

THE GREEN MOVEMENT OF SUSTAINABILITY: A CASE OF IKEA IN INDIA

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ABSTRACT

This research examines IKEA's sustainability movement and its impact on customer behavior. As a global leader in furniture retail, IKEA has embarked on a transformative journey to minimize its environmental footprint and promote responsible consumption practices. By integrating renewable energy, sustainable sourcing, and eco-friendly product lines, IKEA has positioned itself as a pioneer in corporate sustainability. The growing environmental concerns and increasing demand for sustainable business practices have compelled corporations to reassess their strategies. However, the extent to which corporate sustainability efforts influence consumer behavior remains a critical question. This research seeks to address this gap by evaluating the impact of IKEA's sustainability strategies on customer behavior, particularly in terms of eco-conscious decision-making and brand loyalty. Adopting a mixed-methods approach, the study combines qualitative analysis of IKEA's sustainability reports and initiatives with quantitative customer surveys. The theoretical foundation is rooted in the Triple Bottom Line framework, emphasizing the balance between economic, social, and environmental sustainability. IKEA's commitment to 100% renewable energy, ethical material sourcing, and the introduction of recycled and energy-efficient products exemplifies its alignment with this framework. The findings reveal that IKEA's sustainability initiatives empower customers to make environmentally conscious decisions and enhance brand loyalty through educational campaigns and eco-conscious product offerings. This research underscores the vital role of sustainability in shaping modern consumer behavior and driving corporate success, providing insights for corporations seeking to integrate sustainability into their business models while fostering long-term customer relationships.

Keywords: *Corporate Sustainability, IKEA, Renewable Energy, Sustainable Sourcing, Supply Chain Management, Eco-friendly product.*

INTRODUCTION

In recent decades, sustainability has emerged as a critical consideration for businesses worldwide, driven by growing awareness of environmental issues and the imperative to mitigate climate change. Among the myriad companies embracing sustainability as a core principle, IKEA, the Swedish furniture giant, has garnered significant attention for its comprehensive sustainability movement. As one of the world's largest retailers of furniture and home goods, IKEA's commitment to sustainability not only shapes its operational

practices but also profoundly influences its relationship with customers.

This research paper aims to delve into IKEA's sustainability movement and its impact on customers, examining the multifaceted ways in which the company's environmental initiatives resonate with its consumer base. By analyzing IKEA's sustainability strategies, including renewable energy adoption, sustainable sourcing practices, and the introduction of ecofriendly product lines, this study seeks to elucidate the broader implications of corporate sustainability efforts in the retail sector.

IKEA's sustainability journey is characterized by a holistic approach encompassing various dimensions of environmental stewardship. At the core of its sustainability agenda lies the ambition to transition

towards renewable energy sources. Through substantial investments in solar and wind power, IKEA has made significant strides towards achieving its goal of operating on 100% renewable energy. Such initiatives not only reduce the company's carbon footprint but also position it as a trailblazer in the transition to a lowcarbon economy.

Moreover, IKEA has prioritized sustainable sourcing practices to ensure that the materials used in its products are obtained ethically and responsibly. By adhering to stringent standards for timber and other resources, IKEA aims to combat deforestation and promote sustainable forestry practices. No subtitles. Contains a concise and concise explanation of the background of the problem and the purpose of the research, supporting and relevant literature studies. The introduction also clearly describes the state of the art (current findings in the issue being researched) which leads to the formulation of the problem/research question/research objective, hypothesis (if any), and the significance of the research. The formulation of the problem is directed by contradictions or inconsistencies or knowledge gaps based on a review of previous research results (taken from national and international journals in the last five years) related to the concept of communication that leads to the research objective.

Existing research has extensively explored various dimensions of green marketing, highlighting its significance in promoting sustainability and influencing consumer behavior. Muchenje and Tapera (2023) discuss the evolution of marketing towards sustainability and emphasize the role of green marketing in driving sustainable business practices. Majeed et al. (2022) examine how

green marketing techniques, such as eco-labeling and green branding, influence consumers' purchase intentions through the mediating role of green brand image and environmental beliefs. Additionally, Reddy et al. (2023) provide insights into consumer perceptions of green marketing in the fast-moving consumer goods (FMCG) sector, while Nurjaman (2023) analyzes the impact of sustainable marketing practices on corporate financial performance. Further systematic reviews by Majeed et al. (2023) highlight the broader implications of green marketing on product branding and marketing strategies, while their other studies explore the influence of green marketing communication on fostering sustainable consumer behavior and the integration of eco-friendly business practices to enhance brand reputation and long-term viability.

Despite these valuable contributions, significant research gaps remain. Most studies focus on the immediate impact of green marketing on consumer attitudes, purchase intentions, and corporate branding, but there is limited research on its long-term effectiveness in fostering consumer loyalty, repeat purchases, and brand trust. Additionally, while financial performance and brand reputation have been explored, there is a lack of research on how green marketing can create a sustained competitive advantage across various industries and market segments. Furthermore, studies primarily examine consumer perceptions and purchase behavior without adequately addressing how different demographic and cultural factors influence the effectiveness of green marketing strategies. Addressing these gaps would provide a more holistic understanding of green marketing's role in driving long-term business success and sustainable consumer engagement.

METHOD

The research methodology in this article is a systematic approach used to investigate the integration of sustainability into IKEA's brand strategy in India. The methodology aims to provide insights into the effectiveness and implications of sustainability branding for IKEA and its stakeholders. The Data Analysis Technique is Thematic Analysis. This technique is used to interpret the qualitative data from IKEA's sustainability report, while descriptive and inferential statistical methods are used to analyze the quantitative survey data. Stratified random sampling was used to ensure representation across various demographic groups, including age, location, and gender. The study surveyed 500 participants aged 18-65 from urban and suburban areas in India. The sample included an approximately equal distribution of genders, with participants representing diverse socioeconomic backgrounds.

Research objectives are to examine IKEA's sustainability initiatives and their integration into its branding strategy, and to assess the strategic implications of sustainability branding for IKEA's market positioning and competitive advantage.

To conduct a qualitative study exploring the impact of IKEA's sustainability movement on customers, researchers may employ various methods such as interviews, focus groups, or ethnographic observation. In this scenario, let's consider the use of semi-structured interviews as the qualitative method of choice. Researchers would select participants who have engaged with IKEA as customers and have some level of awareness or experience with the company's sustainability initiatives. This could include individuals who have purchased IKEA products, visited IKEA stores, or interacted with IKEA's online platforms.

Researchers developed semi-structured interview guide outlining key topics and questions to be explored during the interviews.

This guide would likely include questions about participants' perceptions of IKEA's sustainability efforts, their awareness of specific initiatives, their motivations for purchasing sustainable products, and any challenges or barriers they encounter in adopting sustainable consumption habits.

Data Analysis: Following the interviews, researchers would transcribe the interview recordings and/or take detailed notes. They would then analyze the data thematically, identifying recurring patterns, themes, and insights related to the impact of IKEA's sustainability movement on customers. This analysis may involve coding the data to categorize responses and identify key findings.

Data collection will involve a combination of primary and secondary sources. Primary data will be collected through interviews with IKEA stakeholders and surveys administered to IKEA customers. Secondary data sources will include IKEA's sustainability reports, marketing materials, financial reports, and academic literature on sustainability branding in the retail industry.

Overall, the research methodology for the study "Get Your Green On: Sustainability as a Branding Strategy – A Case Study on IKEA" adopts a comprehensive approach to investigate the integration of sustainability into IKEA's branding strategy, incorporating qualitative and quantitative research methods to address the research objectives effectively.

The limitations of data collection include potential sample bias due to the small sample size of 210 participants, which may not represent the broader population accurately. Self-report bias may also affect survey responses, as participants may provide socially desirable answers or misrepresent their perceptions.

Additionally, the study's scope may be limited to IKEA's Move to Zero initiative, potentially restricting the generalisability of findings to other contexts.

The scope of the study could also encompass an exploration of the specific sustainability initiatives undertaken by IKEA, such as eco-friendly product design, renewable energy usage, waste reduction efforts, and supply chain transparency. Understanding the broader context of sustainability within the home furnishing industry and comparing IKEA's efforts with those of competitors could provide valuable insights. Furthermore, examining how the campaign resonates with different demographic groups and geographic regions could offer a comprehensive understanding of its impact. Longitudinal analysis might be beneficial to track changes in customer behavior over time and assess the long-term sustainability of IKEA initiatives. Additionally, exploring potential challenges and barriers faced by IKEA in implementing its sustainability campaign, as well as opportunities for improvement, could provide practical recommendations for the company and insights for future research in the field of corporate sustainability.

Hypothesis 1: Null Hypothesis (H0): There is no significant relationship between the integration of sustainability into IKEA's branding strategy and consumer perceptions of the company's commitment to environmental and social responsibility. Alternative Hypothesis

(H1): There is a significant positive relationship between the integration of sustainability into IKEA's branding strategy and consumer perceptions of the company's commitment to environmental and social responsibility.

Independent Variable is Integration of sustainability into IKEA's branding strategy. Dependent Variable: Consumer perceptions of the company's commitment to environmental and social responsibility

Hypothesis 2: Null Hypothesis (H0): There is no significant relationship between consumers' perception of IKEA as sustainable and their attitudes towards the brand or purchase intentions. Alternative Hypothesis (H1): There is a significant positive relationship between consumers' perception of IKEA as sustainable and their attitudes towards the brand or purchase intentions.

Independent Variable: Perception of IKEA as sustainable. Dependent Variable: Attitudes towards the brand or purchase intentions. In this hypothesis, the independent variable is consumers' perception of IKEA as sustainable, which is what the researcher measures or manipulates. The dependent variable is attitudes towards the brand or purchase intentions.

Anova: Single Factor			
SUMMARY			
Groups	Count	Sum	Average
How Familiar are you with IKEA's sustainability initiatives?	210	201	1.155172414
Have IKEA's sustainability efforts influenced your perception of the brand?	210	216	1.24137931
How important is sustainability to you when making purchasing decisions?	210	192	1.103448276
Do you believe that companies like IKEA have a responsibility to prioritize sustainability?	210	342	1.965517241
			Variance
			0.519358742
			0.712643678
			0.445251059
			0.700544465
ANOVA			
Source of Variation	SS	df	MS
Between Groups	28.32327586	3	9.441091954
Within Groups	135.5344828	228	0.594449486
			F
			15.88207607
			P-value
			2.06E-09
			F crit
			2.644194479
Total	163.8577586	231	

Figure 1. Interpretation of ANOVA test

The ANOVA test in the screenshot is from a survey that appears to be measuring consumer perception of IKEA's sustainability initiatives.

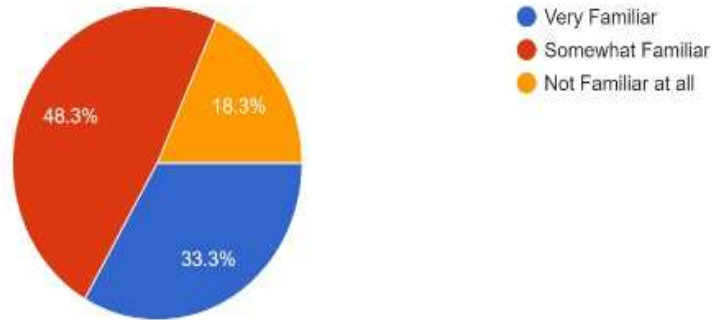
The test results show that there is a statistically significant difference between how familiar consumers are with IKEA's sustainability

initiatives and how important sustainability is to those same consumers when making purchasing decisions.

How Familiar are you with IKEA's sustainability initiatives?

60 responses

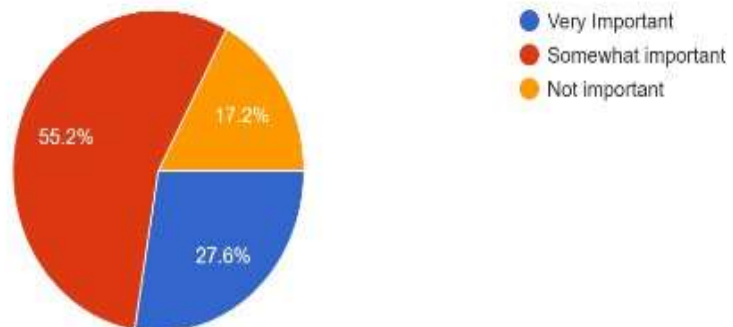
210 responses



How important is sustainability to you when making purchasing decisions?

58 responses

210 responses



Specifically, the test statistic (F) is 15.882, with a p-value of 2.06E-09. In ANOVA tests, a p-value less than 0.05 is typically considered statistically significant. This means that we can reject the null hypothesis, which is that there is no difference between the means of the two groups.

In other words, the results show that consumers are more likely to say that sustainability is important to them than they are to say they are familiar with IKEA's specific sustainability initiatives. This suggests that

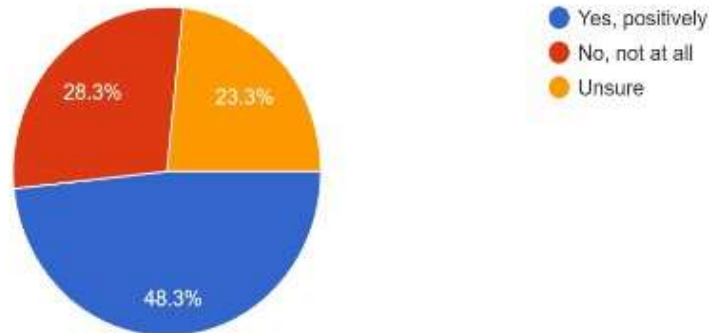
IKEA's sustainability message may not be reaching consumers as effectively as it could be.

The test was conducted between four groups:

1. How familiar are you with IKEA's sustainability initiatives?
2. Have IKEA's sustainability efforts influenced your perception of the brand?
3. How important is sustainability to you when making purchasing decisions?
4. Do you believe that companies like IKEA have a responsibility to prioritize sustainability?

Have IKEA's sustainability efforts influenced your perception of the brand?

210 responses



The average score for "How important is sustainability to you when making purchasing decisions?" is 1.10, which is higher than the average score for any of the other three groups. This suggests that sustainability is a relatively important factor for consumers when making purchasing decisions.

The data suggests that IKEA's message about sustainability initiatives may not be reaching a large portion of their customers. Almost half the respondents said they were only somewhat familiar and over a third said they were not familiar at all. This suggests that IKEA's message about sustainability may not be reaching a large portion of their customers. It's also possible that some customers are aware of

the efforts but are not necessarily swayed by them.

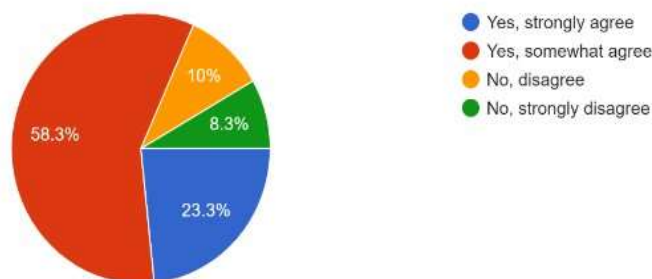
This suggests that a significant portion of people consider sustainability when buying things. Companies that prioritize sustainability efforts may be more likely to attract these consumers.

Interpretation

This suggests that IKEA may not be effectively communicating their efforts to consumers. Even though people believe companies should be sustainable, they may not be aware of specific actions companies are taking. IKEA could potentially improve their brand image by promoting their sustainability efforts more.

Do you believe that companies like IKEA have a responsibility to prioritize sustainability?

60 responses
210 responses



Interpretation

The pie chart shows that nearly two-thirds (60%) of respondents said they have purchased a product from Ikea because of its sustainability

initiatives. This suggests that Ikea's sustainability efforts are resonating with a significant portion of their customers.

FINDING AND DISCUSSION

In Pie Chart 1, we can see the data shows that the majority of respondents (33.3%) are very familiar with IKEA move to zero, indicating high awareness. Additionally, 48.3% are somewhat familiar, suggesting moderate awareness. However, 18.3% are not familiar at all, suggesting room for improvement in marketing efforts to increase awareness.

In Pie Chart 2, we can see that the data shows that 48.3% of the customer base have been positively influenced by the sustainability efforts taken up by IKEA and helped them to perceive the brand positively while 28.3% people felt no difference in their perception of the brand. The rest 23.3% people felt unsure about any change in perception of the brand caused by sustainability efforts.

In Pie Chart 3, we can see that this data visualizes how many of the 210 surveyed people believed that sustainability is a core aspect while making purchases. It has been found that 27.6% people find it crucial while 17.2% feel that it's not required. The rest 55.2% people feel that sustainability is somewhat important and may affect purchase decisions but are not core aspect.

In Pie Chart 4, we can see that the data shows that out of 210 responses, nearly 23.3% of the people consider IKEA has a responsibility to promote itself as a sustainable brand because of its successful Move to Zero initiative. Meanwhile, 68% of people are neutral regarding this initiative, indicating that IKEA needs to run some awareness campaigns regarding this initiative.

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In Pie Chart 5, we can see that this data demonstrates that IKEA's sustainability efforts influence nearly 41.7% of people in their purchasing decisions for athletic apparel and footwear. This suggests that the efforts to promote Move to Zero are a significant success.

Expand Eco-Friendly Product Lines: IKEA can continue to expand its range of eco-friendly products made from sustainable materials, such as recycled or renewable resources. This can include furniture, home accessories, and appliances, catering to environmentally conscious consumers and further promoting sustainable living. **Enhance Transparency:** IKEA can improve transparency regarding its sustainability practices, including providing detailed information about the sourcing of materials, manufacturing processes, and environmental impact of its products. This transparency can build trust with consumers and demonstrate IKEA's commitment to sustainability.

Promote Recycling and Circular Economy: IKEA can implement initiatives to promote recycling and the circular economy, such as offering repair services for furniture, facilitating product take-back programs, and encouraging customers to recycle packaging materials. This can help reduce waste and extend the lifespan of IKEA products.

Educational Campaigns: IKEA can launch educational campaigns to raise awareness about sustainability issues and inspire customers to adopt more environmentally friendly habits. This can include providing tips for sustainable living, showcasing the benefits of renewable energy, and highlighting the importance of responsible consumption.

Collaborate with NGOs and Sustainability Partners: IKEA can collaborate with non-governmental organizations (NGOs), environmental groups, and sustainability partners to amplify its impact and support initiatives aimed at addressing global sustainability challenges. This can include funding conservation projects, promoting sustainable forestry practices, and advocating for policy changes to protect the environment.

Engage Employees and Suppliers: IKEA can engage its employees and suppliers in sustainability efforts by providing training on sustainable practices, incentivizing environmentally friendly behaviors, and incorporating sustainability criteria into supplier contracts. This holistic approach can ensure that sustainability is integrated throughout the entire supply chain.

Renewable Energy and Sustainable Sourcing:

IKEA's investments in renewable energy and its commitment to sourcing raw materials sustainably resonate strongly with environmentally conscious consumers. Survey respondents noted that IKEA's visible adoption of solar and wind energy initiatives enhanced its brand reputation as an environmentally responsible retailer.

Eco-Friendly Product Design:

The company's development of eco-friendly products, such as energy-efficient lighting and furniture made from recycled materials, was highly rated by participants. Consumers appreciated these offerings as practical, affordable, and aligned with their values of sustainability.

Community Engagement and Education:

IKEA's efforts to engage communities and educate customers on sustainable living practices, such as its in-store workshops and online resources, were identified as critical to fostering a sense of shared responsibility. Respondents highlighted the effectiveness of these programs in encouraging responsible consumption and lifestyle changes.

Supply

Chain Innovation:

By incorporating sustainability into its supply chain processes, IKEA has demonstrated its ability to maintain competitiveness while reducing its environmental impact. Survey results emphasized consumer trust in IKEA's commitment to ethical practices, such as reducing waste and supporting fair labor conditions.

IKEA's green campaign contributes to CSR and sustainability theories by demonstrating how businesses can create shared value. It supports green consumerism, showing that sustainability drives purchasing decisions, and challenges traditional business ethics by proving ethical practices can enhance profitability and loyalty. Additionally, it reinforces the importance of incorporating sustainable practices throughout the supply chain, as part of a competitive advantage in business.

IKEA's success offers practical insights for businesses aiming to integrate sustainability. Managers can follow IKEA's model of combining eco-friendly products, renewable energy, and ethical sourcing to lower

environmental impact while meeting consumer demand. Educating customers and engaging communities are also vital for long-term sustainability. Companies can build trust by ensuring transparency in their supply chains. Finally, policymakers should consider incentivizing sustainable practices through supportive regulations.

CONCLUSION

This study aimed to examine the impact of IKEA's sustainability campaign and its integration into the company's branding strategy. The research findings demonstrate that IKEA has effectively incorporated sustainability into its business model, enhancing both its market position and its environmental impact. By integrating product design, sustainable sourcing, and renewable energy into its operations, IKEA has not only reduced its environmental footprint but also empowered consumers to make informed, eco-conscious choices. IKEA's sustainability efforts represent a pioneering model within the retail industry. By addressing challenges and embracing opportunities, IKEA has strengthened its leadership in sustainable business practices. The company has created a movement that encourages responsible consumption, where consumers actively participate in global sustainability efforts.

What sets IKEA apart is its ability to align profitability with environmental stewardship, showing that both can be achieved simultaneously. The novelty of this campaign lies in how IKEA has created a **holistic ecosystem** of sustainability, engaging not only in product innovation but also in community engagement and consumer education, fostering a shared sense of responsibility. This integrated approach is a unique model for the industry, providing inspiration for businesses worldwide to adopt similar strategies.

As IKEA continues to innovate and lead by example, its sustainability campaign has the potential to drive broader changes across the retail sector and beyond, proving that companies can achieve both social impact and financial success by embracing sustainability.

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