

DROPBOX DELIVERY REQUIRED 

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Content Alert

### Assignment 2: LASA 1—IKEA Analysis Report

What is *values-based service*? How can a company create value for customers and other stakeholders?

Values-based service is defined as service that is firmly based on the core company values as well as social and environmental responsibility. When the core company values and the social and environmental values are in accordance with the values of customers and other stakeholders, resonance (rather than dissonance) occurs. To be successful, a values-based service business must seek resonance with its customers and other stakeholders in terms of values and avoid any suggestion of dissonance. Companies, such as IKEA, nurture and communicate values in their customer relationships.

Read the article “Values-Based Service Brands: Narratives from IKEA” by Edvardsson from the readings for this module. Using IKEA as the company in point, conduct research, using the Argosy University online library and the Internet, to better understand the “IKEA environment.”

Based on your research, write a report addressing the following points:

- **IKEA’s Marketing (1 page)**  
Corporate strategy begins with marketing and understanding the key elements of the marketing plan. For IKEA, describe the following elements of its marketing strategy:
  - How do IKEA’s products, services, and related attributes satisfy the wants and needs known as its value proposition?
  - How does IKEA create a well-defined market position that appeals to customer wants and needs and differentiates its offering from competitive offerings in a process known as positioning and differentiation?
- Assess IKEA’s strategy using the criteria listed below:
  - **Value Chain (1 page)**  
Analyze the three sources of value (economic, social, and environmental) in IKEA’s value chain.
    - Explain sources of value as they relate to the wants and needs of IKEA’s core customer.
    - Explain how IKEA’s supply chain supports its value proposition.
    - Explain how IKEA’s focus on customer value (economic, social, and environmental) is reflected in its supply chain.
  - **Intangible Products (1 page)**
    - Explain IKEA’s intangible products and benefits.
    - Explain how other firms employ this concept of intangibles to erect barriers to entry for competitors.
    - Explain how the concept of intangible benefits is used to

increase profits.

- **Customers (1 page)**

IKEA considers the customer to be a critical stakeholder. The IKEA message is directed to the majority of people and what they can afford, and its pricing is dependent on the economic values that serve a majority of its customers.

  - Explain how this approach may or may not maximize profits for IKEA.
  - Explain if this premise is at odds with supply and demand economics. Give reasons for your answer.
- **Performance Measures (1 page)**

Suppose you are a vice-president of manufacturing for IKEA and are responsible for establishing operating performance measures.

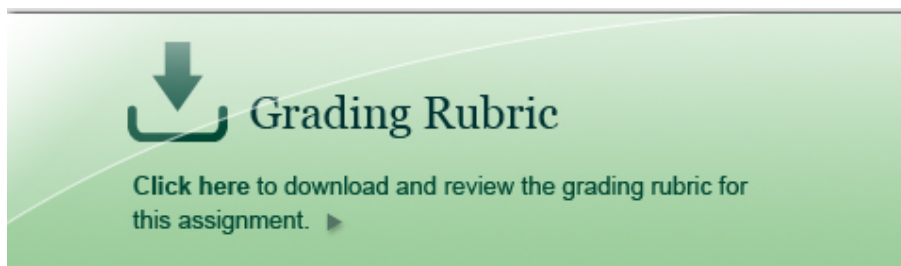
  - For all of the performance factors other than quality and cost, create a set of 4–6 performance measures for evaluating your managers that integrates IKEA's values (economic, social, and environmental) as discussed in the article written by Edvardsson.
  - For each performance measure, identify one specific process measure that demonstrates how well these values are being upheld in the manufacturing activities including suppliers of the company.
  - Recommend how you would develop the workforce to *live* these values in the workplace. Suggest types of hiring, training, and performance management criteria that you will apply to the workforce.

Write a 6–8-page paper in Word format. Please use 3–7 scholarly articles in your research. Apply APA standards to citation of sources. Use the following file naming convention: LastnameFirstInitial\_M3\_A2.doc.

Then, develop a short 6–8-slide Power Point presentation (not including the title and reference slides) covering the same information. Include headings for each slide, and provide your talking points in the notes section to explain the content if the presentation is given verbally. Use the following file naming convention: LastnameFirstInitial\_M3\_A2.ppt.

By **Wednesday, May 1, 2013**, deliver your assignment to the **M3: Assignment 2 Dropbox**.

This assignment is worth 200 points and will be graded using a rubric. Download and read the rubric to understand the expectations.



### LASA 1 Grading Criteria

Assignment Component	Proficiency	Maximum Points
<b>Content Knowledge: Understanding</b>	Response incorporates analysis and synthesis of central concepts of the assigned topic.	
Communicates understanding of how to synthesize IKEA's marketing function to explain its target customers, products/services, market position, etc.	Response reflects understanding of the nature of the specific topic within the discipline	36

and its applications in contemporary times.

Response provides necessary details and specific examples.

**Content Knowledge: Application Component 1**

Communicates the ability to synthesize IKEA's three sources of value in its value chain to explain its relation to wants and needs of customers, value proposition, and focus of customer value in its supply chain.

Response demonstrates a working command of the disciplinary content knowledge.

Response examines the specific issue within the context of the topic area using relevant details and examples.

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Response analyzes the specific aspect of the issue to applicable areas within the discipline and their relevance to real-world contexts.

Response is adequately supported by current and relevant literature.

**Content Knowledge: Application Component 2**

Communicates the ability to synthesize data to explain IKEA's intangible products and benefits, how other firms employ intangibles and how it might be used to increase profits.

Response demonstrates a working command of the disciplinary content knowledge.

Response examines the specific issue within the context of the topic area using relevant details and examples.

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Response analyzes the specific aspect of the issue to applicable areas within the discipline and their relevance to real-world contexts.

Response is supported by current and relevant literature.

**Content Knowledge: Application Component 3**

Communicates the ability to synthesize data to explain IKEA's approach of how customers are stakeholders, how this may maximize profits, how it is at odds with supply and demand economics, and why.

Response demonstrates a working command of the disciplinary content knowledge.

Response examines the specific issue within the context of the topic area using relevant details and examples.

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Response analyzes the specific aspect of the issue to applicable areas within the discipline and their relevance to real-world contexts.

	Response is adequately supported by current and relevant literature.	
<b>Content Knowledge: Application Component 4</b>	Response demonstrates a working command of the disciplinary content knowledge.	
Communicates the ability to synthesize data to create a set of 4–6 performance measures for evaluating managers that integrate with IKEA’s values, and explain how you would implement them in the workplace.	Response examines the specific issue within the context of the topic area using relevant details and examples.	
	Response analyzes the specific aspect of the issue to applicable areas within the discipline and their relevance to real-world contexts.	48
	Response is supported by current and relevant literature.	
<b>Written Communication/ Personal Effectiveness</b>	Writing is concise and clear in content, language use, grammar, organization, and sentence structure.	
Conveys through written word understanding and application of an understanding and application by delivery of a report identifying the three most promising avenues for achieving best practices within the company.	Writing is free of major grammatical and usage errors.	10
<b>Oral Communication/ Personal Effectiveness</b>	Presentation is concise with a logical flow of thought.	
Conveys through oral communication, such as a PowerPoint presentation, an understanding and application delivery of a report identifying the three most promising avenues for achieving best practices within the company.	Content includes clearly articulated key points that are free of major errors.	10
	Presentation is visually appealing and addresses audience considerations adequately.	
<b>Total:</b>		<b>200</b>

**For assistance with any problems you may have when completing this assignment—OR—to offer your assistance to classmates, please use the Problems and Solutions Discussion area located through the left side navigation link.**