

DIGITAL MARKETING PROPOSAL



2023

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Letter to CMO

Linus Karlsson
Chief Creative Officer
420 Allen Wood Road
Conshohocken, PA 19428

April 20, 2023

Dear Mr. Karlsson,

We are a group of Digital Marketing students at the University of South Florida, and are currently working on a brand evaluation project of digital marketing strategies based on website design, social media aspects, and various advertisements. We are using our analysis of the business' performance and have developed a list of improvements that can be implemented to boost engagement and supporting the overall company's objectives.

With researching the company's digital marketing strategies, we have noticed the social media platforms, google ads, and website/mobile app are not being fully utilized to cater to the target audience. We suggest adjusting the social media's content to the target audience age range of who engages with that specific platform, such as TikTok reaches mainly ages 16 to 24 range while Facebook reaches the ages 25 to 44 range. Regarding the google ads, the Search Engine Optimization and Geo-targeting can be enhanced further with relevant search terms for product-specific items that appear within the location radius of the Ikea stores. As for the website and mobile app design, our team has analyzed the landing page which could utilize the use of a CTA button or multiple to allow for customers to easily locate products and categories without having to scroll further down the page. The same would be for the mobile app and making it more straight to the point by implementing smaller visuals for categorizing and product filtering.

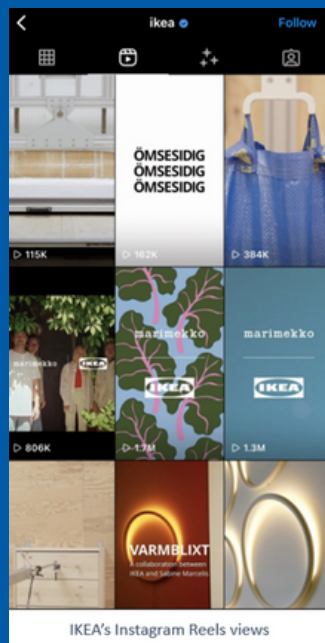
We hope you will consider our improvements to your digital marketing plan, as we believe that it could positively impact your business and boost engagement and sales in the future. Feel free to contact us any time for more information.

Sincerely,
Team Fantastic Four

Current Digital Marketing Strategy

IKEA is currently using a variety of digital marketing strategies to market their affordable furniture and home goods. The following DM strategies used are:

SOCIAL MEDIA



INSTAGRAM

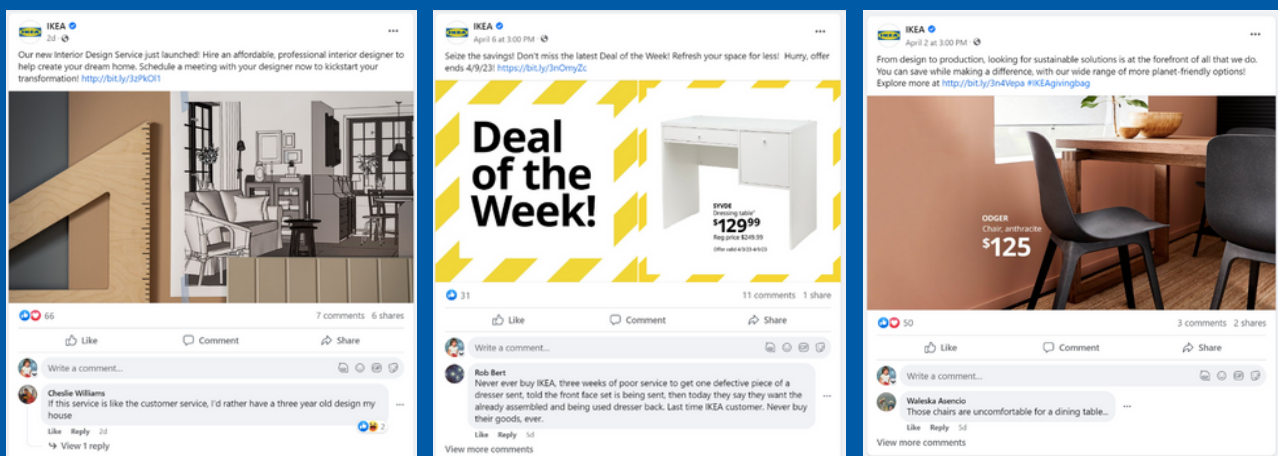
Currently, IKEA's Instagram page has a following of 1.3 million. While that is a respectable amount, on average each of their posts get only about 2,000 – 6,000 likes and around 12 – 190 comments.

However, there are times that IKEA collaborates with successful artists and fashion designers. The posts that feature these collaborations tend to get tens of thousands of likes and hundreds of comments. Although that is an effective approach, these collaborations are rare and their other Instagram posts do not get this level of engagement that is necessary. Instagram does have a feature that lets two users share the same post to their feed. This allows the collaborators followers to see the IKEA post as the collaborator's post. IKEA uses this feature to their advantage when

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they don't partner with others. IKEA's reels also tend to do a lot better in engagement than their regular posts do. Their reels are able to get hundreds of thousands of views, sometimes almost 2 million views, yet the likes and comments are not seen anywhere close to this amount.

FACEBOOK

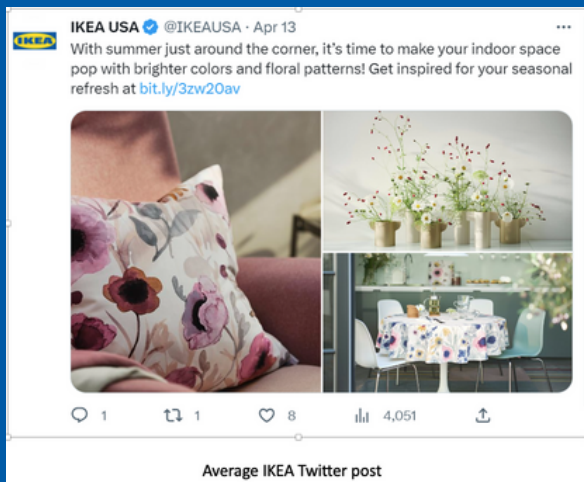


IKEA's Facebook page currently has 32,316,207 followers and 32,369,994 page likes. While this may seem like a lot, their posts get a very small amount of engagement. Each post gets around 30 – 160 likes, 1-10 shares, and about 1-20 comments. The main type of content that they post on their Facebook are ongoing sales and promotions and children's furnishing, unlike Instagram where they tend to post more aesthetic pictures and collab announcements. I believe this is a good use of this platform based on Facebooks users, however, it seems as though IKEA has an issue with returning items. After going through their most recent posts, almost every post has a negative comment about the return

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process. And if there isn't a comment about returns, there are other negative comments about their service such as missing parts, bad customer service experiences, and poor-quality products. Because the engagement on these posts are so low, the negative comments are almost always the first comments to be seen. In the 'About' section on their Facebook page, they have included links to all their other social media pages on different platforms, while this is useful, I am unsure how likely it is that the Facebook users today would pursue those other social media platforms.

TWITTER



After reviewing IKEA's twitter, I found that they have about 355,800 followers yet still lack consumer reach. IKEA generally posts about current sales and product highlights. Their twitter content seems to be a mix of what they post on Facebook and Instagram, just adjusting it to fit the Twitter format. On average, a normal IKEA twitter post gets around

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4,000–7,000 views, yet only 5–15 likes, 0–2 comments, and rarely any retweets. However, when IKEA tweets content related to pop-culture or current events, those tend to do a lot better in consumer interaction. Those posts often get tens of thousands of views, hundreds of likes, and numerous comments and retweets. Nevertheless, those pop-culture posts are very rare and still have the potential to perform better.

YOUTUBE

IKEA's YouTube channel has around 269,000 subscribers and a total of 682 videos. They post consistently, about once a week, and their videos average about 1,000–10,000 views. The video content is very well made with high quality editing and cinematography. They post videos about product launches, collaborations, behind the scenes of launches, and how-to videos, all being around one to two minutes long. Their high performing videos are the ones announcing collaborations with other artists and designers, similar to their other social media platforms. Their thumbnails tend to be pictures that are aesthetically pleasing and come from a frame that is in the video. Although they don't bring in a lot of views compared to other YouTube channels, as a furnishing company trying to cater to the current YouTube audience, their channel is put together very professionally and effectively.

PINTEREST

IKEA is also using Pinterest as a way of social media marketing. They currently have an estimated 716,100 followers and over 10 million

Current Digital Marketing Strategy

monthly views. The type of content they create on Pinterest are Do-It-Yourself (DIYs) and furnishing ideas and tips using their products. This type of content is perfect for the Pinterest audience because people tend to go there to find inspiration for style, art, and home decor. Although their posts don't get many likes and comments, about one to five each, Pinterest users are more inclined to save posts for future reference rather than like and comment on them. With this in mind, measuring the effectiveness of IKEA's Pinterest page based on likes and comments would be a misconception. This platform is used best to drive brand awareness and give their customers inspiration on home living using their products.

TIKTOK

IKEA currently has seven TikTok accounts all operating in different countries. The Italy-based account is the most active, posting several times a month with the highest follower count (68,200 followers). The main IKEA account is the second most popular with 60,000 followers, yet zero videos have been posted. Many of the videos posted through their accounts have large numbers of views, some videos even have several million views, but the videos have a very low like and comment ratio to the number of views, suggesting that they have very low viewer engagement. One video has over 5 million views but less than 3,000 likes. That is a 0.0004% in like engagement. The types of videos IKEA tends to post are things like organizational videos, promotional videos, collaboration videos.

Current Digital Marketing Strategy

GOOGLE ADS

IKEA has invested in Google Search Ads 360 and increased its sales by 117% and return on ad spend (ROAS) by 68%. The key metric for digital marketing is gauged through return on ad spend (ROAS). The digital agency, iProspect, grouped the accounts into two categories: desktop and mobile. Features from the tool has allowed IKEA to practice with different merchandise products and draw attention and focal point on the the areas that are the best business for their company.

The use of Search Ads 360, Channel Intelligence, and Google Ads has been a vital platform in driving both online and offline traffic and revenue.

WEBSITE & MOBILE APP

Ikea optimizes their website and mobile application with speedy load time, Call-to-Action buttons, linked graphics/images, gesture controls to attract customers to the page. The site is constantly being updated to account for new offers, discounted rates, and promotions. The inclusion of those on the landing, or home page are what draws customers to buy more and continue scrolling through the products.

Another factor that Ikea has implemented that brings in more individuals, is the use of a 3D modeling tool that allows users to see a version of their space they choose to decorate with the possible items and furniture that Ikea sells. A visualization saves the individuals time to envision how it may look in their home and give an estimate of the sizing and proportions. This has been one of the most successful strategies implemented by Ikea to promote their brand of sustainable and adjustable furniture to the likes of their audience.

Improvement of DM Strategy

IMPROVEMENT #1: SOCIAL MEDIA

After reviewing and analyzing all of IKEA's social media marketing, we have concluded that their content needs to match with the target audience of the social media platform being used. For example, TikTok's target audience leans more towards the younger crowd, Generation Z, while Facebook's users are of the older type, from Millennials to Baby Boomers. However, it seems as though IKEA's content on both of those platforms aren't too different from each other like they should be. Below is an example of IKEA catering their TikTok content to the wrong target audience. We believe this post could have performed increasingly better if it were posted on Facebook rather than TikTok due to the fact most Facebook users are the ones who actually have smaller children.



Another improvement we would suggest is to partner with other influencers who already have somewhat of a following. Looking at their Instagram, one can see that the posts that perform the best are the ones that involve collaborations with other designers or artists. While we know doing many collaborations with other people may be costly, we believe partnering up with other influencers and possibly having brand ambassadors could generate more engagement from both audiences. Home organizing and interior design content are very popular on both Instagram and TikTok. There are many influencers who post short videos of them decorating or designing their home or other clients'. Partnering with these people could potentially bring in the younger audience while also positively effecting the company's rapport and image by being seen as more highly regarded.

Specific — **Increase engagement on TikTok, Instagram, and Facebook to drive website visits**

Measurable — **15% increase measured by counting likes, comments, shares, and reposts**

Attainable — **15% is moderate and can be achieved through targeting the social media platforms main target audience and catering their posts to that audience**

Relevant — **The engagement on their social media posts is very low compared to the amount of views they obtain**

Timely — **This can be done in a 6 month period to be able to alter content and measure the effectiveness of this strategy**

Improvement of DM Strategy

IMPROVEMENT #2: GOOGLE ADS

Ikea has had lots of success with their google ads as they have reportedly had over a 100% increase in sales in direct relation to its google ads investments, but there are a couple things we think that they could improve upon to help even more. There are some reports that Ikea has had success with location based ads in other countries, ads that entice customers to make trips to their physical store locations, but we believe they should invest more in location based advertisements. using location targeting to show their ads to people who are searching for products or services within a specific geographic radius around their stores. This will help to improve the relevance of their ads to potential customers who are in the vicinity of their stores. Ikea should also focus on creating ad content that is relevant, eye-catching, and informative. The ad content should include the unique value proposition of Ikea's products and services, and should also include location-specific information to help potential customers find their nearest Ikea store.

Specific

—

Use location based advertisements to target customers within 30 miles of a store in order to increase foot traffic by in store.

Measurable

—

Try to achieve a 15% increase in foot traffic in store over the next 3 months

Attainable

—

Increasing foot traffic by 15% is attainable when considering how successful location based have proven to be

Relevant

—

Our goal is to help increase customer engagement and sales, and by increases the amount of customers who visit the store we can do that

Timely

—

This change can be made and tested in a matter of a few months

Improvement of DM Strategy

IMPROVEMENT #3: WEBSITE & MOBILE APP

Although the website and mobile app design make use of many useful tools such as speedy load time, Call-to-Action buttons, linked graphics/images, gesture controls, there is more that can be implemented to create a better version of both. After analyzing the landing page, the CTA button(s) can be adjusted for customers to easily locate products and categories without having to scroll further down the page. The same can be said for the mobile app. Making it more straight to the point by including smaller visuals (graphics/photos) for categorizing, as some take up too much unnecessary space when there can be more information added. Using a simple button to redirect customers to the products page is not only what individuals are used to from other sites, but also quick and easy. The use of product filtering can also make finding items better by placing that option somewhere easier to spot and recognize as well. A simple yet well constructed website and mobile app can bring in new customers and build a loyal customer-base.

Specific – Add a more noticeable CTA button on the landing page

Measurable – Determine how often customers use the CTA buttons and which ones specifically

Attainable – Keep the CTA button simple but noticeable while also matching the style with the website

Relevant – The addition of a clear CTA button makes it easier for customers to engage with the website and possibly return

Timely – Update the CTA buttons and perform A/B Testing to find the most effective CTA