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Leveraging brand co-creation in a digital era: An IKEA case study

By Julia Örnheim, Sophie Weir and Jesper Karlsson

Abstract

Purpose:

The purpose is to examine how IKEA works with customer brand co-creation and how it can be further leveraged in the digital era.

Methodology: This paper adopts a qualitative case study method, where the primary data consists of an interview with a Social Media Specialist with pre-existing knowledge of brand co-creation at IKEA in Sweden. Furthermore, research about IKEA and the ways they work with customer brand co-creation has been collected from their webpage as well as articles on the topic.

Findings: The paper finds that IKEA has identified the benefits of brand co-creation, but is yet to fully leverage this online on different social media platforms. A degree of control over IKEA's brand touchpoints could be lost when engaging in brand co-creation. However, handing over a degree of autonomy to consumers is necessary for valuable interactions and exchanges to take place. Furthermore, democracy is a core component in IKEA's strategy for co-creation, but they should utilise two-way communication in order to build synergies that can further add to brand value and brand knowledge.

Originality / value: Research within brand co-creation is available in this field of research, but does not fully investigate brand co-creation in the online space. The application of theory onto a case can add value to IKEA's brand strategy through suggestions for improvement and enhancement of their customer brand co-creation strategy with practical suggestions.

Keywords: Co-creation, IKEA, Brand Engagement, Brand Self-congruity, Category Involvement, Brand Interactivity, Brand Communities, Brand Value, Brand Knowledge, Web 2.0, User Generated Content

Paper type: Research Paper

Introduction

The concept of brand co-creation centres around the notion of consumers taking a more central role in the process of value creation. Many organisations use co-creation for its ability to increase innovation as well as communication effectiveness, so that customers can express their opinions on for instance new products, or improvements on existing products. This, for example, often leads to products reaching the market faster, which benefits both customers and organizations. Last but not least, co-creation is a way for brands to stay more relevant in a fast changing market and environment (Meyassed, Burgess & Daniel, 2012). Young consumers are especially keen to take an interest in certain brands. Therefore, particularly on different social media platforms that many younger people use, co-creation can be a very effective tool for marketing professionals to leverage. Through co-creation, a foundation for consumer engagement is created, which increases brand value as well as knowledge about the consumers, which in turn can increase sales and drive engagement (Garcia, 2017).

The phenomenon of co-creation however can make it harder for brands to control the narrative of their conveyed messages. Heidenreich, Wittkowski, Handrich and Falk (2014) describe how a phenomenon such as co-creation can cause complexity within different organisational processes like for example service, which ultimately could lead to failure or the risk of failure. Research shows that when a certain service is highly co-created together with consumers, and that service is rejected or seen as bad, greater dissatisfaction arises (Heidenreich, et. al., 2014). Nevertheless, the phenomenon of co-creation shows that customers no longer

want to sit on the sidelines when they know that they can use their power as stakeholders to influence different processes of the organisation. Customers today can demand more from brands and organisations more than ever before. Therefore, it becomes increasingly important for brands to incorporate and collaborate with customers when creating and building their brand (Meyassed, Burgess & Daniel, 2012).

Literature review

Brand co-creation

Hatch and Schultz (2008) purport that co-creation is an inherently synergistic process whereby stakeholders are interwoven with the collaborative process of brand building. They state that stakeholders increasingly wield more power when it comes to influencing the brand building process. “*Co-creation is a process of engaging customers in creating value*” (as cited in Hajli, Shanmugam, Papagiannidis, Zahay, and Richard, 2017). Examples of co-creation include customer generated advertising (Thompson and Malaviya, 2013), new product development (Hoyer, Chandy, Dorotic, Krafft and Singh, 2010; Ramaswamy and Guillard, 2010), word-of-mouth (Lim and Chung, 2014), and is often enabled by social media (De Vries, Gensler and Leeftang, 2012). Interestingly, Vallaster and von Wallpach (2012) insist that there has been a shift in a company’s ability to “*unilaterally define and control*” a brand, instead, customers have more autonomy in defining the brand when they engage in co-creation.

Payne, Storbacka, Frow and Knox (2009) profess that brand co-creation is facilitated by ‘encounters’ that occur in addition to

knowledge sharing and community involvement which act as key pillars that can expedite brand co-creation. Muñiz and O’Guinn (2001) purport that online brand communities have many functional benefits, specifically relating to information circulation and catalysing transparency due to the collective moral responsibility communities have for holding brands accountable. However, Hatch and Schultz (2008) highlight that the culture of these communities can either advance or hinder a company, thus emphasising the risk, but also the significant value that co-creation can have. In order to encourage companies to create conditions which encourage brand co-creation, Fournier and Lee (2009) proposed that organisations should set up dialogue with their consumers and take into account the structure of the brand community which manifests as a hub, pool, or network.

Ind, Iglesias, and Schultz (2013) define co-creation as “*an active, creative, and social process based on collaboration between organizations and participants that generates benefits for all and creates value for stakeholders*”. The model below illustrates that co-creation takes place in the space where the organisation and community intersect with only a select group of the community. Furthermore, organisations can leverage the information gathered from co-creation spaces in order to use it as a strategically competitive advantage (Ind, Iglesias, and Schultz, 2013).

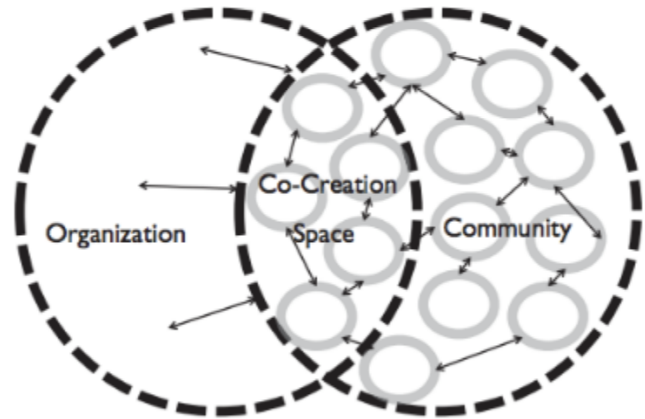


Figure 1. The Co-Creation Space (Ind, Iglesias and Schultz, 2013)

The modern consumer is now able to exercise autonomy over the future of today's brands (France, Merrilees & Miller, 2015). Grönroos (1994) anticipated a shift in the focus of traditional marketing from products and services to the era in which relationships play a focal part. Balmer and Greyser (2006) posit that market oriented corporations should adopt a holistic approach to relationship building; placing emphasis on meaningful relationships with stakeholders should act as a guiding light when formulating a brand strategy. Prahalad and Ramswamy (2000) state that the consumer is no longer satisfied with passively purchasing a brand, they now seek to contribute toward shaping the brand experience. They further describe that co-creation is one of the more disruptive and paradigm shifting concepts in the field of marketing today. Payne, et. al, (2009) testify that modern consumers can dictate how others perceive the brand which illustrates how co-creation can significantly influence brand image. Similarly, Healy and McDonagh (2013) describe that interactions between consumers and organisations through multiple brand touchpoints all contribute to co-creation.

However, the implication of handing over a portion of control in the brand co-creation process to external stakeholders, more specifically consumers, has raised the concern of Fisher and Smith (2011). They argue that the status quo in brand management has revolved around control for a very long time. Moreover, they make a point of the recent marketing trend of customer brand-co creation, and that this can lead to loss of control of the brand narrative. Iglesias and Bonet (2012) have similar thoughts, asking themselves how brand managers can influence brand meaning when they are losing control over it. They emphasise the co-creation process and the subsequent interpretation of brand touchpoints. They argue that relinquishing control of brand touchpoints through customer brand co-creation will lead to the brand having less control over the image of their brand (Iglesias & Bonet, 2012). In order for consumers to engage in brand co-creation behaviour, the brand needs to have established an existing and emotive relationship with the consumer, built on the basis of value sharing and high involvement (Casaló, Flavián and Guinalú, 2008; Dessart, Veloutsou and Morgan-Thomas, 2015).

Web 2.0

The rise of the web 2.0-era has over the last couple of years ushered different social media platforms to become the new arenas for marketing and brand management. The usage of various social media platforms have changed the way that customers see brands and the way they connect with them (Meyassed, Burgess & Daniel, 2012). As ad-blocking tools are more frequently used and the chances of reaching consumers organically via social media is lowered, marketing managers have to get creative. To

stay relevant, and to be able to create more authentic content. Consequently, the strategic usage of ‘co-creation’ is becoming an increasingly popular trend in many business environments (Garcia, 2017).

Potts, Hartley, Banks and Burgess (2008) confer that social media networks can be accredited with enabling brand co-creation as they produce new forms of ‘situated creativity’. The dialogue created as a result of co-creation between an organisation and it’s stakeholders enables feedback to be shared (Hatch & Schultz, 2008). The evolution of social media marketing can be categorised into two different phases, the first being characterised by the one-way communication process used by companies to interact with consumers. The second revolves around a more integrated interaction between consumers and companies, enabling the process of co-creation to flourish (Hinchcliffe, Kim, & Dachis, 2012). The advancement of technology has paved the way for corporate and social interaction to take place between organisations and consumers respectively (Payne, Storbacka and Frow, 2008). Generally, consumer brand co-creation tends to occur more prevalently online, which consequently provides companies with a competitive edge as these communities can be involved and strategically leveraged to implement new concepts (Ind, Iglesias, & Schultz, 2013). O’Hern and Rindfleisch (2010) state that brand communities provide “fertile ground” for customer brand co-creation to take place. Muñiz and O’Guinn (2001) also highlight that brand communities in particular can stimulate participation in brand co-creation behaviour due to the social encouragement communities provide.

The Customer Brand Co-creation Model

France, Merrilees, and Miller (2015) created a conceptual framework which illustrates the links between brand communities on brand value from a broader perspective, as illustrated in their model below. Three components specifically affect brand co-creation, namely; brand engagement, brand self-congruity and category involvement. Furthermore, brand communities and brand interactivity play a part in amplifying the effects of the components. Furthermore, the authors argue that brand co-creation leads to better brand knowledge and improved evaluations about the company's brand values (France, Merrilees & Miller, 2015). The model will be described in more detail below.

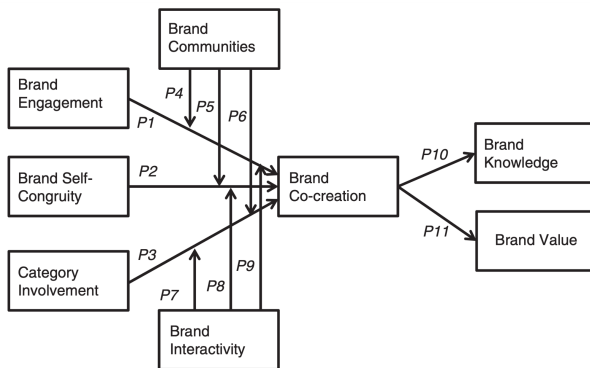


Figure 2. The Customer Brand Co-creation Model (France, Merrilees & Miller 2015)

Brand Engagement

Consumer-brand engagement, or CBE, is becoming an increasingly important factor in building competitive advantages for brands (Nysveen and Pedersen, 2014). CBE means “consumers’ brand-related cognitive, emotional and behavioural activity related to focal brand interactions” (Hollebeek, Glynn and Brodie, 2014), and includes specific consumer behaviours such as brand attitude, self-brand connection, brand loyalty

and purchase intention (France, Merrilees & Miller, 2016). More importantly, CBE arises directly from interactions between the consumer and the brand, emphasising the importance of brand interactivity and consumer-brand interactions (Brodie, Hollebeek, Juric, and Ilic, 2011). If brand co-creation is a tangible behaviour, brand engagement is the psychological state of mind that leads to co-creation (Hollebeek, Glynn and Brodie, 2014). Gentile, Spiller and Noci (2007) stipulate that brand co-creation can ameliorate consumer commitment. Cherif and Miled (2013) affirm that the consumers' role is undergoing change. Their role is shifting from a passive one to an active one whereby they participate in the value creation process through an ongoing dialogue (Cherif and Miled, 2013).

Brand self-congruity

Brand self-congruity refers to the use of brands as an extension or expression of the self. When used in this way, research has shown that customers have stronger brand attitudes, are more loyal to the brand, and have stronger brand relationships (Kressmann, Sirgy, Herrmann, Huber, Huber and Lee, 2006). When a customer has high brand self-congruence the act of co-creation can enhance the person's pride in the brand and self-expression. A consumer's pride in the brand can in turn increase the likelihood that they would engage in co-creation activities, creating a positive loop of loyalty and positive attitudes towards the brand (Christodoulides, Jevons, and Bonhomme, 2012).

Category Involvement

Category involvement refers to individuals that are highly invested and involved in the product category (O’Cass, 2004). The author

believes this is because these individuals possess more knowledge and are more opinionated about the product category. France, Merrilees & Miller (2015) point out that there is no direct link between co-creation behaviour and category involvement, but rather infer it through logical connections. The authors propose that category involvement is an antecedent of co-creation. They suggest that an individual who is more involved in a product category will also be more prone to engage in co-creation activities in that product category. Ind, Fuller, and Trevail (2012) believe that the fulfillment experienced when engaging in brand co-creation is what stimulates participation.

Brand Interactivity

Brand interactivity can be defined as the willingness of the brand or company to engage with and interact with consumers in two-way communications, which means that the roles of sender vs receiver shifts between parties. Two-way communication is considered a strong tool to build relationships, which in turn has a positive effect on consumer attitudes towards the brand (Ha and James, 1998; Wu, 1999). This specific area of branding has recently emerged as a result of technological advances (Wirtz, den Ambtman, Bloemer, Horváth, Ramaseshan, van de Klundert, Canli and Kandampully, 2013). The willingness to interact is vital to facilitate brand co-creation, and it also amplifies the effects of brand engagement, brand self-congruity and category involvement, which are needed in the process of achieving co-creation (France, Merrilees & Miller, 2015).

Brand Communities

Brand communities are groups of consumers united in their admiration and interest for the brand, signified by a feeling of belonging as well as pre-existing traditions and rituals of behaviour in addition to a collective disposition of moral responsibility to the group (Muñiz and O'Guinn, 2001). Brand communities are particularly valuable to brands due to the fact that they incite increased interest, commitment and attachment to the brand, thus creating value (Zhou, Zhang, Su and Zhou, 2012). While brand communities are not a necessity for co-creation, the existence aids opportunities for co-creation. Besides affecting co-creation directly, they are also shown to positively impact brand engagement, category involvement and self-congruity as well (O'Hern & Rindfleisch, 2010). Members of these types of brand communities are more likely to contribute towards the achievement of joint goals which collectively benefit the group, when they feel a sense of duty and obligation (Bagozzi and Dholakia, 2006).

Brand Knowledge & Brand Value

According to the brand co-creation model, the main outcomes of brand co-creation are brand knowledge and brand value. Brand knowledge is an important, yet often overlooked factor of co-creation that can make companies understand how customers perceive their brand. The authors also posit that customers who engage with brand co-creation can in fact gain an increase in brand knowledge and also value the brand more highly due to ameliorated estimations (France, Merrilees, and Miller, 2015).

Co-creation behaviour results in exposure which functions in more or less the same way as traditional word of mouth (Trusov,

Bucklin and Pauwels, 2009), but it also enables the value of the brand to be materialised, which often occurs when customers experience or consume the brand (Merz, He and Vargo, 2013). The ability of a consumer to participate in the co-creation heavily influences brand value (Vargo and Lusch, 2004). Customer's perceptions of brand value is altered and influenced by brand co-creation (Ind, Iglesias, and Schultz, 2013). Yi and Gong (2013) note that brand value is enhanced due to the relational exchanges that take place between firms and customer's actively co-creating value; altering the perceptions of the brand in a positive manner. Similarly, Prahalad and Ramaswamy (2004) maintain that "*a firm cannot create anything of value without the engagement of individuals*".

Methodology

Research Design

This paper will be treated and designed as an exploratory case study where we examine some of IKEA's marketing activities. In order to investigate and examine how IKEA views and works with customer brand co-creation, a qualitative method was used for collecting primary data when researching for this paper. This exploratory case study method was found most useful since it allows interpretations of behaviours and values through words rather than focusing on numerical data (Bryman & Bell, 2015). Furthermore, the method was suitable since discussion and conclusions around the approaches for marketing with emphasis on co-creation had to be drawn in order to fulfill the purpose. The qualitative method in the form of interviewing a company representative allowed an in depth study and analysis of their thoughts and strategies on the topic of co-creation.

Empirical data collection

In order to recruit participants for the study, the authors contacted IKEA directly and were put in touch with a Marketing/Social Media employee with pre-existing knowledge of brand co-creation. The sample is therefore based on recommendation from the company. A semi-structured interview was conducted over Zoom the 30th of September at 16.00 and lasted about 25 minutes. The semi-structured interview format was chosen to collect primary data and enable the interviewee to elaborate and justify their responses with probing and follow-up questions (Saunders, Lewis, & Thornhill, 2009). Semi-structured interviews are guided by interpretations of both the interviewee and interviewer with regards to the decoding and encoding of messages (Denzin, 2001). The authors have therefore transcribed the interview, to ensure that the result is as reliable as possible. Furthermore, the interviewee did receive the interview questions in advance so that they could prepare. The interviewee consented to recording of the interview for transcription purposes, but wished to remain anonymous in the report. Additionally, data was collected from IKEA's website, in order to provide more information about how the company currently works with brand co-creation.

Interview guide

The interview guide consists of ten questions that were designed to measure different aspects of IKEA's brand co-creation strategy. The questions were created by the authors of this paper. Initially there were fifteen questions, but throughout the process of crafting the interview guide, five were seen as redundant and superfluous, and were thus omitted from the final iteration of the interview guide. See

Appendix for the full interview guide. The first question, *(1) How would you define 'brand co-creation'?*, is meant as an introductory question to ease the interviewee into the topic and the interview, which is a preferable way to start an interview (Bryman & Bell, 2015).

Questions two to seven revolve around IKEA's current co-creation strategy and concrete implementation of said strategy. These questions are: *(2) How does IKEA work with co-creation today? Give examples, and why do you think these have been successful? (3) What type of brand co-creation do you focus on at IKEA? Does this take place online or offline? Why? (4) What factors do you think are the most important in facilitating brand co-creation? (5) How significant is co-creation in your overall marketing strategy? (6) In what way do you think BCC [Brand Co-Creation] helps enhance/strengthen IKEA's brand identity? Are there any examples of concrete benefits? And (7) How do/can you measure the effectiveness of brand co-creation activities?*

Questions 8 to 10 focus on co-creation improvements, ideas and future ventures. *(8) Are there other activities you would like to see IKEA do, but don't do because of time or resource constraints? (9) Do you work with co-creation on your social media platforms? Have you considered working with or including this in your strategy? Where do you see room for improvement? (10) What are the advantages and disadvantages/challenges of co-creation - e.g. do you feel it's harder to control the brand identity/narrative?*

Approach to analysis

The semi-structured interview together with the data that was collected from the IKEA web-page will be analyzed with theory from the literature review. The full transcript of the interview is available in the Appendix, and the empirical data presented in the analysis will only be the most relevant. The information that is presented in the literature review was collected from databases like "LubSearch" and Google Scholar. There, key search words like "co-creation", "customer engagement" and "brand community" were used in order to gather information and relevant models on the topic. The empirical data will mainly be analyzed using the The Customer Brand Co-creation Model created by France, Merrilees & Miller (2015).

Empirical Results and Analysis

Introduction to IKEA

IKEA, founded in 1953 by Ingvar Kamprad, a Swedish entrepreneur, is a global interior and furniture brand that offers comfort and design to people all over the world (IKEA, n.d. 1). From IKEA's perspective, co-creation means "*engaging with the many people*" and focuses on listening, learning and sharing in order to find the best solutions for their products and services. For IKEA, this means listening to the input of customers whilst responding in a way that aligns with their own values. Internally they say: "*What is better is defined by the many, and figured out by us*". Historically, IKEA has been a more closed company that has kept a lot of control of their brand value chain internally. Today, IKEA believes in the power of the many, this is clearly apparent as they decided to let go of some of their internal control in order to open up the

company to facilitate co-creation (Urde, 2021). Since 2017, some of their initiatives have involved looking into five types of co-creation modules: product ideas, university collaborations, innovation labs, makerspace and startups (IKEA, 2017). The circular hubs and innovation hubs that IKEA subsequently works with, will be described more in detail below. The interviewee states:

“In general, at IKEA, there's this sense that it's really important to create spaces for customers to be involved with the brand. And where we can, we'll create spaces for them to be involved, but also for us to actually take part of their feedback. We do use the word 'together' a lot. That is a word that bounces between the walls of our offices all the time. Listening in, as well as giving the opportunity to take part is of importance.”

The interviewee further elaborated and described that both IKEA and their customers take the initiative to engage with co-creation in different ways and through various channels. For example, IKEA encourages customers to take part in the creation and production of products, to recycle and to write reviews and rate the products.

Brand Interactivity and Brand Engagement through democracy

When speaking about both brand engagement and brand interactivity, it includes consumer behaviours; brand attitude, self-brand connection, brand loyalty and purchase intention (France, Merrilees & Miller, 2016). By engaging in two-way communication with stakeholders, IKEA is able to build a democratic environment where thoughts, opinions and beliefs are shared regardless of hierarchical structures which is useful for problem solving.

Democracy was found to be a pivotal component within brand co-creation, rooted in the brand's desire to be a brand for the many people; as outlined by the interviewee:

“And a value, a strong value that we talk about a lot is the whole wanting to be a brand for the many people improving the lives of many people. So democracy is a very important value. And I feel like, the more we implement co-creation in our strategies, the closer we get to this, like materializing this value and strengthening our brand”.

Additionally, another core component within the customer brand co-creation framework created by France, Merrilees and Miller (2015) is brand engagement, which is encouraged by IKEA through a review system on an international scale:

“And things like the review system, that we have had in many different countries before but has been recently implemented in Sweden, that is also something that does bring us a bit closer to this value, just because customers need to be able to voice their opinions, and also gives us the opportunity to, to provide our customers with, you know, an opportunity to make informed decisions before they buy something”.

The review system is used as a platform for stimulating a reciprocal and symbolic relationship that gives power to consumers to engage in a dialogue with the brand, have their voice heard and positively contribute towards brand development. All the feedback goes directly to the design team and can be acted upon. When measuring brand co-creation activities and looking at specific metrics to track impact, brand engagement was the favoured component for measurement. The interviewee stated that:

“Well, I think when we measure it, we obviously look at; Are they engaged? Are they using this service? And do they talk about it? Of course we can, you know, look online; is there buzz or isn't there buzz? But mainly, is it useful for them? Do they appreciate it? Is it being used in the intended way? And then maybe we can look at our side of the spectrum, like it does work and give us the benefits that we're looking for.”

The concept of democracy was in other words highlighted by the interviewee to be a core foundation for creating environments conducive to encouraging brand co-creation to occur and mutually reinforce the value for both the brand and stakeholders alike.

Category Involvement through the Circular Hub

One prime example of category involvement is epitomised by IKEA's 'Circular Hub' which encourages both business partners and customers to become more sustainable by contributing towards recycling, reusing and fixing IKEA products both in store and online as well as providing them with the opportunity to purchase items (IKEA, n.d. 2). Since May 2021, used IKEA products can be donated to the store, and in return, vouchers are distributed for redemption in stores across Europe, the United Kingdom, South Korea and Japan (Ho, 2021). Ind, Fuller, and Trevail (2012) suggests that customers tend to engage in this type of co-creation because it is deemed to be fulfilling. Furthermore, customers are motivated to become consistently involved with a category due to the enjoyment experienced when both using and thinking about the brand (Higie and Feick, 1989; Richins, Bloch and McQuarrie, 1992). IKEA

uses schemes such as the Circular Hub to provide opportunities for stakeholders to interact with IKEA and involve them in the process of becoming a more sustainable company. The interviewee explained:

“It's basically a place where customers can come to the stores with their old furniture, we make an assessment and we buy it, if it's in good enough condition, then we restore it, and then we resell it in the store. This has been a big success both because people obviously want more sustainable alternatives, but also because it meets the need of people wanting to get rid of their old furniture, in a sustainable way. I also feel like our customers really appreciate this circularity aspect, giving it back to the company [...] and like avoiding waste, that kind of thing.”

Due to IKEA creating physical spaces where customers can be involved with a particular category, stakeholders are empowered to become change agents for building a better, more sustainable brand. The response of consumers was deemed to be a particularly prevalent aspect which determined the value of the brand co-creation process:

“I think really, the most important thing is obviously, customer response. Like if it's something that we're driving, we always want to make sure if we take the circular hub as an example. We need to make sure that we've created something that's valuable, both for us, but also for the customer, mainly for the customer, honestly”.

The responsiveness of customers and their willingness to get involved with a category can ultimately determine the value of a particular brand co-creation activity.

Brand Self-congruity and Innovation Hubs

IKEA mainly works with co-creation in physical spaces and have acknowledged its importance within the company. In an interview with Ingka (2020), Małgorzata Bochenek, the Business Development & Transformation Manager for Poland said:

“We believe human needs are the starting point for every innovation, making co-creation with people essential to innovate. To tackle the big problems facing the many today, no one company or individual can solve it alone, hence we believe we need to co-create to do so [...] Co-Create Hubs will also inform how our retail stores can facilitate co-creation and is a good example of how we can impact customers’ perception of IKEA, from functional to more emotional, which enables us to better co-create and explore new opportunities for the future” (Ingka, 2020).

The innovation hubs are a great example of the so-called “IKEA-effect” stating that consumers see more value in products they help create. This concept was coined by Norton, Mochon and Ariely (2012) who conducted a study on consumers who bought and then self-assembled their products. These consumers felt an increase of value in the products that they had put together themselves, which many times is the case when buying furniture from IKEA. An extended example of the IKEA-effect are the so-called ‘Innovation Hubs’ that IKEA uses in order to co-create today. The innovation hubs allows customers and other interested parties to join in the process of interacting and creating products or services together. The first hub opened up in Poland, and through it, IKEA can engage with their customers in order to get their opinions and thoughts on the products and the production process. The hubs also allow customers to

take an interest in the creation process of products that have not yet been released to the market (Ingka, 2020). The innovation hubs are a perfect example of how IKEA can work with brand self-congruity as well as brand engagement. Firstly, brand self-congruity is enhanced through the fact that the innovation hubs could act as an extension or expression of the self. When customers get the opportunity to join the innovation and creation process, they get to express themselves and their opinions on things that impact their home, and therefore their day-to-day life. As customers have an opportunity to, in a way affect their own home, they will be more inclined to help IKEA. The innovation hubs can lead to customers feeling pride for what they have accomplished, and can also increase the likelihood of them engaging with co-creation again; reinforcing the synergistic nature of co-creation.

Brand communities

Brand communities are ecosystems comprised of multiple consumers that shape and curate the identity of a brand. Hatch and Schultz (2008) explain that online brand communities in particular allow brand managers to gauge the attitudes and perceptions that stakeholders have of the brand; co-creation occurs when these insights are taken on board by brand managers to enhance the brand. The authors also highlight that the power relations between a company’s stakeholders and the brand are influenced by co-creation. The interviewee also touched upon this element of control which can be forsaken in the process of brand co-creation.

“I feel like it's important to find a good balance between openness and controlled facilitation, like every system of co-creation. In order for co-creation to truly work, I feel

like a brand needs to let go of control while still sustaining some form of structure.”

Brand communities are self-governing entities that can be hard to control, IKEA therefore somewhat loses the degree of autonomy when it comes to maintaining the brand image. In order to remedy this, a balance needs to be found. The interviewee continues:

“So I definitely feel that balance between being open and listening and then remaining some form of structure that is still welcoming them.”

Additionally, the interviewee stipulated that: *“listening in, as well as giving the opportunity to take part is important.”*

Brand communities are self-governing and need to be monitored, but cannot be fully controlled. IKEA hands over a degree of this power when engaging in brand co-creation as consumers shape the narrative and assume a more prevalent position with regards to leaving an imprint on the brand.

Room for improvement in social media & Web 2.0

The interviewee from IKEA describes social media as being the customer’s biggest space to influence the company through feedback:

“Social media, for example, is a space where the customer has the most power in taking initiative in bringing us feedback. When working with community management, customers should come to us without us pushing for them, with ideas and concept feedback. And we facilitate it in every way we can”.

IKEA had plans to further their social media and leverage brand co-creation, but this was

subsequently postponed due to COVID. The interviewee stated that the social media team has a strong desire to embed brand co-creation online as this is a facet they are currently lacking. Moreover, the interviewee mentioned that they wanted to work more User Generated Content or UGC. This could for example involve reposting, tagging or sharing content from other accounts on IKEA’s account. They believed this would enable IKEA to collaborate with consumers in a more visual and public way. This type of collaboration would likely lead to more category involvement amongst those consumers who create and get their content shared by IKEA. One could also argue that it will strengthen the democratic environment that IKEA aspires to stimulate.

Currently, IKEA does not repost user generated Instagram stories or posts on the feed but is considering taking this step, according to the interviewee. Adapting their social media strategies is essential, and connects to theories about Web 2.0. Moreover, Meyassed, Burgess & Daniel (2012) found that social media has changed the way consumers see and connect with brands, and that brands should adapt to this fact. Analysed through the lens of Hinchcliffe, Kim and Dachis (2012), IKEA’s current social media marketing strategy is characterised by a one-way communication, namely the feedback function. Furthermore, the second phase is naturally a two-way communication process, true co-creation with more integrated interaction between companies and consumers, for example via UGC. This two-way communication is also an important component of the The Customer Brand Co-creation Model, namely brand interactivity. France, Merrilees & Miller (2015) describe brand interactivity as the willingness of the company to engage with their consumers in two-way communication. The UGC idea mentioned

by the interviewee would then be an effective means to increase two-way communication on social media, and therefore strengthening brand co-creation and in turn brand value and brand knowledge (France, Merrilees & Miller, 2015).

Discussion and conclusion

The purpose of this paper was to examine how IKEA works with customer brand co-creation and how it can be further leveraged in the digital era. To summarize the first part of the purpose; democracy was a profound factor that seemed to vastly shape brand co-creation activities and was essential for stimulating a symbiotic dialogue that enhanced brand value throughout various brand touchpoints. IKEA is reliant on brand co-creation to fulfill its mission and purpose of creating '*a better everyday life for the many people*' and add value to the brand. In other words, democracy plays a pivotal role in understanding IKEAs approach to brand co-creation, and so should the digital aspects of co-creation. The question now is how IKEA can implement complimentary brand building activities both in the online and the offline space.

In order for IKEA to leverage brand co-creation in the digital era, they should focus their attention on social media channels because it was identified by the interviewee as the optimal resource to incentivise customers to participate in online brand co-creation. Since brand engagement arises directly from interactions between the consumer and the brand, brand interactivity and consumer-brand interactions is of utmost importance. IKEA is yet to harness online spaces and converge their offline brand co-creation activities into the digital

arena. If they want to stay relevant they should interact with their customers through for example social media, and encourage customers to take part in co-creation activities which are meaningful and relevant. This could potentially increase the perceived authenticity of the brand, creating value and knowledge. This also connects to the brand interactivity, since IKEA needs to encourage more online co-creation through facilitating environments where online brand communities can thrive. Brand interactivity, that is the willingness of IKEA to communicate with their customers, is focal for co-creation both online and offline, and is necessary to enhance IKEAs brand value and brand knowledge.

When continuing to formulate a strategy for online co-creation, IKEA should make sure they utilise the content of customers that are highly involved in the product category. In IKEA's case, the product category is primarily furniture. When using UGC, IKEA could tap into different social media channels used by their customers and other consumers. By sharing the content of these users, IKEA can give other customers inspiration of how their home could look if they were to purchase products. IKEA can take advantage of qualitative material that the users involved in the product category share, and the user gets a bigger reach through a big actor. In other words, the brand will benefit from the user with category involvement and vice versa. Furthermore, as customers with category involvement get a chance to participate in the brand online, it can also lead to brand self-congruity. This, because customers with category involvement get the chance to use the brands as an extension or expression of the self when posting content with connection to IKEA on their various social media channels.

Brand communities are of paramount importance in the brand co-creation process and tend to be the hubs in which brand co-creation activities occur and flourish. The self-governing nature of these highly engaged communities distributes the power constructing the brand narrative from employees to consumers and external stakeholders. Consumers can relinquish control over the brand and are able to somehow add symbolic value and ascribe meaning to IKEA. By strategically investing efforts into growing digital brand co-creation activities, through nurturing online brand communities and also implementing initiatives that enable consumers to feel empowered and involved in a two-way communication process, IKEA could enhance their brand value and brand knowledge for all shareholders across the globe.

The criticism towards customer brand co-creation comes down to letting go of control, as has been mentioned previously in the paper. The interviewee mentioned:

“I feel like it's important to find a good balance between openness and controlled facilitation, like every system of co-creation. In order for co-creation to truly work, I feel like a brand needs to let go of control while still sustaining some form of structure”.

With this in mind, it is clear that the interviewee is aware of the risks of losing a degree of ‘control’ over the brand touchpoints, which could affect the brand image, but still wants to move forward with implementing brand co-creation as letting go is necessary for stimulating valuable interactions with consumers.

Practical implications

Co-creation can potentially complicate the formulation of marketing strategies as companies like IKEA are dependent on both individuals and communities to co-create. Furthermore, IKEA may have less control over the extent of the type of co-creation that takes place and the subsequent effect on the brand. It is therefore essential that organisations embed strategies which encourage conditions that stimulate customers to co-create by facilitating brand engagement, brand interactivity and creation of brand communities on social media. One practical example would be the UGC idea voiced by the interviewee, as it would increase two-way communication and therefore brand interactivity through various social media touch points. Following research, IKEA should consider introducing a community manager role as the sole guardian for overseeing the brand co-creation process online. Another implication, also described by Ind, Iglesias, and Schultz (2013) and Gambetti and Graffigna (2015) is regarding interaction and reciprocation. For the interaction with customers to succeed, the degree of reciprocity is a determining factor. To endow the brand community and the customers with a clear purpose of the brand as well as feedback and updates regarding it, is very important for gaining reciprocation, and through that, overall brand success.

Online and offline components of brand co-creation activities should stay coherent and streamlined in order to keep achieving brand value and brand knowledge in a complementary manner. How IKEA have gone about designing their offline co-creation activities should guide the potential expansion into User Generated Content. For example, instead of

sporadically reposting UGC on their social channels seemingly randomly, they could implement a “Inspiration Mondays” day where they repost UGC from people’s homes. Or they could do the very same, “Sustainable Mondays”, but with sustainable furniture solutions from customers’ homes. Certainly, it should be tied to their core values, to ensure coherence between all the brand co-creation activities.

Brand managers should be encouraged to identify new customer segments who will be more willing and open to engage in brand co-creation and trigger collaborations amongst communities and potentially reward them for doing so. This is also supported by Kaufmann, Loureiro, and Manarioti (2016). The principle of democracy should be a guiding light that holistically shapes the brand co-creation process.

Limitations and further research

Limitations of the research include the restricted sample which affects the generalisability of the findings, but could be overcome by interviewing more employees from different countries within various marketing departments at IKEA. The

findings could be corroborated via supplementary survey to gain deeper insight into the various components essential for stimulating brand co-creation from the perspectives of consumers.

Furthermore, online customer brand co-creation theory is in its infancy and at an early stage of development, more studies need to be conducted to advance this theory and delve deeper into the moderating effects of the components within the model (France, Merrilees & Miller, 2015). More attention should be paid to investigating the core motivations for engaging with co-creation from the perspective of consumers. Metrics which reflect the value of specific brand co-creation processes should be created in order to ascertain not only the quality of interaction and engagement that occurs during the brand co-creation process, but also the level of activity itself. Additionally, the similarities and differences between online co-creation should be compared with co-creation that unfolds within the offline environment. Moreover, subsequent research should aim to elucidate best practices for brand co-creation and create blueprints for both execution and maintenance to support marketing practitioners in their role.

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Appendix

Interview Guide

1. How would you define 'brand co-creation'?
2. How does IKEA work with co-creation today?
Follow up question: Give examples - and why do you think these have been successful?
3. What type of brand co-creation do you focus on at IKEA? Does this take place online or offline? Why?
4. What factors do you think are the most important in facilitating brand co-creation?
5. How significant is co-creation in your overall marketing strategy?
6. In what way do you think BCC [Brand Co-Creation] helps enhance / strengthen IKEA's brand identity? Are there any examples of concrete benefits?
7. How do/can you measure the effectiveness of brand co-creation activities?
8. Are there other activities you would like to see IKEA do, but don't because of time or resource constraints?
9. Do you work with co-creation on your social media platforms? Have you considered working with or including this in your strategy? Where do you see room for improvement?
10. What are the advantages and disadvantages/challenges of co-creation - e.g. do you feel it's harder to control the brand identity/ narrative?

Transcription - Thursday 30th 16:00

IK = Social Media Specialist from IKEA

S = Sophie

J = Julia

IK

Yes. Can you hear me okay with my headset on? Yes. Can you hear us? Okay? Yes. Sounds amazing. Okay, so your question was about my role, right? Wonderful. So I've been at IKEA for about a year now I feel I think it's next week. It's one year exactly, actually. Yeah, so that's a celebration in itself. And my, my title is social media specialist. And I work at the department that is called service and sales, which means that we do remote sales. So kitchen plannings, and we help our customers plan their spaces and their purchases, did like long distance and digitally. And we also do all of our customer support and like services from this department. And so my role is basically to lead the team that does all of our social media support and community management. And so that's, yeah, what I do, I coach them, I do the strategy. And this is only for our national social media channel. So we only work with the Swedish markets.

S

Amazing. And how many people are in your team?

IK

Right now? I think we're, we're about 15. Yeah, we it fluctuates the right now it's 15.

S

Right? And would you say I'm like in the team, that there's a general understanding of CO creation? I mean, how would you define it yourself? Is there sort of Yeah. Do people understand the importance of it?

IK

I do think so. Yeah, I think the there is a lot of understanding. And maybe we use different terms. But I feel like in general, at IKEA, there's this sense that it's, it's really important to create, like spaces for customers to be involved with our brand. And where we can, we'll create spaces for them to be involved, but also for us to to actually take part of their feedback. And I feel like we do use the word together a lot. That is a word that bounces between the walls of our offices all the time. And so listening in, as well as giving the opportunity to take part is kind of important. Yeah.

S

And are there any specific activities that you do? So for listening in? Is that something that's really integrated as part of your strategy? Are there like specialized teams looking after that side of the business, and then feeding that through into the strategy?

IK

I'm not sure if I would say there are specialized teams in my department that really work with just co creation or the strategy around co creation. But I, I do know that there are many different

projects that kind of mirror the sense of CO creation that I, I feel like you're you're talking about, and I'm not sure if you prefer that I stick with the social media aspect of things, or do you want me to talk generally,

S

Just generally so I was kind of gonna ask examples of, you know, successful examples of brand co creation that you guys have kind of worked on or anything in particular that you feel adds value to the brand in terms of CO creation?

IK

Yeah, for sure. Yeah, for sure. Well, I yeah, I did think about a couple points there. And the first thing that came to my mind was our circular hub. I'm not sure if you're familiar with it. But it's a product that we launched, I feel like it was at the beginning of this year or the end of last year. And it's basically a place where customers can come to the stores with their old furniture, we make an assessment and we buy it, if it's in good enough condition, then we restore it, and then we resell it in the store. So I feel like this has been a big success. And both because people obviously want more sustainable alternatives, but also because it gives like it meets the basic need of people wanting to get rid of their old furniture, but in a sustainable way. And also I feel like our customers really appreciate this circularity aspect, giving it back to the company so that it doesn't, you know, splay out in the same sense, and like avoiding waste, that kind of thing.

S

That's a really good answer. And in terms of factors that you think facilitates brand co creation and engagement in brand co creation from the customers side, is there anything that you do to help facilitate and push customers to engage with that? Whose side, is it coming from? Is it mainly IKEA? Or is it you know, customers themselves being empowered to take the initiative and co create?

IK

I feel like it's definitely both. And it depends on the project. Because in social media, for example, I feel like that is the space where the customer has the most power in taking incentive. In bringing us feedback, because obviously, when we're working with community management, we're working with customers coming to us without us pushing for it with ideas, and concept feedback, everything imaginable. And we facilitate it in every way we can. But in, on the other side, we also have instances where we definitely drive it more, for example, we have a review system. It's not unique, obviously a lot of companies have it, but you know, after a purchase, they come into us, and we send them an email, they can give us like product reviews. And what happens with these product reviews is that all the feedback goes directly to our product design teams. And they will also take action, if one product receives like a unanimous sort of feedback. And they will take action to make changes in different ways depending on what it is. So that's kind of something that we drive more, if I understand you correctly.

S

Yeah, no, definitely. And in terms of you kind of like looking back and thinking at the different types of CO creation that you guys have been involved with is there one standout kind of activity

that's happened that has maybe shifted or changed the direction of your brand and your brand strategy, or maybe your identity.

IK

Not sure, actually that I'm able to answer it because I've been here for such a short time.

S

Yeah, no, that's totally fine. That's totally fine.

IK

Yeah, I'm just thinking back at this past year has been such a huge change when it comes to co creation, but I can't really think about anything. Sorry about that.

S

No, all good. And in terms of measuring the effectiveness of brand co creation activities, is there some sort of system that you use to kind of be like, Okay, this is really beneficial, this has been really effective.

IK

I think really, the most important thing is obviously, customer response. Like if it's something that we're driving, we we always want to to make sure if we take the circular hub as an example. We need to make sure that we've made like, we created something that's valuable, both for us, but also for the customer, mainly for the customer, honestly,

S

How would you define that value for the customer, then?

IK

Sorry, can you repeat?

S

How would you define that value for the customer?

IK

Well, I think when we measure it, we obviously look at are they engaged? Are they using this service? And do they talk about it? Of course we can, you know, look online is there buzz isn't there buzz. But mainly, is it useful for them? Do they appreciate it, is being used, in an intended way? And then maybe we can look at our side of the spectrum, like it does work and give us the benefits that we're looking for. But mainly, that's what comes to mind? Yeah.

S

Amazing. And in turn, because you kind of like explain now what kinds of activities IKEA currently does in terms of brand co creation. But are there any activities that you would like to see IKEA do in turn?

IK

Yeah. For sure.

S

If you could share some ideas that you have?

IK

Yeah.

S

Yeah, that'd be great.

IK

Yeah, of course. Okay. I think the main thing when I saw this question that you sent me, I sat there and I was like, I should bring this up with my boss. The main thing that I think of being in like social media space is working more with user generated content, right? Absolutely. Because that's something that I've like on my first day here, I was like, Can we do this maybe people were like, yeah, we're working on it. So this is something that's in our like future plans. But it hasn't been able to be realized yet. And that's really one of my issues, that's really close to my heart because I love working closely to the audience and working with UGC [User Generated Content]. And I feel like that would be amazing. If we could do that.

S

Proximity is like an important factor with brand co creation in terms of you know,

IK

Yeah, yeah I think so.

J

In terms of Social Media, Yeah, working more with user generated content, why that has not been implemented yet? What are the reasons that that progress is pretty slow.

IK

And halted? Yeah. Well, I think it's really hard for me to say why, from last year, when I joined, what I understood is that it was a part of the strategy. And as soon as COVID hit, everything that they had planned for the coming year had to be scrapped, because of all the things that happened in our organization, and, you know, commercial plans that had to be remade, launches that had to be stopped, things like that. So that's a really practical reason for for why it hasn't come about. But if I think back further, I feel like IKEA is in many ways and wants to be very, a very modern brand. But when it comes to our digital expansion, we're not that far ahead yet, especially when it comes to the social media space. And I just think it hasn't been a priority until now. And I feel like that's also mirrored a little bit with the fact that my role didn't exist until last year, when I got it. So we've been investing in the social media space by recruiting and, you know, directing resources towards it. But just the fact that this hasn't been a thing that tells me something, you know.

S

And you mentioned that IKEA wants to be a modern brand. How would you define that? Modernists? In what way? Do you think brand co creation could help achieve that sort of goal?

IK

I think that, you know, for IKEA. The another tagline that we talked about a lot. And a value, a strong value that we talked about a lot is the whole wanting to be a brand for the many people improving the lives of many people, right? And so democracy is a very important value. And so I feel like, the more we implement co creation in our strategies, the closer we get to this, like materializing this value and strengthening our brand through this value. That's what I would say, yeah.

S

In terms of framing democracy in the brand context, could you kind of go into that a little bit more? Because that's a really interesting point that you've made

IK

Yeah. Well, I feel like it's obviously it obviously has a lot to do with, you know, both meeting the needs of the many people in terms of furnishing their home, but also in price points, and availability. And when we talk about availability, we can also talk about digitalization, because, well, we will live in a world where that becomes the norm. And it has been for a long time. Yeah, I would say, maybe not everyone. But I feel like there are a lot of different points where we could talk about democracy. And things like the review system, that we have had in many different ways, countries, sorry, different countries before but has been recently implemented in Sweden, that is also something that does bring us a bit closer to this value, just because customers need to be able to voice their opinions, and also gives us the opportunity to, to provide our customers with, you know, an opportunity to make informed decisions before they buy something.

S

So and the last question, though, because I realized it's about time, what are the advantages and disadvantages in your mind about co creation. So for example, do you feel like you know, brand co creation can be good, but maybe you can lose your kind of autonomy over controlling the brand narrative or from your perspective in IKEA what are the pros and cons of really investing in a brand co creation strategy.

IK

I feel like there has to be like, just as you said, you mentioned the word control. I feel like it's important to find a good balance between openness and like controlled facilitation, like every system of CO creation, just because you know, in order for co creation to truly work, I feel like a brand needs to let go of control while still sustaining some form of structure. But it's it's kind of a balance between everyone can join in. And then we have to pick only the best furniture for our circular hub so that we actually can resell it, you know, that kind of thing?

S

Yeah.

IK

So I feel like definitely that balance between being open and listening and then remaining some form of structure that is still welcoming them. For sure.

S

All right, then I think that's the kind of end of our questions for those. If there's anything you'd like to add or maybe kind of, say, or put out there that we haven't covered.

IK

No, actually, nothing really comes to mind. I would be curious to ask you guys a lot of questions, but I'm not sure if we have time for that. Maybe you guys need to run.

S

Feel free to ask us.

IK

Yeah, I was just curious about your like your work, like the assignment you're working on and stuff. And also like, what is it that you're studying? Would you like to tell me a little bit about it?

J

Yeah, we're studying a master in international marketing and brand management University. Right now we're taking a course in strategic brand management. And we have been assigned to do a paper on a Yeah, any topic we would like, really. We were interested in CO creation, and we wanted to... Yeah, see if you have a company that their strategy and marketing branding strategy, really.

IK

Okay. Cool. Have you been interviewing a lot of people like from different companies? Or are you just been like.

S

You're actually our first interview.

IK

Oh really? That's amazing.

S

Yeah, we've reached out to some really exciting brands. So yeah, it's just about pinpointing like a date and like, trying to get an available slot. But yeah, I think this interview has been really really good.

IK

I'm sorry if I blabbered on.

S

You feel like you want to add something afterwards? Always. You've got Jesper's email. You just feel free like. Yeah, we can obviously like quote you on that. But we'll obviously keep you anonymous for sure.

IK

Thank you.

S

Your name won't be displayed anywhere. So you don't need to worry about that. Although I don't think you've said anything. That's terrible.

IK

Okay, wonderful.

S

Well, yeah, I guess we'll wrap this up here and we'll obviously send you the paper if you'd like once we're done with it.

IK

Yeah, for sure. That would be great. I would be super excited to read it. Okay, sounds awesome. Thank you guys. Wish you all the best of luck with your paper and everything.

S

Alright, have a good day.

IK

You too. Bye bye.