

# **The Pillow Fight Over Sustainability**

## **- Case Finlayson x IKEA**

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### **MANAGEMENT DECISIONS**

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## Introduction

At the end of summer 2019 sustainability was still a growing trend as it had been throughout the 21st century. The United Nations Climate Summit was coming in September 2019 and the atmosphere seemed open for discussion about climate and sustainability. Companies had been taking action and improving their way of doing business in a more sustainable way. Although challenging competitors about their sustainability operations seem to be a growing trend, comparative marketing is highly unusual in Finland. Yet, in 2019 Finlayson published the advert, challenging IKEA to take more action on sustainability. (**Exhibit 1**)

Finlayson is a nice, little company that comes from Finland, which is widely known as a very loyal and honest country. Therefore, behind the scenes, Finlayson informed IKEA of their upcoming plans in advance of the publishing of the challenging advert. To avoid having any bad relations with the textile giant, Finlayson decided it would be not smart to make the advert a surprise. Thus, days leading to the 7th of August 2019, IKEA received a call from their fair competitor about the upcoming campaign.

### What should IKEA do and what they did?

After finding out about Finlayson's challenge, IKEA had time to prepare for a strategic response. Firstly, IKEA is an enormous company and Finland is a small market area, so the discussion was decided to be local in IKEA's Finnish department.

IKEA had many options, like for example leaving the advert without any attention or posting its response in a magazine like Helsingin Sanomat. However, Finlayson had been nice and informed IKEA about the ad in advance. Also, the ad was also very polite even though it was very straightforward. The agenda is important, and IKEA considers sustainability as one of its core values. IKEA, *inter alia*, aims to be climate positive by 2030, meaning that they reduce more greenhouse gas emissions that they create. IKEA also takes part in charity work. Other concrete examples of this are for example adding vegetarian meatballs next to the meat ones, making more spare parts available to prolong the life of the furniture, and creating new models of ownership - offering furniture as a service.

Posting a response on a magazine like Helsingin Sanomat is expensive and IKEA decided that since they cannot reply that they will do as Finlayson said and their bed linen is not as sustainable as Finlayson's, it is not worth the money. Therefore, it might end up as bad publicity. For these reasons, IKEA decided to respond but on a

smaller scale. Then, at 9.15 am on the day of Finlayson's Helsingin Sanomat advert, IKEA published its own response via a Facebook post (**Exhibit 2.**).

*"Hi Finlayson, we make beautiful duvet covers too. Sustainability is in the core of our operations and all the cotton we use is from the most sustainable sources. It is wonderful, that you also are part of making a more sustainable life. Let's do it together!"*

The Facebook post ended up being a smart decision, as consumers were able to engage in the discussion. IKEA's post quickly gained over two thousand reactions and two hundred, mostly supportive comments. The communications team of IKEA felt as they had succeeded in dodging the bullet. Now it was time to wait if Finlayson was to respond.

Which they indeed did a bit later. On the 7th of August, 15.51 pm through their own Facebook channel, Finlayson tagged IKEA to a post highlighting that sustainability is not cheap and further pressuring the company to act (**Exhibit 3.**)

"SUSTAINABILITY HAS ITS PRICE.

*Hi again IKEA, it is wonderful that your goal is to make beautiful duvet covers too. In cotton, BCI is only an intention, while GOTS-certification is already an action. Therefore, we know where our organic products are from and we are transparent with the supply chain. We challenge everyone to use plastic-free packaging for bed linen because for now, it's just us. We make our products so durable, that we dare to give them a 5–10-year guarantee. We do not only audit our partner's manufacturing plants ourselves, but we let external companies audit them as well. Sustainability is a serious issue and we all must do more. The world has a number of good intentions. The faster we change those to actions, the better world we wake up to."*

Consumers further gathered under Finlayson's post to debate over the durability and look of the two companies' products and practices. Although Finlayson was admired by its supporters, it simultaneously gained judgment over mocking its competitor.

The second message by Finlayson remained unanswered. Why IKEA decided not to address the objections that Finlayson raised against their response is a mystery. It could be argued, however, that IKEA simply did not have anything to say to them. Finlayson's arguments against IKEA's sustainability statements were factual and presumably too strong to be effectively opposed by another rather vague statement about the importance of sustainability to IKEA's operations. Therefore, we could presume that IKEA just decided to cut the thread and stay silent until the buzz around this fades away. Alternatively, the decision to stay silent did not necessarily have to mean that IKEA ran out of arguments, they might have just decided that it was enough fun already, and that it was time to move on.

### *What happened after?*

On Wednesday, 21st August, the third textile company Tam-Silk joined the discussion on the front page of a small local newspaper, Kangasalan Sanomat. Its ad underlined the overseas production of IKEA and Finlayson: *“IKEA and Finlayson, move your productions to Finland, and then let’s talk”* (Exhibit 4.)

Much discussion was started about the environmental impact of the textile industry, yet the debate between the companies did not get messy. Overall, Finlayson considers the campaign a success; the sustainability cause got attention, created strong feelings, and positioned Finlayson as an alternative to IKEA.

Exhibit 1 Finlayson's ad

**HELSINGIN SANOMAT**

**HEI IKEA, TÄSSÄ**  
Tästä lähtien Finlaysonin lakanat pakataan muovin sijasta kartonkiin ja siirrymme käyttämään

**ON MAAILMAN**  
GOTS-sertifioitua tuompuuvillaa, jolloin tiedämme, mistä puuvillamme tulee.

**KAUNEIN LAKANA.**  
Tämä on pienen yrityksen suurin tuoteisiin liittyvä uudistus vuosisataan. Kuvitelkaa, kuinka

**TEHKÄÄ PERÄSSÄ.**  
kauniiksi maailma muuttuisi, jos te ja muutkin kansainväliset tekstiilijätkit tekisitte saman kuin me.



**Finlayson**  
HUILÄ VUOKA JA MUKAVUUS YHDESSÄ

"HI IKEA, THIS IS THE MOST BEAUTIFUL DUVET COVER. FOLLOW SUIT.  
From now on, Finlayson sheets are packed in cardboard instead of plastic and we move on to use GOTS-certified organic cotton, so we know where our cotton is from. This is a small firm's biggest product-related update in a century. Imagine, how beautiful the world would become if you and other big players in the international textile industry would follow our lead."

Exhibit 2 IKEA's response

**HEI FINLAYSON,  
MEKIN TEEMME  
KAUNIITA LAKANOITA.**



**TOVSIPPA**  
14,99

Vastuullisuus on toimintamme ytimessä ja kaikki käyttämämme puuvilla on peräisin kestävämmistä lähteistä. On hienoa, että tekin olette mukana edistämässä vastuullisempaa arkea. Tehdään yhdessä!



"Hi Finlayson, we make beautiful duvet covers too. Sustainability is in the core of our operations and all the cotton we use is from the most sustainable sources. It is wonderful, that you also are part of making a more sustainable life. Let's do it together!"



Hei Finlayson, kiitos haasteestanne Helsingin Sanomissa tänään! Mekin teemme kauniita lakanaita. Vastuullisuus on toimintamme ytimessä ja kaikki käyttämämme puuvilla on jo vuodesta 2015 lähtien ollut peräisin kestävämmistä lähteistä. Muovin osuus pakkauksissamme on tällä hetkellä alle 10%, muu käyttämämme pakkausmateriaali on kuitupohjaisia materiaaleja kuten paperia tai pahvia. Tavoitteenamme on käyttää ainoastaan uusiutuvia tai kierrätettyjä materiaaleja vuoteen 2030 mennessä. Työmme vastuullisen puuvillatuotannon eteen jatkuu edelleen ja on hienoa, että muutkin alan toimijat ovat mukana talkoissa. Tehdään yhdessä!

"Hi Finlayson, thank you for your challenge on Helsingin Sanomat today! We also make beautiful bed linens. Sustainability is in the core of our operations and the cotton we use has been from the more sustainable sources since 2015. Under 10% of our packaging is made of plastic, rest of which is made of cardboard or paper. Our goal is to use only renewable or recycled materials by 2030. Our work within sustainable cotton industry continues and it is wonderful, that others from the textile industry are taking action as well. Let's do it together!"

Exhibit 3 Finlayson's response to IKEA



"Sustainability has its price"

Finlayson  
7. elokuuta 2019 · 🌐

Hei vielä IKEA, hienoa että teidänkin tavoitteenanne on tehdä kauniita lakanoita. Puuvillassa BCI on vasta aie, kun taas GOTS-sertifikaatti on jo teko. Siksi tiedämme luomutuotteidemme alkuperän ja kerromme toimitusketjun avoimesti. Vuodetkstiilien pakkaamisessa haastamme kaikki muovittomuuteen, sillä siinä olemme lähes yksin. Teemme tuotteet niin kestäviksi, että uskallamme antaa niille 5-50 vuoden takuun. Emme tarkasta pelkästään itse kumppaniemme tehtaiden tuotantotiloja, vaan annamme ulkopuolisten auditoida ne. Vastuullisuus on vakava asia ja meidän kaikkien on tehtävä enemmän. Maailmassa on paljon hyviä aikeita. Mitä nopeammin muutamme ne teoiksi, sitä parempaan maailmaan heräämme. Rakkaudella, Finlayson

"Hi again IKEA, it is wonderful that your goal is to make beautiful duvet covers too.

*In cotton, BCI is only an intention, while GOTS-certification is already an action. Therefore we know where our organic products are from and we are transparent with the supply chain. We challenge everyone to use plastic-free packaging for bed linen, because for now it's just us. We make our products so durable, that we dare to give them 5-10 years guarantee. We do not only audit our partner's manufacturing plants ourselves, but we let external companies to audit them as well. Sustainability is a serious issue and we all must do more. The world has a number of good intentions. The faster we change those to actions, the better world we wake up to.*

With love,  
Finlayson