



DEGREE PROJECT IN INDUSTRIAL MANAGEMENT,
SECOND CYCLE, 15 CREDITS
STOCKHOLM, SWEDEN 2020

Market Communication Strategy

A case study of IKEA

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Market Communication Strategy: a case study of IKEA

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Master of Science Thesis TRITA-ITM-EX 2020:195
KTH Industrial Engineering and Management
Industrial Management
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Strategisk marknadskommunikation - En fallstudie av IKEA

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Examensarbete TRITA-ITM-EX 2020: 195
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Approved
2020 - 06 – 11

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Abstract

Nowadays, having a communication strategy is essential. Companies are offering the same product and it's really difficult for them to differentiate. What can really make the difference is the message that they send to the consumers and the media they utilize; so how they implement their market communication strategy. The research is focusing on how the franchisor communication guidelines are followed and adapted by the franchisee. The research is conducted through a qualitative approach based on a case study where the data are mainly collected through interviews. From this research, it is possible to understand that the level of standardization in a franchisee is really high, and the adaptation appears whenever there the costumers culture is different. Thus, adaptation occurs whenever the retailer has to penetrate a different market and it has to deal with a different culture; standardization is about using the company concept in the same way as the franchisor provides it.

Key-words

Marketing, Communication, Strategy, IKEA, Communication Process, Communication Strategy, Case Study, Franchisee



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Sammanfattning

Nuförtiden, har kommunikation blivit väsentligt. Företag erbjuder samma typ av produkter och det blir svårare att sticka ut. Vad som kan göra stor skillnad är budskapet som de sänder till oss och vilken typ av media de använder sig av; hur de genomför sin marknads kommunikations strategi. Forskning fokuserar på hur olika franchises kommunikations riktlinjer är följda och implementerade av franchisetagaren. Forskningen genomförs genom en kvalitativ metod baserat på en fallstudie där data är primärt samlad genom intervjuer. Från den här forskningen, så är det möjligt att förstå att nivån av standardisering inom en franchise är mycket hög, och adaption sker när en kommer i kontakt med en annan konsument miljö. Adaption sker när en återförsäljare måste bryta sig igenom en ny marknad och när de måste ha och göra med en annan konsument kultur. Standardisering handlar om att använda företagskonceptet på samma sätt som franchiseen erbjuder.

Nyckelord

Marketing, Communication, Strategy, IKEA, Communication Process, Communication Strategy, Case Study, Franchisee

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1. Introduction

Through this section the reader will have an overview of the topic. In the background section, the history and the current situation of the topic are analyzed: in particular the importance of communication is presented. Afterward, the previous research, the expected contribution and the aim of the thesis is illustrated, followed by the research question which is narrowed down in the sub research questions that will be answered in the following sections. Furthermore, a sustainability paragraph is added and discussed according to the the Sustainable Development Goals (SDGs), suggested by the UN in 2015.

1.1 Market Background

Firms fight against each other in order to increase their own market share and often try to steal customers from other companies. The difference among the companies' products features is really low visible and it could be reproduced really fast as the channel and price (Mihaela, 2015). So, in order to differentiate, the tool that the firms can use is the communication (Mihaela, 2015). Thus, it's essential that the firms understand the relevance of market communication activities in their organization strategy.

Every time a company launches a product in the market, enhance its brand, or inform the customers about a promotion, it develops and use the best effective market communication strategy in order to achieve the highest return on it. Through it, the company can have a competitive advantage, keep a strong relationship with the existing customers and gain new ones (Meesilapavikkai, 2016). Furthermore, it will enhance the products sales and brand awareness which can increase market share and customer loyalty (Villarejo-Ramos and Sánchez-Franco, 2005).

In the market there is a high competition where every detail can make the differences. In order to survive and growth, the organization must investigate and understand customer needs, consumer purchase behavior (both emotionally and physically) and have a background of their target customers (e.g. attitude, interests, actions) (Mihart, 2012). As a matter of fact, companies marketing goal is to satisfy consumers' needs; they must align their offer with what the market wants and send specific message to each target audience (Mihart, 2012).

Every time an organization makes a marketing campaign, it has always to design a message which is aligned with company value. Furthermore, it has to understand through which channel the target audience wants to receive the information (Mihart, 2012). The company can use several channels for spreading the message to actual and potential customers and through them the communication is seen as a process in which influential information are transferred (Frazier and Summers, 1984). The channels could be of different natures: offline media (e.g. brochures, newspapers, billboard, events and sponsorship, public relation, guerrilla marketing, radio/TV advertisement) and online ones (e.g. social media, website, pay-per-click marketing, email marketing) (Naik and Peters, 2009).

In a franchisee organization, the concept of communication strategy is even more relevant. Each franchisee has to set its own communication strategy according to the guidelines provided by the franchisor and the franchisee must be sure that, at the same time, it is following the company value and meeting local customers' needs (Watson and Johnson, 2010). Thus, in a franchisee organization all the elements that composed the communication strategy, e.g. choice of target audience, media channel, message, are provided through guidelines by the franchisor. "The franchisor need to balance carefully the desire for standardization across the system with the franchisees' need to adapt to the local market" (Watson and Johnson, 2010, p. 55).

The market communication has an essential role in influencing the customer behavior (Duralia, 2018). Customers become aware of new products through the market communication, that has the power to inform the consumers about the features and benefits of the product and involve him/her to buy it, make him/her think that he/she really needs that product and cannot live without it. The customers, in the purchasing process, search information from several sources in order to find different options present in the market for creating the different alternatives where they will pick up the best one for them (Duralia, 2018). Bigger is the user desire, deeper the alternatives research will be: so, the company market communication must lead to the purchase.

However, at the end, the consumer is driven to purchase the product by different reasons: product features, location, brand, price; but all the purchasing process can be influenced from the beginning to the end. Thus, the company has to adjust its market communication strategy according to the customer target, customer needs and market culture in order to penetrate it in the best way with an effective market communication mix.

1.2 Previous Research, Expected Contribution and Research Aim

Different studies were conducted around market communication as an essential element for company success (e.g. Duralia, 2018, Mihaela, 2015). As well, several studies were made about why company choose to adopt a franchisee organisation (e.g. Combs and Ketchen, 2003). “The importance of the relationship among franchisor–franchisee have long been recognized as critical to the success of franchise systems” (Watson and Johnson, 2010, p. 51). There seems to be a lack on how the franchisor communication strategy influences a franchisee whenever it has to set its own communication strategy. It wants to show which are the guidelines that the franchisor provides to the franchisee and how it implements in its local communication strategy, comparing which elements of the communication strategy, provided by the franchisor, are adapted to the local market by the franchisee and which are standardized.

This paper wants to contribute to the research in the marketing field in different ways. First of all, analysing the market communication in a franchisee system and showing which are the communication strategy guidelines that the franchisor give and how the franchisee is following and adopting them in its market communication strategy in order to respect the “Company Concept and Vision”.

The study, as it will be explained deeper later on, is focus on a case study of IKEA: a company present worldwide which has a franchisee structure, i.e. the franchisee must followed the guidelines provided by the franchisor. A previous study regarding IKEA approach was made by Salmon and Tordjman (1989), showing that it has a centralized strategy and each local retailer adjust its own strategy. This study is of around 30 years ago and the research is conducted through a generic point of view, not focusing mainly on the marketing side and not showing the concept of adaptation/standardization in the retail area. As well, several other studies were made around IKEA. Some of them are about the IKEA story and its success (e.g. Kippenberger, 1997); others reveal the importance and the influence of its founder, Ingvar Kamprad (e.g. Business Heroes Ingvar Kamprad, 2004); others about IKEA customer experiences (e.g. Edvardsson, Enquist and Johnston, 2005). Researchers studies IKEA standardized approach that allow IKEA to work in every market with a standardized concept: in particular a case study in IKEA of China was conducted (Johansson and Thelander, 2009). It seems that there is a lack of which is currently the IKEA of Sweden market communication

strategy and how this is influenced by the global guidelines. Other reasons why IKEA is chosen as a case study will be mentioned in the methodology section.

1.3 Research Questions

Only understanding the consumer needs, expectations and the media through they want to receive the information, the company can design the right message and select the best communication channel in order to influence their purchasing behavior (Mihaela, 2015). Only the combination of the two elements will provide the effectiveness of the communication: the company will penetrate the market in the best effective way and it will meet consumers expectations and needs. A franchisee firm is generally composed by a centralize organization (franchisor) that is in charge of setting the baseline strategy and local retails (franchisees) which have to follow the guidelines, given by the central organization, and adapt their strategy according to the local customers' needs in order to penetrate the market in the best way meeting customer expectations (Castrogiovanni and Justis, 1998). Thus, the franchisee strategy is always influenced by the franchisor. This paper wants to focus to the market communication strategy, highlighting how the franchisee market communication strategy is influenced by the one provided by the franchisor. The research wants to explore which elements of the franchisor communication strategy are standardized and which are adapted to the market by the franchisee.

The main research question that the paper aims to answer is:

“Which are the similarities and the adapted elements of the franchisor and the franchisee within the communication strategy?”

In order to understand and discover the similarities and the differences between the two communication strategies, it is important before to understand the two communication strategies and the elements that constitute their communication strategy according to Rowley's (1998) framework. Thus, the main research question is narrowed down in one sub research question, which will be discussed for both, i.e. franchisor and franchisee, in order to be able to answer to the main one.

The sub research question of this qualitative descriptive research is:

“Which is the communication strategy?”

The communication strategy, as it will be explained in the literature section, is composed by different steps according to Rowley's framework (1998); thus, in the discussion section all the elements (e.g. target segment, message) which composed the strategy will be taken in consideration.

1.4 Delimitations

For this study I chose to focus on the relationship between the franchisor and the franchisee just for what concerns the market communication strategy. Furthermore, the communication that the research is going to document is the communication within the customers and not the internal or the suppliers one. As a matter of fact, the research wants to see which are the elements of the communication strategy that are standardized and provided by the franchisor, and which elements are adapted by the franchisee in order to meet customer needs. For seeing how the communication strategy is adopted, the Rowley's framework, explained in the literature section, is used. On the other side, for seeing if the franchisee is adapting or standardizing the strategy, the literature concept regarding adaptation/standardization will be useful for understanding it.

Another delimitation is in terms of company results: the research is not able to explain the company results. As a matter of fact, the research is going to document the difference and similarity between the franchisor and the franchisee within the communication strategy without providing the company results in terms of effectiveness in the market.

The data present in this research are mainly primary data, as it is presented in the methodology section. In order to answer to the research questions, a case study is chosen, and the primary data have been collected from direct interviews with employees of the company that are working in the marketing department. The data collected are compared and, sometimes, integrated with the secondary sources (e.g. website, internal documents).

1.5 Thesis Outline

The thesis is composed by eight chapters. In the first one, a general introduction of the topic is provided mainly focus on the importance of market communication as an element adopted by the company as an element for differentiation in order to succeed and penetrate the market in the best effective way. Then the thesis aim, the contribution in the research, the research questions and delimitations were presented. Furthermore, a paragraph regarding the sustainability is added in this section due to its relevance. In the second chapter are illustrated the literature concept and frameworks used for answering to the research questions. The third chapter shows the methodology adopted (e.g. research approach, strategy, data collection), followed by the fourth chapter where the company, chosen as a case study, is presented. In the fifth one the data collected are presented and in the six chapter a discussion around the topic is made. Finally, in the seventh chapter the research question is answered, the main purpose of the thesis is achieved and insights for further researches are provided; followed by the references and appendix.

1.6 Sustainability

In 1987, United Nations, defined sustainability as “meeting the needs of the present without compromising the ability of future generations to meet their own needs” (Sustainability | Academic Impact, 2020). In 2015, the UN designed the Sustainable Development Goals (SDGs): 17 global goals as an “universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity by 2030” (United Nations Development Programme) for achieving a better future for everyone.

Adopting the right communication strategy, the companies can understand the best channel for spreading information and communicate with the customers and this allow an increase in the company marketing efficiency and a resource waste reduction. This concept is associated with the SDG number 13: “Climate Action” (United Nations Development Programme). Thus, understanding where the consumers prefer receiving the message the companies will start not using anymore using specific channel. For example, nowadays the consumers use more online channel than offline one. So, the firms can implement a strategy for reducing or not using

anymore the paper advertisement. The company will start printing less and reducing the CO2 emission and whenever it has to print, it can use recycle paper in order to be sustainable.

Talking about market communication within sustainability, the company can use the communication tools for spreading sustainable messages to their customers and showing what the company is doing in terms of sustainability. In fact, the power of communication is huge, and the company can use it for changing the consumers behavior and push them to act in the right way. For example, the company can raise customers awareness through marketing campaigns in different topic like waste recycling, importance of energy and water, renewable energy, usage of recycled raw materials. In addition, there are several companies that use communication for showing their action in the terms of sustainability, just for enhancing their image (Parguel, Benoît-Moreau and Larceneux, 2011).

2. Literature Frameworks

In the previous chapter, a general idea of the topic is presented with a background of it. In this second chapter, all the theoretical frameworks are presented and they will be useful for answering to the research question. First, a general introduction of what is market communication is discussed providing a definition and the benefits for a company; this is followed by the communication process framework (Kotler, 2012) that will help to understand how the process is composed and which are the main elements of it. Then the framework provided by Rowley (1998) about the steps for setting a market communication strategy is illustrated and it will be useful for understanding which step a company has to follow in order to figure out how the company implement its market communication strategy and which are the elements that composed it. How the consumer is influenced by the firm market communication strategy is presented in a specific paragraph for understanding what the company has to do in each consumer purchasing process phase. Finally, the concept of standardization and adaptation is presented, since in a case study of franchisee firm, it is essential to mention and it will be useful to use it for seeing if the franchisee is adapting or standardizing the communication strategy.

2.1 Market Communication

Market Communication is a tool through which the firms inform, persuade and remind customers (Kotler et al., 2012). Through it, the company build and enhance the relationship with the customer, but on the other side, if the message sent is misunderstood by the receiver the company has a profit loss (Kotler et al., 2012).

At the beginning market communication was a one-way communication process, but with the development of technology and the spreading of internet, it become an interactive and two-ways process among the buyer and the seller where the communication is effective whenever the customers understand the message sent from the seller and act accordingly (Alba et al., 2007).

Market Communication, considering the seller prospective marketing strategy, is the “Promotion” in the 4P’s (price, product, place, promotion) of marketing mix and it has the aim of guaranteeing that all the consumers are aware of what the company is offering to the market

(Rowley, 1998). The strategic goal of it are: boosting sales, market share, brand attractiveness, creating a competitive advantage, spreading knowledge to the consumers (Rowley, 1998). On the other side, considering the consumer prospective, communication is one of the 4C's (consumer, cost, convenience, communication) that formed the communication strategy (Wu and Li, 2018).

Market choices are made on hypothesis and knowledge regarding people attitude (Hawkins and Mothersbaugh, 2007). But researching the costumer attitude is challenging even for the people specialized on it (Meesilapavikkai, 2016).

2.2 Communication Process

Communication occurs whenever the sender wants to send an information to the receiver, but the process behind is more intricate and it is basically composed by nine main elements, where each of them has a specific feature that has to be considered in the process for succeeding (Duralia, 2018). Kotler designs the best communication process that it is showed in the figure below (Figure 1):

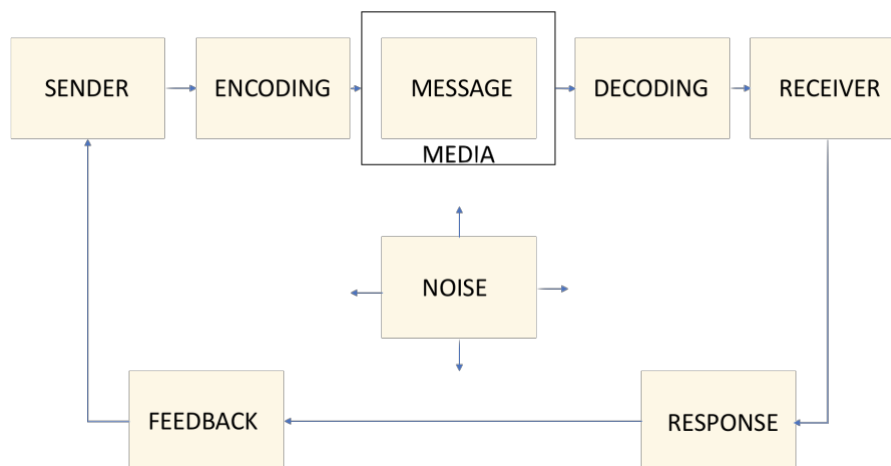


Figure 1: Communication Process (Kotler et al., 2009, p. 512)

- **Sender:** is in charge of sending the message to the receiver. It must be viewed as “powerful, reliable, appealing” in order that the receiver (consumer) can recognize himself/herself and he/she proceeds with the purchasing
- **Encoding:** the sender must encode the message before sending it. The communication process will be effective if the sender understands and meets consumers expectations and the receiver understand the message content

- **Message:** it includes what the sender wants to transmit. The message does not be too complicated to understand; it must be clear and direct, so the receiver can easily decipher it.
- **Media:** it is the communication channel through which the receiver receives the message. It must be appropriated according to the target audience.
- **Decoding:** the receiver decodes the message received in something for him/her understandable. This step is influenced by the receiver culture, education and personality.
- **Receiver:** it is the process communication side to which the message is addressed
- **Response:** it is how the consumer reacts
- **Feedback:** it is what the receiver thinks and says to the company about the product/service. The feedback is something that always returns to the origin of the communication process: it helps the sender to improve itself and meet the customer expectations in the future.
- **Noise:** the external interference can cause the message misinterpretation

(Duralia, 2018).

2.3 Market Communication Strategy Process

Companies market communication strategies can differ from each other, but the goal is the same: “convey a clear and unitary message, intended for a well-defined audience, in the most efficient manner” (Duralia, 2018, p. 93). For succeeding, the message sent must be clear, useful, appealing and true so the target audience can easily understand it (Burnett, 2011).

Every time a market communication strategy is designed, it must be composed of different stages:

- Identify the Target Audience
- Communication objective
- Design the message
- Communication Tools
- Set a Budget
- Decide the media mix
- Measure results

(Rowley, 1998).

The company must pay attention on all the steps. Especially, it must identify the right target customers; the message must be designed according to their expectations and it must be send though the channel where the audience wants to receive the information. In the next sub-paragraphs, all the steps are discussed in detail.

2.3.1 Identify the Target Audience

“Market segmentation is the process of partitioning the heterogeneous market into separate and distinct homogeneous segments” (Kelly, 2003, p. 235), where a segment represents a set of people who response similarly to a specific stimulus. Thus, the company has to define its audience. For doing that, there are several methods for determining it: geographical, demographical, age, gender, lifestyle. It’s important to underline that every market segment will react in different ways to the market communication sent by the companies. According to John Egan (2007), there are three conditions for identifying the most appealing customers segment:

- Closeness
- Loyalty
- Heavy-user

Targeting is about how the organization can reach the target audience and sending them the right message (Egan, 2007). One approach is the undifferentiated targeting: the firms see the entire market as a unique customer without differentiation, supposing there is just unique and share need (Kotler, 2008). In this case, the organization adopts just one strategy for the whole market. This it generally happens when there is low competition, or the products sold are universal (Kotler, 2008). On the other side, the second approach is about have a differentiated targeting: the firms select a specific market niche where each product is unique since or decide to satisfy different customer segments offering them different products (Egan, 2007; Kotler, 2008).

2.3.2 Communication Objective

The communication objectives are the specific goals that the company wants to achieve through its market communication strategy: creating awareness, spreading knowledge, generating a desire and stimulate demand. According to Burnett (2011), the purpose of communication

objective, in market communication, can be summarized in three principal areas: communication, competition and conviction.

Firstly, for what concerns the communication, the goal is to communicate ideas to a specific consumer target. Secondly, for what concerns competition, the purpose of communication objective is to help the firm to compete effectively in the market. As a matter of fact, several companies are offering an equal product at an equal price to the market, and what really can make is how the company appears to the consumers and achieve a competitive advantage (Burnett, 2011). Thirdly, the market communication purpose has the aim of convincing the target audience to buy a specific product. For the company, it's really important to convince all the target audience, even the ones that are already customers since they could stop purchasing the company products and prefer a competitor product (Burnett, 2011).

The communication objective must be SMART:

- Specific: must be clear
- Measurable: it must be possible to measure the progress
- Achievable: it must be possible to reach it
- Realistic: it must be real
- Time Limited: it must be achieved in a limited time

(Tonnquist, 2018)

2.3.3 Design the Message

After the company has identified its customer segment, it has to develop its message according to the communication objective it has in mind and the target customer. The message that the company wants to send must be designed and adapted to the target audience (Rowley, 1998). It must be consistent, show the product benefit and each message must be composed by a content, a structure, a format and a source (Rowley, 1998). Furthermore, the company has always to remember that the message must be consistent and there must be a continuity with the company identity and the previous message. As a matter of fact, the message must always contain the company values, otherwise this could create confusion to the target customers who can misunderstand the message.

In this phase the company has to design the message according not only to the customer segment but also to the channel it wants to spread it, since in every media there is a different

way for designing the message. What the company has to think, whatever is the media chosen, is the way of designing the message. It has always to underline the product benefits according to the competitors' ones. The message must be designed in a sort of storytelling where the customer can identify himself/herself. As a matter of fact, researchers have found that the customers will be influenced by them whenever they feel involved (Greenberg, Salmon, Patel, Beck, & Cole, 2004).

In conclusion the company has always to keep in mind who is its audience and it has to tailor not only the message but also the tone of voice, according to them.

2.3.4 Communication Tools

The tools that the company can choose for creating its marketing communication mix, spreading its message and reaching the target audience are several: advertising, sales promotion, events and sponsorship, public relations, direct marketing, word of mouth and personal selling (Kotler et al., 2012). Each of them has its own advantage/disadvantage and target segment. Thus, the company, every time it has to elaborate its marketing communication mix, must take in consideration several factors: the target consumers, available budget, the product that it is promoting, nature of task (e.g. launch), market environment (e.g. market share, competitors, location), history and features of the company (Ace, 2001).

There are mainly two communication methods that a company can adopt:

- **Promotional Communication:** based on a short-term period defined communication (e.g. advertisement, events, public relation, sales promotion)
- **Continuous Communication:** based on a long-term period (e.g. brand, packaging design)

(Duralia, 2018).

Generally, the marketing communication mix of a company is a mixture of different communication media. The tools that a company can include in its marketing communication mix will be presented below and could be divided in:

- non-personal communication tools: the communication takes place through other media (advertising, sales promotion, events and sponsorship, public relations)
- personal communication tools: the communication is carry on by ta person that enters in contact with the buyers (direct marketing, word of mouth, personal selling)

(Rowley, 1998).

Advertising

The main purpose of advertising is to inform, convince, remember the customer of the existence of a specific product and strength the relationship after the purchase with him/her; furthermore, to enhance the brand image and promoting the product (Naumovska and Blazeska, 2016). The advertisement must be effective, since it must have the reverse effect: i.e. the customers will start buying a competitor product (S. Ullal and Thonse Hawaldar, 2018). Example of advertising tools are: TV, radio, billboards, newspapers, brochures, flyers, social media.

TV advertisement reaches a huge amount of people and through it the company can show the product usage and benefit; but on the other side the cost of it is really high as the probability of switching channel during it (Duralia, 2018). The radio reaches a huge amount of people with a low cost, but the consumer will pay less attention due to lackness of visual image (Duralia, 2018). Billboard has a high visibility, consumers reach and through them the company can send specific message in a particular location; but it has measurement problems, short message and risk of vandalism and weather situation (Taylor, Franke and Bang, 2006). Newspapers are the oldest communication tool and through them the company can advertise its product with image and words in the target audience favorite journal (Dash and Belgaonkar, 2012). It has always been viewed as a reliable source for getting information and it has a mass scale distribution that allows to reach a lot of consumers (Lane, King, Reichert and Kleppner, 2011). The main advantages of social media are low cost, closer approach to the target audience and personalized messages to each consumer; but the firm has to spend a lot of labor source on them (Rugova and Prenaj, 2016).

Sales Promotion

The term of Sales Promotion refers to the “temporary incentives that encourage the trial of a product/service” (DelVecchio, Henard and Freling, 2006, p. 203). Examples are: coupons, cash refund offers, premium price. Since with sales promotion, customers focus on the product price a consequence could be a damage in the company brand image perception (DelVecchio, Henard and Freling, 2006). But on the other side, it could reinforce the relationship with them and this can enhance the reaching of new users (Smith and Zook, 2011). The scope of it is to sell immediately and a lot of researchers criticize it for the long terms firm brand strategy (Naumovska and Blazeska, 2016).

Events and Sponsorship

Events is about organizing exhibitions or presentation or gathering where the company can show its products. Through events the company has the aim of generating a brand recognition and generate feedback immediately.

Sponsorship is a marketing tool through which the company can reach a worldwide audience. The company will be the sponsor for an event that is an activity where an experienced is created and a message is sent to the audience (Smith and Zook, 2011). The company has to invest money for sponsor an event, but on the other side it has returns in terms of image, brand association and reach of new customers (Kotler et al., 2012).

Public Relations

Public relations are defined as "any program or effort designed to improve, maintain, or protect the sales or image of a product by encouraging intermediaries, such as traditional mass media, the electronic media, or individuals, to voluntarily pass a message about the firm or product to their audience of businesses or consumers" (Gianini, 2010, p. 4).

Public Relations is a marketing tool that encourage the relationship and the communication among company and its audience (Nwafor and Anyasor, 2020). The main public relations tools are newsletters, social media, advertorials, employ relation, community relations, press releases, publications (Kotler et al, 2012). Through these company can influence and enhance its image perception, establish credibility, find new costumers (Ukaj, 2016).

Direct Marketing

Through direct marketing the products move from producer to consumer without any intermediary (Thomas and Housden, 2002). Main instruments are direct e-mail, telemarketing, email marketing.

Word of mouth

Word of mouth is about sharing product information among consumers (Tuk, Verlegh, Smidts and Wigboldus, 2009). Purpose of word of mouth is that the people start talking about a product and it will be more famous, fairer and used (Alire,2007).

Personal Selling

Personal selling “involves direct personal communications between a consumer and a salesperson, with the latter conveying the product or service benefits to the former” (Shyan Fam and Merrilees, 1998, p. 248). The salesperson has an essential role since he is the one who has to convince the customer to buy and he/she represent the company image. Personal selling is largely used whenever the product is customized to the consumers (Naumovska and Blazeska, 2016).

2.3.5 Set a Budget

Every marketing communication strategy has and set a budget before deciding the marketing communication strategy, and this could be set through different methods: percentage of sales, affordable method, competitive-parity method, objective-task method (Rowley, 1998).

2.3.6 Decide the media mix

Each company whenever has to set its own market communication strategy has to decide which media are going to be part of its media mix: i.e. all the communication channel that the company will adopt for reaching its objectives (Rowley, 1998). The company can choose between the channel mentioned before, but it has also to consider who is its target audience, the budget, message, market, competitors (Rowley, 1998). Furthermore, the firm has to choose to adopt:

- Push strategy: is about pushing the product to the consumers through intermediaries
- Pull strategy: the company focus its marketing activities on the consumers inducing them to the purchase

(Rowley, 1998).

2.3.7 Measure Results

The results of a market communication strategy must be measurable in order to see if the company succeed in its intent. The performance measured could be soft or hard (Ambler and Kokkinaki 1997). The soft ones are about how the company appeals and its perception from the customer side; on the other side the hard ones are “sales, gross profit, production, commissions and services rendered” (Ambler and Kokkinaki 1997, p. 667).

The results are really important to measure in order to define the company success or failure. Several firms used Key Performance Indicators (KPI), performance indicators that focus on outputs, in order to measure their results and understand their next step (Chan and Chan, 2004). Through the KPI analysis, companies can measure volume productions, products sold, costumers reached, costs and time (ibid).

2.4 Consumer Purchasing Process

The consumer purchasing process could be defined as the process that begins with the information gathering about the product, followed by the alternatives evaluation and finally with the consumer purchase (Prasad and Jha, 2014). The scope of market communication is influencing the customers' choice in the whole process (Mustafa and Al-Abdallah, 2020).

Several authors have discussed the consumer purchase process, but most of the firms use the five-stage model in order to find out the customers behavior: need recognition, information search, evaluation of alternatives, purchase decision, post-purchase behavior (Kotler et al, 2012). Every consumer passes through each stage with a different velocity depending on his/her behavior, product features, external environment (Zaharia, 2005).

Need recognition arises every time the buyer feels a difference between his/her actual state and his/her desired one (Lihra and Graf, 2007). Here the communication media are utilized by the firms as stimulating tools for arising the product desire (Mustafa and Al-Abdallah, 2020).

When the need is born, he/she starts searching information for fulfill it in the best way (Lihra and Graf, 2007). In this phase the buyer reconsiders the previous product experiences and he/she utilizes several communication channels for gathering more information about products present in the market (Comegys, Hannula and Väisänen, 2006). Thus, here the firm role is to ensure that their products is the buyer head (Mustafa and Al-Abdallah, 2020). According to Kotler and Kelle (2006), there are four sources through which the consumer becomes aware of the product: personal (e.g. opinion of known and trust people), commercial (e.g. advertising, employee), public (e.g. mass media), experimental (e.g. product test). The consumers are bomabarded with commercial source, but they trust more on the personal ones (Comegys, Hannula and Väisänen, 2006).

During the alternatives evaluation, the consumer evaluates all the data collected in the previous stage and he/she selects the product that he/she will go to purchase in the purchase stage (Mustafa and Al-Abdallah, 2020). In this phase, the role of the firms' market communication is to enhance the product advantage in order that it will become the buyer choice (Mustafa and Al-Abdallah, 2020).

In the post-purchase behavior, the seller wants that the customers return for re-purchasing company products and the customer will make a comparison with the product reality and his/her expectations (Mustafa and Al-Abdallah, 2020). According to Kotler and Kelle (2006), there are two relevant concepts about post-purchase consumer behavior: post-purchase satisfaction and post-purchase action. For what concern the first one, the buyer expectation can be satisfied, or beyond the expectations or dissatisfied (Mustafa and Al-Abdallah, 2020). However, customers based their expectations on the messages received: thus, it is up to the market firm communication influencing him/her (Kotler and Kelle, 2006). Regarding the second concept, satisfaction/dissatisfaction will influence the future consumer behavior: he/she can repurchase and recommend the product it or abandon and not recommend it (Kotler and Kelle, 2006).

2.5 Franchising organization

A franchising organization is composed by the franchisor and the franchisee which sign a legal agreement (Castrogiovanni and Justis, 1998). "The franchisor is a parent company that has developed the products; the franchisee is a firm that is set up to market this product or service in a particular location. The franchisee pays a certain sum of money for the right to market this product" (Castrogiovanni and Justis, 1998, p. 171).

Franchising organization has three main features through which they can be distinguished from the other companies (Castrogiovanni and Justis, 1998, p. 171). First of all, the diffusion of them around the world since they are operating in several markets (ibid). Secondly, each franchisee is acting in its market with the same name and business format (ibid). Thirdly, the franchisee makes an agreement with the franchisor for the right of operating (ibid). What really distinguishes a franchise organization from a multinational company, it is that the franchising organization accomplishes all the three features (ibid).

Control is a tool through which it is possible to evaluate the company performance and monitor employees' behavior in order to avoid opportunistic action (Mellewig, Ehrmann and

Decker, 2011). In a franchising organization, the resource control is made by the two actors: franchisor and franchisee (Frazer, Merrilees and Wright, 2007). The franchisor has the control on the brand name, IP (intellectual property); the franchisee is in charge of operating the business in the local marketing and it has the knowledge of its own market (ibid).

2.6 Standardization and Adaptation

There is a tension between the global standard and the local adaptation. As a matter of fact, the franchisee has not the freedom to act how it wants but it has always to remember the global company concept and values. But what are standardization and adaptation about? Several researchers have studied it in detail, but there is no consensus on it. However, standardization is about “offering identical product lines at identical prices through identical distribution systems, supported by identical promotional programs in several different countries” (Buzzell, 1968, p. 103). This statement is based on the 4P (product, place, promotion, price): how the firm marketing actions are standardized or adapted in all the country that the organization is present. On the other side de Mooij (2004), explained that the world is mutating but this doesn't mean that the consumers preference and behavior are the same all over the world; thus, each firm must adapt its own market communication strategy to each market and not use a standardize strategy.

Each franchisee organization can choose among the adoption of the guidelines as the franchisor provides them, thus having a standardize approach, or adapting them to the market or combining them. The aim of the choice is to succeed and increase the firms performance (Theodosiou and Leonidou, 2003). Not all the company can achieve the aim making the same decision. As a matter of fact, it depends on the external environment (e.g. the market that the firm has to penetrate, the customer behaviour, culture, needs, laws, timing) (Theodosiou and Leonidou, 2003).

3. Methodology

In this section the approach used for collecting, analyzing and elaborating the data is presented. The research was conducted in a descriptive way, i.e. through the documentation and the description of how the franchisor market communication strategy influenced the franchisee one. The research is made through a qualitative case study a specific company: IKEA; where the data are collected through interviews both to the customers and employees.

3.1 Research Approach

According to Yin (2003), a research could have three different approach: exploratory, descriptive or explanatory. The first one (exploratory) has the aim of investigating a phenomenon that is not well understood; the second one (descriptive) has the aim of documenting and describing a phenomenon; the third one (explanatory) is based on testing a theory analyzing the cause and the effect (Yin, 2003).

The research focus on how the global communication guidelines of the franchisor are adopted by the franchisee, showing which elements are standardized and which are adapted. The thesis purpose is descriptive in order to achieve a better understand of the phenomenon through the data collection from reliable sources (Reiners, 2012). This is coherent with the purpose that wants to explore an actual problem and as it will be explained later, in the following sub paragraphs, the research was conducted through a case study where the data where mainly primary ones. Furthermore, the thesis has not a deductive approach that has the intention of verifying hypothesis, but it has an inductive approach, i.e. providing advice for viewing the situation in a different way (Collis and Hussey, 2014).

3.2 Case Study

In this thesis, a case study is chosen for the research since it is a method for conducting a scientific research (Yin, 2003). Additionally, the case study is chosen since the research is “investigating contemporary set of events and the investigator has little or no control” (Yin, 2003, p. 20). Since “the objective is to capture the circumstances and conditions of an everyday common place situation” (Yin, 2003, p. 48), a single case study research was chosen. Furthermore, it allows to investigate deeply the organization.

According to Yin (2003), the case study can be conducted through direct observation of the phenomenon or interviews to the people who take part in the process. In this thesis, for gaining a better understanding of the phenomenon and since there is no possibility of having observation due to the current situation, interviews are chosen. As it will mention in the next paragraphs (Data Collection and Interviews), semi-structured interviews were conducted interviewing IKEA marketing department employees.

IKEA is chosen as single case study since it has a unique market communication strategy based on the instore communication and employment that can give interesting insight in the research (IKEA INTERVIEW Peter Klinkert). Furthermore, it is a firm that is continuously growing in the market and known all over the world for the franchisor-franchisee dynamics; so, it will be an interesting case to analyse.

3.3 Data Collection

In every research, the Data Collection process is essential in order to answer to the research questions. Data gathering could be made through different method: qualitative, quantitative and mixed (Williams, 2007). The researcher selects one method or another one according to what he/she has to analyze in his/her research (Collis and Hussey, 2013). A quantitative method requires a numerical data collection through questionnaires, survey or through the manipulation of existing data; a qualitative method gathers textural data; and a mixed method combines both approaches explained before (Collis and Hussey, 2013).

Furthermore, another data classification can be made according to the source: primary and secondary (Collis and Hussey, 2013). The primary data are new data contrary to the secondary ones that they already existed (Collis and Hussey, 2013). The first ones are collected through surveys, observations, experiments, questionnaire, personal interview; instead the secondary are gathered through government publications, websites, books, journal articles, internal records, databases (Collis and Hussey, 2013).

For this research a qualitative approach is used since it allows to have an holistic view and a better understanding of the phenomenon (Yin, 2003). The data used are primary data which are gathered through direct employees interviews. This choice was made according to Yin (2003) since, wherever the case study strategy is adopted, the interviews provide a deeper insight and focus on the topic. Secondary data collected through online documentations are used for

integrating the research. According to Yin, the study can benefit in terms of reliability through a triangulation approach, i.e. the usage of data from different sources.

3.4 Interviews

The interviews are conducted through semi-structured interviews approach, where the selected participants were interviewed through questions in order to understand and discover what they do, think or feel (Collis and Hussey, 2003). Semi-structured interviews are useful whenever it's important to understand interviewee's opinions, or whenever a specific part of the process is not clear or whenever the researcher has to work with sensitive data (Collis and Hussey, 2003). Since the research is dealing with sensitive company information, the employees interviews are conducted with a semi-structured approach.

The interviews took place during the research period and the interviewees were aware of the interview questions, the research aim before the actual interview and they were glad to help and share the information for the research. The questions, that are reported in the appendix section (Appendix 1), were prepared before and due to a semi-structured approach, there was the possibility to ask secondary questions for exploring relevant concepts.

The data collection of the research started with an interview with an IKEA employee. Peter Klinkert, IKEA Communication Leader in the IKEA GROUP Marketing and Communications Intelligence team, has offered to take part in the interview. He had an experience of several years in IKEA and he gave a huge contribution for the research. The interview took place online, through Skype, the 24th of March for 1:30h where several questions were asked regarding the IKEA market communication strategy guidelines. A second interview of 30 minutes with him took place the 9th of April. Here, he provided some insight for IKEA of Sweden communication strategy and he suggested me to contact IKEA of Sweden for further information and a deeper insight of the topic. A third interview was made the 7th of May with the Marketing Employee of IKEA of Sweden for having an insight of the Swedish market.

3.5 Reliability and Validity

According to Collis and Hussey (2013), low reliability and high validity could be found in a research based on the interpretivism paradigm. The reliability is low because the findings are generated by the vision of whom is conducting the research (Collis and Hussey, 2013). The

validity is about the credibility and reality of the data collected and analysed (Collis and Hussey, 2013). The data present in this paper are collected through direct interviews to the company employees, journals, articles; thus, the validity is high.

For having an higher reliability on the study, the questions were sent in advance to the IKEA employees, so they could have the time to prepare the answer and know what the interview will be about. The interview and the research was conducted in an objective way, but it could happen that, whenever an interview takes place, a concept is influenced by the interviewer opinion and our behaviour with him/her.

3.6 Ethical Consideration

For this study, the data collection was conducted observing the ethical guidelines of Collis & Hussey's (2013) and no ethical obligations have been violated. All the literature concepts are quoted or rephrased, and all is referenced giving an adequate credit to the source. The interviewers were not forced on taking part in the process, but they had the choice to choose for the involvement: an email was sent to different employees of IKEA, not all of them answered and not all the ones that answered said yes.

In each interview, at the beginning, was asked to the interviewer questions regarding the privacy (e.g. "Can I record the interview?", "Can I mention your name in the interview", "Can I mention all the information that you are sharing with me in the paper"). All the interviews answered positively to these questions; thus, all the interviews were recorded, the employees name who took part in the research study are mentioned in the paper and all the relevant information for the study are reported in the findings section. Furthermore, all the participants were aware of the questions before the interview as the thesis scope.

4. Studied Company Background

4.1 IKEA Company Introduction

IKEA is the biggest worldwide retail furniture that designs and sells ready-to-assemble furniture (IKEA Interview, 2020). It was founded by Ingvar Kamprad in 1943 when he was just 17 years old and his idea was: “Why are beautiful products accessible just for few privileged people? It must be possible to offer functional and well design products at an affordable price” (IKEA, 2020). At the beginning it was just selling pencils, postcards and other merchandising, but in 1958 the first IKEA shop opened in Älmhult where the people could come, see and “try” the products (IKEA history, 2020).

The IKEA vision is “to create a better everyday life for the many people” (IKEA Vision and Business Idea, 2020; IKEA INTERVIEW Peter Klinkert), where many people are represented by customers, potential customers, co-workers, suppliers and beyond (IKEA Interview, 2020). Since the beginning, for IKEA, the communication has played an important role as meeting the customer needs as it is stated in its vision. The first tool used by Ingvar Kamprad was the catalogue which had the aim of showing IKEA products and reaching to many people as possible (IKEA INTERVIEW Peter Klinkert). He decided to introduce it since the IKEA shop in Älmhult was far away from the big cities and reaching the consumers was really difficult (IKEA). Over the years the marketing communication mix changed, and it is still changing, but the conceptual IKEA baseline that is behind it, it is still the same.

In order to understand the global (franchisor) and the local (franchisee) market communication strategy, it’s important to understand the IKEA structure. Between the end of the 1970s and the end of 1980s Ingvar had the idea to structure the business that allows to “act in the best interests of the business and the many people” (IKEA history, 2020). He considered several options. One of them was the stock market listing but he didn’t want to “put the all eggs in one basket” (IKEA history, 2020); as a matter of fact, Ingvar was looking “for a total independence and a long-term business prospective” (IKEA history, 2020). Finally, he decided that dividing the operation ownership from the IKEA Concept was the best idea (IKEA history, 2020).

Today IKEA is composed by two owners:

- **IKEA GROUP:** owned by INGKA Holding B.V. (who owned many IKEA franchisee) owned by the Stichting INGKA Foundation. It is in charge of the retails, customer fulfillment and other services

- INTER IKEA: that is the owner of the IKEA brand, and it is composed by:
 - INTER IKEA System B.V.: owner of IKEA franchisor and the IKEA Concept. Franchisor and franchisees develop the IKEA Concept that allows IKEA to be on the cutting edge in the market, brand development, retails. It takes care of the processes, distribution, employee training and other activities
 - IKEA of Sweden AB: Range & Supply. It is in charge of developing the product range, maintain the relationship with the suppliers and supply the product around the world
 - IKEA Industry AB: it is in charge of manufacturing the products.

(Cuofano, 2020) (Inter IKEA Holding B.V. Annual Report, 2018).

The INTER IKEA System B.V. has franchising business model, where IKEA is still the main owner and where each franchising, after shelling out a 3% fee to it, is allowed to act under the IKEA Concept and Brand and it receives manuals, information around the global IKEA strategy (e.g. how to train the employees, how the store layout must be) (Cuofano, 2020). The franchisee structure is composed by twelve different structures where one of them is owned by the Ingka Group (Ingka Holding B.V.) and it was founded by Ingvar Kamprad; it owns 374 stores in 30 countries (e.g. China, Germany, Italy, Spain, Sweden, USA) (INGKA Group, 2020).

Thus, it is basically composed by one centralized IKEA, based in Holland, and several local retails which are in charge of the local market communication (IKEA Interview). The centralize one provide the directions to follow but the local ones are in charge of applying it in order to penetrate the market, meet the local customers' needs and choose the best communication media mix (IKEA Interview).

4.2 IKEA Strategy

IKEA is characterized by five different strategy:

- **Communication Strategy:** that works under the Inter IKEA System B.V. and it is in charge of developing and designing the IKEA communication content and product range.
- **Customer Strategy:** IKEA has the aim of reaching to many people and offer product affordable for everyone. IKEA is developing the products paying attention to the customer needs, so it is an essential element in the process.

- **Supply Strategy:** that works under the Inter IKEA System B.V. and it is in charge of keeping the relationship with the suppliers and supplies the products to IKEA retailers.
- **People Strategy:** the people for IKEA are really important and it is, mentioned before, IKEA is taking care of all the people who work for it, both directly and indirectly.
- **Sustainable Strategy:** IKEA has the goal of being “People and Planet Positive by 2030”; as a matter of fact, it is acting and aligning its business according to the 17 SDGs. Considering “People”, IKEA is not just taking care about its co-workers but also about the people that work for it indirectly (IKEA Interview). As a matter of fact, in the last 25 years, IKEA has an internal code of content which describes “how we want our suppliers to treat their co-workers that is called the IKEA WAY of purchasing items” and this outlines a social standard that IKEA is expecting from its suppliers (IKEA Interview). Considering “Planet”, IKEA has a strategy of becoming 100% sustainable by the end of 2030; that means that all the IKEA range should be recyclable or even recycled by that date and if in the product are present natural raw materials, they must be purchased from 100% sustainable sources (especially for what concern cotton, wood) (IKEA Interview).

5. Findings

In this chapter the data collected, through semi-structured interviews to IKEA employees are reported. The data reported will follow the Rowley framework, presented above in the literature paragraph, in which he explained all the elements that composed a communication strategy. Thus, all the information reported will be fundamentals elements for creating an effective communication strategy. The findings will be presented before for the franchisor (IKEA global) and then for the franchisee (IKEA of Sweden).

5.1 Franchisor Communication Strategy:

Considering the IKEA global Communication Strategy, it is characterized by three main strategic directions:

1. **Accessibility:** making IKEA more accessible in terms of reaching more consumers target, but also in terms of physical accessibility. For doing that, IKEA is testing new shop format: trying to create shop inside the city (e.g. Kitchen studio in Stockholm), in order to not rely anymore just on the 35.000 square meters (IKEA INTERVIEW Peter Klinkert). Accessibility for IKEA, also, means creating a product offer accessible for a wide audience, that allows to expand it in different countries that have different culture, adapting the offer on local bases (IKEA INTERVIEW Peter Klinkert).
2. **People and Planet Positive:** Ikea has the aim of being by 2030 without CO2 footprint in order to be climate neutral, at least in the retail sector (IKEA INTERVIEW Peter Klinkert). The big challenge is in the production since plastic is everywhere and substitute it with other material will be challenging (IKEA INTERVIEW Peter Klinkert).
3. **Reaching more people:** IKEA is actually reaching 1.5 billion people, but it has a potential reach of 3 billion (IKEA INTERVIEW Peter Klinkert). This require different actions in order reach that number of consumers based on price, time, different way of communication (IKEA INTERVIEW Peter Klinkert).

For IKEA the communication strategy is about how to meet the consumers on local bases life. Thus, for doing that, the franchisor is providing the guidelines that the franchisee must follow and adapt for meeting the local consumers, satisfying their needs and meeting their expectations. IKEA is always challenging itself and nowadays, for what concern the

communicant side, the challenge is about creating an online shopping experience for home furnishing since it is not achieving the inspiration through the online tool:

“All the people go to the store because they want to get inspired by home furniture solution”
(IKEA INTERVIEW Peter Klinkert).

In the following paragraph the main elements of an effective communication strategy are presented with a focus on the franchisor guidelines.

5.1.1 Target Customers

In IKEA whenever it talks about customer segmentation, it is handled it with three different layers:

- **Geographical Segmentation:** that it is about where people usually “sit”, what kind of purchase or purchase intention to the IKEA brand they have (IKEA INTERVIEW Peter Klinkert).
- **Range and Communication Segmentation:** that it is about building a product range which is desirable and affordable for many people (IKEA INTERVIEW Peter Klinkert).
- **Localizing Segmentation:** IKEA has a global point of view, that allows to segment the market in the context of global structure which requires that at the end to localize it and to define particular potential target groups in each local market in order to purchase the best media and use it in the most efficient way (IKEA INTERVIEW Peter Klinkert).

Whenever it talks about the customers identification, it is important to understand the market in which the company is acting (e.g. understanding who the competitors are and which are the consumer needs) (Rowley, 1998). Considering the franchisor, for what concern the competitor side, IKEA is the only home furniture company present worldwide, thus it has no competition on a global level, but it is more on local level (IKEA INTERVIEW Peter Klinkert). Same for the consumer needs: each market has its own consumers with different needs according to their behavior, culture.

The franchisor provides a guideline in terms of target customer segment:

“IKEA core target audience is family with kids since it was set up by Ingvar when he created IKEA” (IKEA INTERVIEW Peter Klinkert).

As it is stated in the vision, that the franchisor provides:

“IKEA wants to reach many more of many people. Thus, this requires that it reaches them from new consumers target and this is in charge of the franchisee considering the market in which they are acting” (IKEA INTERVIEW Peter Klinkert).

Each franchisee must find new consumers audience in its own market and the achievement will be supported by specific product collection which help the franchisee to reach that specific group of customers.

For IKEA, both locally and globally, it is always important to understand if the customer needs a product before launching it and who are the right customer target for that specific product. For doing that IKEA is acting in different ways. First of all, IKEA has a huge database and knowledge about life at home in all the markets through mostly physical home visits, qualitative interviews both online and offline, panel structure, home testing (IKEA INTERVIEW Peter Klinkert). So, for each product there is always an opportunity assessment at the beginning. Furthermore, during the product development phase, IKEA tests and verifies the development with the consumers (IKEA INTERVIEW Peter Klinkert). Sometimes the results are very successful products, other failures. An IKEA specific department (co-creation and consumer verification) is in charge of identifying the customers. They choose the customers from the IKEA Family panel or they ask to the hardcore IKEA fans (IKEA INTERVIEW Peter Klinkert). Whenever, IKEA has the aim of reaching new customers it is using other tools: purchase panel or interview people without saying that behind that request there is IKEA (IKEA INTERVIEW Peter Klinkert).

5.1.2 Communication Objective

IKEA has the aim of maintaining the customers and the relationship with them, being sure that they are not lost due to competitors' actions. The IKEA purpose of communication objective is to communicate to its customer segment; showing them that IKEA has always been a company that cares about people life and how to make it better (IKEA INTERVIEW Peter Klinkert). Furthermore, IKEA wants to show that it is a little bit different from the competitors. As a matter of fact, it has always developed the products by its own; all the product that are in the shop are uniquely developed by IKEA of Sweden.

“IKEA wants to create a sort of IKEA uniqueness conceptualization which is particularly important abroad as a concept of being Swedish” (IKEA INTERVIEW Peter Klinkert).

The IKEA purpose is to create globally a concept of being Swedish: shopping and furnishing the apartment with IKEA furniture, makes in the customer the Swedish feeling (IKEA INTERVIEW Peter Klinkert).

5.1.3 Message

The message, that IKEA wants to send, has been set by Ingvar Kamprad and it is become the Vision of IKEA:

“Creating a better everyday life for the many people by offering a wide range of well-designed, functional home furnishing products at prices so low that as many people as possible will be able to afford them” (IKEA GROUP, IKEA INTERVIEW Peter Klinkert).

IKEA wants to send this message worldwide through its communication and it is translated in the local market according to the local strategy.

5.1.4 Communication Tools

Considering the communication tool guidelines provided by the IKEA franchisor, IKEA has a communication tool, i.e. the catalogue, that represents the heritage of the company because it was used since the company birth and it was established Ingvar Kamprad. The first catalogue was published in 1951 in Sweden and it had the aim of showing IKEA products and reaching to many people as possible.

“The catalogue was steering the business because the products shown on it were the ones presented in the store and since the first shop was far away from the big city, people were informed through it. Even now, every product, shown on it, is present in all the IKEA worldwide stores, but it is not used as before, since people rely more on online media” (IKEA INTERVIEW Peter Klinkert).

The catalogue was only substituted by printed ads if the local country had traffic problem and the catalogue couldn't be distributed (IKEA INTERVIEW Peter Klinkert). Whenever IKEA had image problem, it made use of the TV/Radio advertisement in order to change the brand image (IKEA INTERVIEW Peter Klinkert). Nowadays the catalogue is not effective as before and the company is thinking how to use it in a different way (e.g. putting it only online or putting it in the store just for the people who ask it or make the request before or sending it just to the IKEA family member) (IKEA INTERVIEW Peter Klinkert).

A second tool, which plays a relevant role in IKEA and it is set on a global level, is the word of mouth:

“It is through this tool that IKEA is reinforcing its brand the company relies a lot on this tool” (IKEA INTERVIEW Peter Klinkert).

For what concern events as a tool, all the events organizations are in charge of the local retailer, with the exception of one: The Democratic Design Days.

“It takes place in Älmhult once a year and people from all over the world are invited in order to see what IKEA is doing and what are the next steps in one or two years perspective, showing new products/prototype and making announcements” (IKEA INTERVIEW Peter Klinkert).

The employees as the store layout are IKEA fundamental communication tools (IKEA INTERVIEW Peter Klinkert). The guidelines of how to train the staff and how the shops have to look like are given from by the franchisor. Thus, each local retail must follow these baseline for creating the “IKEA shopping experience”.

“For what concern the staff inside the store, the employees must be trained since that specific competence are not possible to find out in the market, so they must be trained: 90% training on job for understanding how to communicate and behave with the costumers; 10% online training for understanding the IKEA Concept and all the processes behind (IKEA INTERVIEW Peter Klinkert).

In order to understand how to drive the business in the right direction, each employee has to be trained for almost one year.

“For what concern the shop layout the customer must be involved in the process and have a unique shopping experience. This experience is made by the shop design: the customer has to follow a specific pathway that allows him/her to go through different areas” (IKEA INTERVIEW Peter Klinkert).

The store, i.e. the combination between the store layout and the staff which generate the shopping experience, is still having a huge role play as a communication tool. It is the shopping experience that will bring the customer to buy at least one product and to be part of the IKEA club (IKEA FAMILY). As a matter of fact, 99% of the IKEA Family member are reached through the store. Thus, the franchisor provides guidelines for what concern the shop environment: retail equipment, price tag, color light choice. The franchisee has to rigorously follow them with the exception that it has the freedom of adapt the room setting according to the local consumers (e.g. room size).

From what concern the other main tools: advertising is adapted to the local market culture, promotions are decided by the local franchisee, the website is used as an information tool for checking the IKEA product, understand the IKEA Concept and check the closest IKEA shop and its timetable (IKEA INTERVIEW Peter Klinkert).

Nowadays, IKEA is using all the communication tool with the exception of sponsorship, presence on thirdly-party platform (i.e. it is possible to find IKEA product on Amazon, but it is not IKEA that is selling it) and personal selling in the B2C context (it is starting to test it in the B2B market) (IKEA INTERVIEW Peter Klinkert). On a global level, for IKEA each channel, with the exception of the catalogue, has the same importance and weight. IKEA is starting to use one to one marketing sending different message according to the target audience and the media selected.

5.1.5 Budget

For what concern the budget, IKEA is investing significantly lower than other companies:

“The amount that the company is investing is around 1/3 less than the IKEA competitors. Furthermore, IKEA is not increasing it, but year after year, IKEA is saving a lot of money

from printing less catalogues and this money are used in other companies' areas" (IKEA INTERVIEW Peter Klinkert).

As a matter of fact, the IKEA budget is mainly composed by the catalogue which composed the 70% of the available budget (IKEA INTERVIEW Peter Klinkert). Nowadays people are using less and less the catalogue, so IKEA has started decreasing the printing copies. For example, two years ago IKEA printed 220 million copies of it, in 27 different languages, instead this year it has just printed 70 million.

5.1.6 Communication Media Mix

IKEA franchisor doesn't force the franchisee whenever the choice of the communication media mix takes place. As it is stated before, the tool that must be present in the media mix is the catalogue since it is part of the IKEA heritage. Apart from that, the franchisor provides the guidelines with the available tools and the franchisee is in charge of creating the best media mix according to the market it has to penetrate. Generally, a franchisee has a media mix that changes every year, but it is generally composed of: offline media (e.g. printed catalogue, sales promotion, TV ads, Radio, flyers) and online media (e.g. social media, website) (IKEA INTERVIEW Peter Klinkert).

5.1.7 Results Measurements

The efficiency of the marketing communication tool is given by the media mix chosen and it is changing every year. What it has possible to see in the last year was that:

"The weight of TV, Radio and Print media is going down; but the digital tools are going up really fast. Even more now, with the corona crises, the shift to the online media will be even more and evident" (IKEA INTERVIEW Peter Klinkert).

In terms of money back from the investment, considering the role of thumb "for 1€ spent on marketing you should have 3€ back" this return is not achieved anymore with the catalogue. But since it is part of IKEA culture, as it is stated before, it is not possible to remove it from the communication media mix.

IKEA is a company that mainly focus on measuring the results of a product success in a transactional way:

“IKEA is just considering the money connected to the product sell forecast” (IKEA INTERVIEW Peter Klinkert).

5.2 Communication Strategy: Franchisee

The communication strategy of IKEA of Sweden, a franchisee owned by the INGKA Group, is based on the global direction and content. Thus, the starting point is the global directions followed by the local market. This franchisee is really special and unique because Sweden is the country in which IKEA was born:

“Sweden is the country in which IKEA is well-known by everyone due to its origin. Swedes are aware of IKEA as a store and as well as company; they are aware of the company values since a lot of generations have face with it” (IKEA Interview Marketing Employee).

IKEA of Sweden has the most mature market where the Sweden has a very special and close relation with it (IKEA Interview Marketing Employee). As a matter of fact, one of the biggest challenge is to maintain and nurture the positioning that IKEA has. In Sweden the IKEA brand is the most nominated and awarded as the most important, attractive and credible brand but also seen as the most attractive employer:

“We still have potential in Sweden and we challenge ourselves every day for reaching to many people, reaching new people that are not IKEA customers today” (IKEA Interview Marketing Employee).

Nowadays, IKEA of Sweden communication strategy is mainly focus, on one side on reaching to many people and on the other side on the creation of emotional feeling for the typical situation that sometimes happen:

“IKEA of Sweden is not focusing just on the global business, i.e. showing just the normal bedroom, but it is creating emotional aspect of home based on the typical situations that often happen in Sweden (e.g. divorced couple who are sharing the time with the kids). Thus, it is

meeting the local flavors and creating the connection point” (IKEA Interview Marketing Employee).

5.2.1 Target Customer

Before the franchisee identifies its target audience, it has to understand which its competitors are (Rowley, 1998). Considering IKEA of Sweden, whenever it is talked about furniture is Mio; for low price furniture is Jysk, for home furniture accessories are Zara Home, H&M Home, Lagerhaus, Granit.

IKEA of Sweden, as the other franchisees owned by the Ingka Group, has a model for targeting and segmenting the customers based always on the global guidelines but it has a specific segmentation model where it pinpoints the potential customers, i.e. people interested in home furniture.

“Not all the potential customers are satisfied by the IKEA product, e.g. some are not satisfied by the quality, others by the price. Thus, IKEA is pinpointing the potential customers and improving the product range in order to satisfy them” (IKEA Interview Marketing Employee).

As it is mentioned before, IKEA has the aim to serve to many people, thus does not mean that IKEA prioritizes certain people before, but all the people are equals. The core customer segment is stated by the franchisor and then the franchisee has to reach to many people according to the market needs. Furthermore, IKEA of Sweden is trying to reach living single, younger audience and older audience (*IKEA Interview Marketing Employee*).

5.2.2 Communication Objective

The communication objective depends on each communication; thus, it must be agile according to the current situation and needs. The core aim is to strength the position of the IKEA brand by creating a bigger desire for IKEA home furnishing as well for the product (*IKEA Interview Marketing Employee*). Another important objective is to activate and attract people to come to IKEA in terms of visiting the store or, shopping online as now it is happening within the corona situation (*IKEA Interview Marketing Employee*).

5.2.3 Message

The global message is translated in the local market according to the local strategy.

“What differences in our communication is not really the message but it is the home furnishing ideas and solution we offer to the market” (IKEA Interview Marketing Employee).

IKEA of Sweden wants to be very targeting, e.g. if the customer is family with children the solution is a product range related to family with kids; but if it is a younger audience without kids we need another furnishing solution (*IKEA Interview Marketing Employee*).

The message insight will be very different as well according to the customer segment:

*“The insights of the different messages are around what you need and how you live at home”
(IKEA Interview Marketing Employee).*

The message depends on what kind of range and what kind of solution the company wants to promote, but it must be consistent with the company value.

5.2.4 Communication Tools

For IKEA of Sweden each communication tool has a specific meaning, purpose and target audience:

“Broad media like TV, online video, outdoor advertising, social media are really important to remember are our own channel (stores, website, catalogue). For what concern the choice according to the target audience, online channels are used for reaching more younger audience, instead older audience is reach through offline one” (IKEA Interview Marketing Employee).

IKEA of Sweden is starting to switch the media usage from traditional media (e.g. outdoor advertisements, newspaper, radio) to the digital ones (*IKEA Interview Marketing Employee*). As a matter of fact, traditional advertising is losing their efficiency.

5.2.5 Budget

The local market decides its own budget and then the investments, that IKEA of Sweden is making, is negotiated on a global level, but it is still less than competitors (*IKEA Interview Marketing Employee*). The budget is setting according to the business plan, i.e. according to which ambition the company has in totality and how the marketing action can contribute to the growth (*IKEA Interview Marketing Employee*).

5.2.6 Communication Media Mix

The media mix is chosen locally according to the local consumers and where do they want to receive the information. IKEA of Sweden is using different mix of media depending on the communication purpose:

- **Brand:** it has the aim of creating more interest for the home furnishing categories
- **Reach the many customers:** it has the aim of reaching as many customers as possible
- **Narrow message:** it has the purpose of conducting and influencing the customers to come into the store or shop online through the website

(*IKEA Interview Marketing Employee*).

IKEA of Sweden has understood that the traditional media are losing their efficiency, thus, the majority of its media mix is composed by the digitals one. Year after year, IKEA of Sweden is not including anymore in its media mix the cinema advertise (*IKEA Interview Marketing Employee*).

5.2.7 Results Measurements

The results are made through a KPI analysis according to the brand perception and the sales contribution. IKEA of Sweden has different KPI and metrics according to the communication objectives (*IKEA Interview Marketing Employee*).

6. Discussion

In this paragraph a discussion around the topic analyzed will be made according to the findings and the literature frameworks. According to Kotler et al. (2012), the communication process occurs whenever the sender wants to send an information to the receiver. Thus, the company has to set its own communication strategy in order to succeed (Kotler et al., 2012). According to Rowley (1998) framework, it is composed by seven steps. As mentioned before, the research was around the similarities and the differences between the communication strategy of the franchisor and the franchisee.

The table below summarizes the research results presented in the findings section and it will help to answer to the sub research question:

“Which is the communication strategy?”

Answering to this sub research question, it will be possible, in the conclusion section, to answer to the main one. The data are presented in the table according to the Rowley’s framework showing all the steps in case of IKEA global and IKEA of Sweden.

	Franchisor: IKEA Global	Franchisee: IKEA of Sweden
Target Customers	<ul style="list-style-type: none"> • <i>Reaching to many people</i> • <i>Family with kids</i> 	<ul style="list-style-type: none"> • <i>Reaching to many people</i> • <i>Family with kids</i> • <i>Younger audience</i> • <i>Singles</i> • <i>Elder people</i>
Communication Objective	<ul style="list-style-type: none"> • <i>Communicate</i> • <i>Being Swedish Concept</i> 	<ul style="list-style-type: none"> • <i>Strength IKEA position</i> • <i>Creating the desire</i> • <i>Attracting people</i>
Message	<ul style="list-style-type: none"> • <i>Creating a better everyday life for the many people</i> • <i>Message is translated according to the local market</i> 	<ul style="list-style-type: none"> • <i>Target Messages</i> • <i>Messages around what you need while you are living at home</i>

Communication Tools	<ul style="list-style-type: none"> • <i>Catalogue as a must</i> • <i>No sponsorship, no presence in third-party platform, no personal selling in B2C</i> • <i>The store is fundamental for creating the IKEA shopping experience</i> 	<ul style="list-style-type: none"> • <i>Increasing usage of digital than traditional ones</i> • <i>Importance of store communication tool</i> • <i>Catalogue is essential</i>
Budget	<ul style="list-style-type: none"> • <i>less than competitors</i> 	<ul style="list-style-type: none"> • <i>Set locally and approved globally</i>
Media Mix	<ul style="list-style-type: none"> • <i>The franchisees are in charge the media mix choice</i> • <i>The media mix must always include the catalogue</i> • <i>Change every year</i> 	<ul style="list-style-type: none"> • <i>Set locally</i> • <i>Different media mix according to the purpose</i>
Results Measurements	<ul style="list-style-type: none"> • <i>Hard Measurements</i> 	<ul style="list-style-type: none"> • <i>KPI Analysis</i>

Table 1: Communication Strategy: IKEA and IKEA of Sweden

According to Rowley (1998) the first step of the communication strategy is the target audience identification. For IKEA, the core customer segment is family with children. This customer target was set by Ingvar Kamprad when he found it, thus it is inside the IKEA Concept and each franchisee has to firstly address to them. Secondly, as the IKEA vision says: “reaching to many people” means that each franchisee can identify its own customers target according to the market it has to penetrate. In the case of IKEA of Sweden, it is trying to reach singles, younger audience and elder people.

Secondly, the main IKEA global communication objective is to communicate to its target audience with the aim of showing that IKEA is a company that cares about people and so it is different from its competitors. Through its communication, it wants to spread the concept of being Swedish: “whenever the customer shops and buy an IKEA product, he/she feels the Swedish culture”. In the case of IKEA Sweden, since it is a unique market, well-known and considered by swedes, it has the aim of reinforcing and keeping its position in the market,

creating a home furnishing desire into the customer mind and attracting people in the store or online.

IKEA wants to communicate a specific worldwide message to its target audience: “*Creating a better everyday life for the many people*”. Through it, it has the aim of communicating that it is a company that wants to improve the people life in a daily reality. This global message is translated according to the local communication strategy. In the case of IKEA of Sweden, the message is designed according to the target audience and the contents of it are about life at home and the IKEA solutions for improving the life at home.

For spreading the message, it has to identify the communication tools that will help it to reaching to many people. The core communication tool of IKEA has always been the catalogue since it is part of the IKEA heritage; it was introduced by Ingvar Kamprad for reaching to many people and showing IKEA products. The catalogue has the feature of being equal all over the world: it has a standard layout where all the company products present in the shop are shown on it. Another communication tool, that is provided and used worldwide in the same way, is the store communication, i.e. store layout and staff. These elements are essential for creating the IKEA shopping experience and through them the customer is even more influenced and involved in the purchasing process. It is here that the customer gets in touch and understands the IKEA Concept. Furthermore, there are franchisor guidelines regarding the tools that the franchisee cannot use: sponsorship, presence in third-party platform and personal selling in a B2C context. Apart from those, the franchisees can choose the tools they prefer. In the case of IKEA of Sweden, it is adopting the mandatory communication tool and it is using more digital tools since it is a market where the consumers prefer receiving information there, instead of being informed by traditional ones.

For what concern the budget, IKEA is investing less than the other competitors in the market. As a matter of fact, the budget is 1/3 less than the others. Each franchisee is charge of setting the local budget, but it must be approved on a global level by the board.

According to Rowley (1998), after the company has set the budget, it has to decide the media mix. The franchisor is giving freedom in this choice to the franchisee, with the exception that the catalogue must be present. The franchisee has to change it every year and adapt it to the local consumers. Considering the IKEA of Sweden, it has a media mix choice according to the purpose. It has three main purpose: brand, reaching many people and influencing customer

purchasing behavior. For each of them, it is adopting several media with the role that reaching younger audience is made through the online media, while the older through TV advertisement. What IKEA of Sweden is not including anymore in its media mix choice is the cinema advertisement due to an efficiency lack.

Finally, the company has to measure the results of its communication strategy. According to Ambler and Kokkinaki (1997), the IKEA performance measured are hard since IKEA is measuring it through the money earned from the sell forecast. Both franchisor and franchisee have a KPI system which allow them to measure the company performance. Each communication objective has a specific KPI and the company sees them in order to understand the communication performance.

7. Conclusion

Through the conducted research, it was possible to discover several interesting insights of the phenomenon that are helpful in order to answer to the main research question:

“Which are the similarities and the adapted elements of the franchisor and the franchisee within the communication strategy?”.

The results of the study show that there is a consistent connection among the franchisor and the franchisee. As a matter of fact, it is possible to see that there is a leitmotif within the two communication strategies. The franchisor sets boundaries within which each franchisee has to act. This doesn't mean that the last one does not have freedom to act in any way, but it has a sort of directions and principles that it must respect or adapt to the market that it is penetrating according to the local culture. The franchisee whenever has to structure its own communication strategy, it has to think about the core value of the franchisor. Thus, the customers identification, the communication tools choice and the message must be in line with the organization values, in order to not create misunderstanding or damage the company image.

There are different similarities among the franchisor and the franchisee communication strategy. Firstly, the franchisor sets the target audience which each franchisee has to focus its communication strategy. Secondly, the message sent by the franchisee must be the same of the franchisor in order to be consistent and coherent. Thirdly, for what concern the communication tool, it can be that specific tools are forbidden by the franchisor or, on the other side, essential element for the firm culture.

On the other side, there are also some elements of the communication strategy that are adapted by the franchisee according to the local market. First of all, considering the target audience, the franchisee, for reaching it, has to adapt it to the local market since each market is different. Secondly, the communication objectives are in charge of each local market, but they must follow the franchisor one in order to be coherent. Then, the franchisee has the freedom to decide the media mix within the tools choice provided by the franchisor. Finally, the method for the results measurement, as the budget, is adapted to the local market but it must be approved and shared with the franchisor. The results are measured through a KPI system where each communication objective represents a specific KPI; thus, each franchisee has its own KPI according to the local market.

As it is possible to understand from the research, IKEA franchisee is acting following the guidelines provided by the franchisor, adapting them to the local market in order to avoid misunderstandings or damage the company image. I think that IKEA franchisor is providing clear information to each franchisee of how to set its own communication strategy, defining which elements must be present in each communication strategy step. This allows IKEA of Sweden, as the other franchisees, to understand how to act, perform and to create a worldwide common idea of IKEA. On the other side, IKEA is too strict for what concern the market budget. As a matter of fact, it is investing less than its competitors and the money saved from the non-printed catalogue version are not invested in other market campaigns, but they are given to other departments. Through investing that amount, IKEA could achieve its mission and reach even more to many people.

Finally, the case study of IKEA demonstrates that franchisee organizations can think globally and act locally, i.e. according to the needs of different markets. Each franchisee organization has a standardized side that constitutes the brand awareness, and a common leitmotif which is adapted according to the market. As a matter of fact, IKEA is offering the same product, with the same price all over the world; thus, according to Buzzel (1968), it is a standardized retailer. But, on the other side, IKEA is aware that every country has its own consumers with different culture and behavior, so the communication has to change according to each market; thus, according to Mooji (2004), IKEA is adapting the market communication strategy according to the local market. To sum up, the IKEA Concept is standardized all over the world, but what it changes is the way in which each franchisee adopts the guidelines, provided by the franchisor, according to the local market., i.e. how they communicate and approach with the specific consumer market in which they are acting.

7.1 Future Research and Limitations

The thesis is mainly focus on how the franchisor communication strategy guidelines influence the franchisee, with a focus on which elements are standardized and which are adapted to the market where the franchisee is acting. Thus, is mainly focus on the market communication strategy side in terms of communication between the company and the consumers, focusing on the company side. For further researches, the researcher can explore the internal communication in a franchisee organization or the communication among the company and the suppliers. Future research can be also made around the customer perspective, seeing how he/she is

reacting to the company communication strategy in a franchisee organization seeing how the company is seen in different countries, conducting a quantitative or qualitative analysis.

A limitation is the choice of a single case study since with a multiple case study choice it is possible to generate findings which are more common for several companies (Leonard-Barton, 1990). As a matter of fact, the finding presented in this research, i.e. how the franchisee is influenced by the franchisor communication guidelines, may not be the same for all the franchisee company since each firm has its own strategy. However, each franchisee organization has a common guideline where the franchisor is in charge of it and the franchisee must follow and adapt according to the market in which it is acting. The research has been focusing for three months on one company, due to a limit timeframe, and according to Dyer and Wilkins (1991) the research will achieve deeper insight through a narrative explanation of just one case.

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Appendix 1

Interview Questions to IKEA Employees

Market Communication strategy:

- Which is the market communication strategy that the company is using?
- Do you have different sales point? If yes, does the company apply different strategy for each sales point?
- Is IKEA using the same communication strategy in every country?
- Which message does the company want to send?
- Who are your competitors?
- Which are the percentage that the company is investing in market communication? Is it in line with what the competitor are investing on it or higher/lower?

Customer Segment

- Who are the current customer segments of the company and which are their needs? Who is more relevant?
- Which is the size of the customer target?
- How do you choose your customer target?
- Are you trying to reach new customer segments? If yes, who?
- Does the company send different messages to the different customers segment?
- Do you focus more in reaching new customers or reinforce the relationship with the exist ones?

Communication Tools:

- Which tools is the company currently using? How the company is using them?
- Through which channel the company reach each target segment?
- Does the company compare effectiveness of communication tools? If it does, which ones are more appropriate for the company?
- Were there any tools tested and considered ineffective?
- Are the employees a communication tool? How do you trainee them?
- How does IKEA use the instore communication? (color, light, music)

Communication & Customers:

- Which image is the company trying to promote to the consumers through its messages?
- Do communications tools increase customer loyalty? How?
- How do you understand that the customer need that product before launching it?
- How do you measure the success of the product after launching it?
- Are there any differences of using communication tools year by year?
- What are the biggest challenges in market communication, considering IKEA?
- Every time you launch a product does the communication of reaching a customer change?

Sustainability:

- What is the company doing in terms of sustainability?
- Are you initiating or supporting a marketing campaign based on sustainability?

Is there something you would like to add?

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