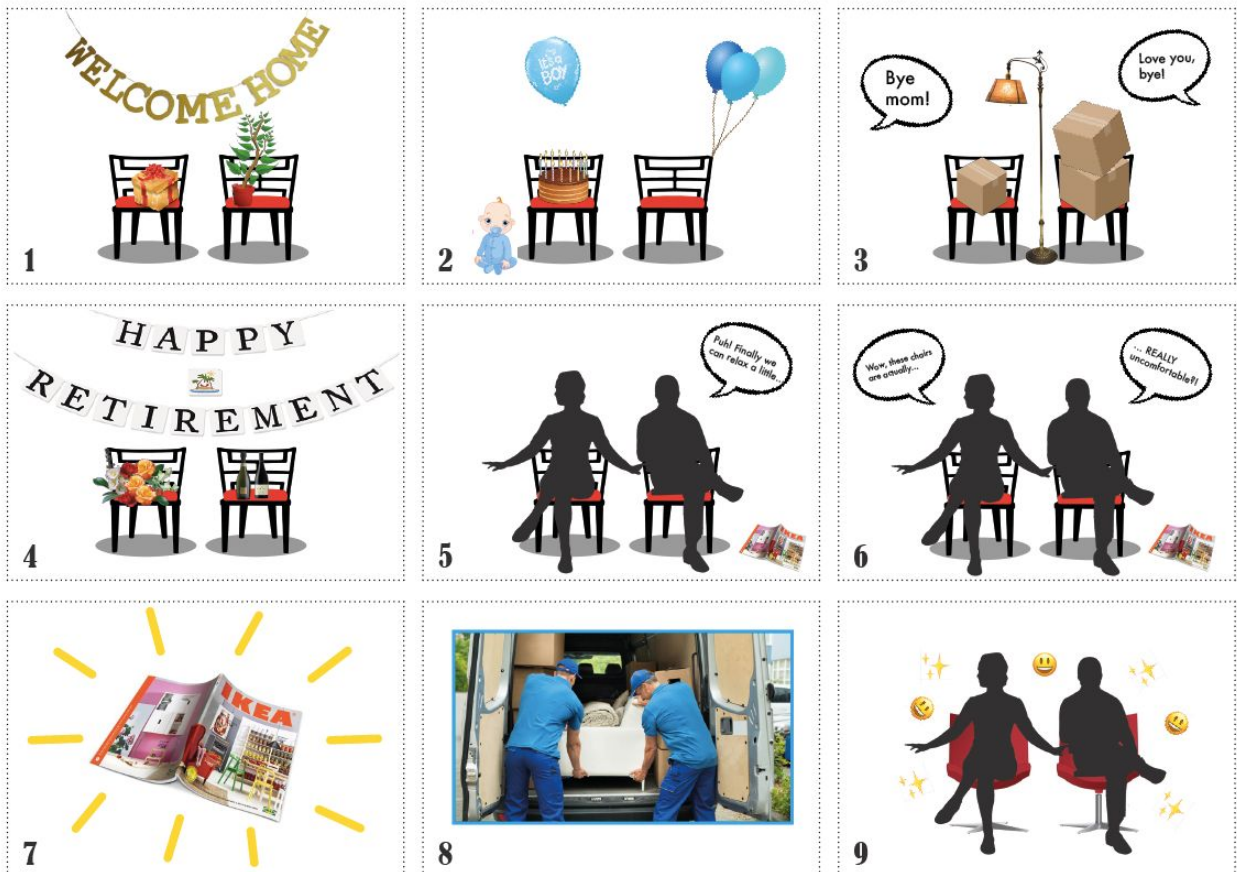
👍 Like 💬 Comment ➦ Share

YouTube mock-up



Storyboard

Storyboard



Audio

Since the theme of the storytelling regards encouraging retired people to keep exploring the interior world of IKEA, the entire concept should communicate hopefulness and possibilities. The audio chosen is thus serious, but has strings of hopefulness and positivity.

- <https://www.youtube.com/watch?v=OQcJfMQZF8w>
- <https://www.bensound.com/royalty-free-music/track/sunny>

Text

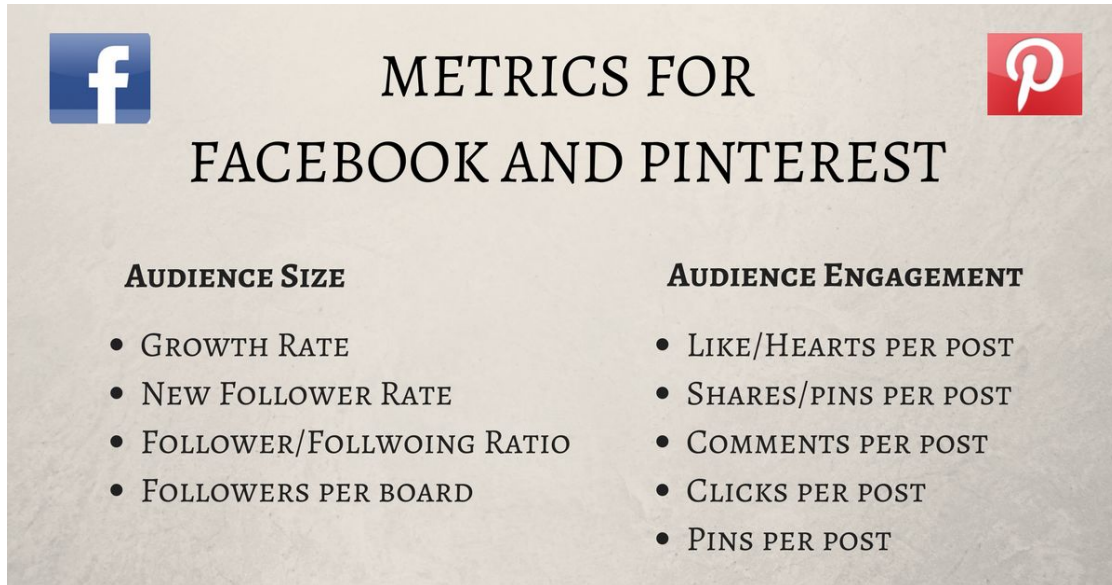
The text in the content should also present a sense of hopefulness and optimism. It should also emphasize that the retirement is not the end of something, but a beginning and a new possibility. Retired people finally have time to change things in their homes that they don't like or use, which is what should be communicated through the storytelling.

- *This is not the end - this is the beginning*
- *Make room for new beginnings*
- *It's time for a new time*

Evaluation of Success

By implementing the corporate story proposed above, IKEA has the opportunity to raise awareness, educate and build trust with the target market for them to choose IKEA as their first choice for remodeling, furniture, and decor needs. The real question is, will it? One could argue the most important part of any campaign is the evaluation. It is imperative to understand how the digital story will be monitored and to have a clear understanding of what is considered for it to be successful.

This campaign focuses on raising awareness, educating, and building trust with the United States market of individuals over 50 years old who have retired and use social media for information. Since facebook and Pinterest will be utilized as the platforms for delivering the message, it will be used for tracking. The following diagram is the metrics that will be used throughout the campaign for Facebook and for Pinterest.



There are two main focuses for evaluation on these platforms, audience size and audience engagements. These interconnected topics rely on each other for a successful plan. Audience size will be measured through growth rate, new follower rate, the follower to following ratio, and the followers per board. On the other hand audience engagement will be measured through likes and hearts on posts, shares and pinnings per post, comments per post, clicks per posts, and pins or repins per post. These metrics will allow the IKEA team to see how engaging the audience is with the brand. It can be tricky to gauge things like awareness and trust.

With the use of platforms like Facebook and Pinterest it is important to have up-to-date readings of these metrics. If it is not already in place it is recommended to use software like Buffer or Hootsuite. These allow for social media to be planned strategically ahead of time and is able to track results of interactions on the pages. The campaign aims to last for the length of one fiscal year. The new season, like the catalog, will give users a fun and interactive timeframe. From there the company can revisit the idea of this story and either move forward for another season or to go in another direction.

Conclusion

Corporate storytelling can be a very effective tool if done right. The story mentioned in this essay lives up to that since it targets a group of people that IKEA normally doesn't aim their communication at. It also aligns with the vision statement, that IKEA is for the many people and improves your everyday life. Apart from this, a major reason why this could be an effective story to communicate is that it is based on emotions. The target audience can relate to it and put themselves in that position. Stories that evoke emotions is what makes them good and memorable, and that is exactly what IKEA's new corporate storytelling aims to do.

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