

IKEA GIVES AWAY \$80 MILLION TO CO-WORKERS, MAKES HISTORY WITH UNPRECEDENTED THANK YOU BONUSES

IKEA with Jericho Communications

Category 50: Retail

OVERVIEW:

What could you buy with \$80 million? IKEA (the Swedish home furnishings superstore) put just that amount of money into its co-workers' pockets on October 9th as part of a thank you bonus that was unprecedented in the retail industry. On one of the busiest shopping days of the year, IKEA gave away its gross global sales to its 40,400 worldwide co-workers (divided equally including every level from janitor to president) to thank them for contributing to the company's success over the past 54 years. Jericho Communications developed a multi-faceted publicity campaign that put the news front-and-center with the media, sending positive shock waves through the business and consumer press. With Jericho's help, IKEA cashed in on record-breaking global sales during the "Big Thank You" event as customers shopped with a warm-and-fuzzy feeling that day -- and co-workers rightfully pocketed the profits. Now that's a win/win/win situation.

PLANNING:

The objectives of the program were to:

- * Generate awareness about and drive traffic to the October 9 worldwide IKEA sale event
- * Communicate that IKEA is a progressive company -- a great place to work and shop
- * Dramatically thank co-workers for their hard work and dedication. To do this, the following strategies were employed:
 - * Create a series of pre-, during and post-event news stories for both the business and consumer press
 - * Call attention to IKEA's creative approach to doing business, underscoring the company's ongoing commitment to help its customers and co-workers "live better" in their homes and their lives
 - * Deliver compelling, upbeat news stories about the benefits of working at IKEA

IKEA's target audiences were:

- * Current and potential IKEA customers
- * Current and potential IKEA co-workers
- * Print and broadcast media (both business and consumer-oriented), as conduits to above audiences

EXECUTION:

Setting the Stage – In mid-September, Jericho got the ball rolling and began to generate excitement about IKEA's unprecedented sales event with a targeted pre-event publicity campaign. An eye-catching press release entitled "IKEA Gives Its Co-Workers a Multi-Million Dollar Raise" was distributed to print and broadcast business press. A media alert was sent to local and national television outlets. The expert media team set in motion a wave of high-level news coverage that highlighted IKEA's unusual and altruistic business strategy -- and generated 35 million media impressions in just the first three weeks of the program.

On October 8th, IKEA's president Jan Kjellman was interviewed on CBS "THIS MORNING," CNN INTERNATIONAL and FOX "CAVUTO BUSINESS REPORT" about the next day's event. When asked why IKEA was doing this, Kjellman noted that Ingvar Kamprad (the founder and visionary of this progressive company) couldn't shake everyone's hands so he thought this would be a good way to say a heartfelt "thank you," again underscoring the company's creative approach to conducting everyday business. The media eagerly reported on the good news, this welcome win for the hard-working everyman. Finally, a motivating letter was crafted and distributed along with a Q&A to IKEA's store managers in order to control messaging during the October 9th events.

"Big Thank You" Events – All U.S. IKEA stores conducted "Big Thank You" sales events on October 9th to show appreciation to co-workers for their hard work and customers for their loyalty. Shoppers "lived better" that day as they were pampered and indulged. Special treatments included: free professional back and foot massages, free IKEA slippers, free coffee mugs and Swedish coffee, entertainment by clowns, musicians...and more. Plus every hour, IKEA footed the bill for the entire purchase (with no limits) of two lucky shoppers in each store. Jericho made sure that photo opps abounded. Shoppers felt good about IKEA and its promotions, and spent more than usual per transaction. Co-workers "lived better" that day, taking home "bonuses on top of bargains," as the WASHINGTON POST reported. An air of celebration and well-being drew together co-workers and customers on this history-making day. The media picked up on the excitement with headlines reading for instance: "IKEA's Idea – Share the Wealth" "IKEA Thanks Workers in a Very Big Way," "IKEA Employees Divide Up Day's Receipts," and "IKEA Workers Get All the Money Spent in Stores on One Day."

Keeping the Buzz Going – To keep the news story alive and the buzz going, another press release was distributed following the event. It told the story about IKEA's record-breaking global sales for the day; the unheard of worldwide bonuses worth nearly \$80 million that were given to co-workers; and other newsworthy tidbits, such as the highest random customer's winning of \$7,000 worth of merchandise. Jericho's top notch media team arranged for follow-up interviews, including information about how co-workers planned to spend their bonuses. America celebrated along with IKEA, as upbeat stories hit the pages of national and local news media around the country.

EVALUATION:

1) Record-Breaking Sales. Customers flocked to IKEA stores in North America and around the world on October 9th, and the retail giant cashed in on all-time record-breaking global sales of nearly \$80 million. Shoppers spent \$25-50 more on their purchases as compared to average previous spending per transaction. The statistics showed that when shoppers feel good about a retailer, they spend, spend, spend.

2) Media Blitz. The "Big Thank You" event caused a media blitz (pre-, during and post-event) that blanketed the airwaves and news pages with positive stories about IKEA, its founder and its co-workers. More than 95 million media impressions were generated, including placements in such outlets as: CBS "THIS MORNING" and "EVENING NEWS," CNBC "POWER LUNCH," CNN "LIVE," THE HOWARD STERN SHOW, FOX "CAVUTO BUSINESS REPORT," INTERNATIONAL HERALD TRIBUNE, WALL STREET JOURNAL, NEW YORK TIMES, LOS ANGELES TIMES, WASHINGTON POST, INVESTOR'S BUSINESS DAILY, ASSOCIATED PRESS, DOW JONES, BALTIMORE SUN, PITTSBURGH POST-GAZETTE, ORANGE COUNTY REGISTER, ST. LOUIS POST-DISPATCH, SAN JOSE MERCURY NEWS, SEATTLE TIMES, FURNITURE TODAY, CHAIN STORE AGE, BLOOMBERG RADIO...and local coverage in newspapers and on FOX, CBS, NBC and ABC affiliates in all of IKEA's markets. A WALL STREET JOURNAL article summed it all up quite well: "IKEA's Big Thank You Bonus boosted morale, produced a record result and got the world press excited...a once-in-a-lifetime thank-you gesture as IKEA approaches the new millennium."

3) Co-workers Get a Multi-Million Dollar Raise. When IKEA's co-workers heard about the Big Thank You event, their excitement was infectious -- and the media lapped it up. As one employee interviewed by Philadelphia's FOX TV said: "I think it's awesome: What other company is going to pay you to work here on this day plus gives you up to three months' salary?!" CNN also interviewed many of IKEA's co-workers to find out just how they planned to spend their bonuses, and received many colorful responses. Each co-worker received nearly \$2,000 when the \$80 million in gross sales for October 9th was divided among the company's 40,400 workers. In addition, the good will created among IKEA customers was priceless, as evidenced by these customer comments that were reported by the press: "I think it's a good thing that IKEA is sharing their profits with their employees who work so hard," and "It shows that it's a good company -- makes me want to buy more."