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DEPARTMENT OF SOCIAL PSYCHOLOGY

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The Case

IKEA is one of the leading companies to have incorporated environmental sustainability into its business strategy. They have invested 2.1 billion euros in producing renewable energy with the ultimate goal of making clean energy available and affordable. In April 2016, IKEA, in partnership with Solarcentury, launched 'solar shops', giving customers a chance to install photovoltaic cells (PVCs) in their homes. These shops aim to guide customers from planning and purchasing, to fitting and maintaining PVC at the lowest possible cost. However, IKEA's efforts toward selling PVC are limited. This, combined with the fact that there exists an attitude-behaviour gap amongst pro-environmental consumers (Carrington et al., 2010), greatly reduces the likelihood of the solar shops attracting many customers. Therefore, the objective of this essay is to address recommendations to IKEA's CEO so that the company can increase its sales, and thus revenue, in their solar shops. This would also considerably benefit the environment, because the reliance on fossil fuels for electricity could be greatly reduced by incorporating clean energy into UK households.

Memorandum

Dear Mr Agnefjäll,

I would like to congratulate you on the highly commendable environmental sustainability efforts of your company. You are considered one of the greenest brands in the business, making your home products not just economical, but also pro-environmental. Your solar shops initiative is admirable, as it is an important step towards increasing renewable energy usage in the UK and fighting climate change.

However, there is a lack of public mobilization around the use of solar energy in the UK, and many more households need to be encouraged to adopt it. IKEA is in a prime position to act as a significant facilitator in the transition from conventional sources of energy to solar power. By encouraging more people to adopt solar energy, your company can not only generate more revenue, but also become a leading brand in environmental sustainability.

I hope to contribute by providing recommendations aimed at increasing sales of PVCs in your solar shops. Following are some of the barriers I have identified, which need to be dealt with to facilitate this process.

1. You provide detailed information and guidance about PVC installation on your website and in solar shops. However, this is insufficient as only a very limited number of consumers are exposed to these channels.
2. There is a lack of awareness around the economic and environmental benefits of PVC installation (Hirst & Brown, 1990).
3. Many customers might perceive that the costs (money and effort) of installing PVC outweigh the benefits (pro-environment). Therefore, they need to be provided with additional incentives.
4. People are habitualized to use conventional sources of energy and are resistant to change, as Griskevicius, Van den Bergh, & Tybur (2010) correctly pointed out “people are notoriously reluctant to change familiar patterns of behavior, and making a switch to green behaviors often necessitates making sacrifices” (p. 393).

What follows is a summary of the recommendations I provide to tackle these problems, along with the theoretical basis for these recommendations.

Problem area	Recommendation	Theoretical Underpinnings
Lack of information about IKEAs solar shops in the public sphere	Media Campaign - Celebrity endorsement - Persuasive informative messages - Consumer Profiling	- Literature on persuasion - Dual processing models (e.g. Petty Caccioppo, 1986)
Lack of awareness of economic and environmental benefits of solar energy		
Lack of incentives beyond pro-environmentalism	A green identity for the consumer - A “green home owner” trophy - Green leaf pins - The green wall of fame	- Extended self theory (Belk, 1988) - Sense of community (McMillan & Chavis, 1986) - Costly signalling (Griskevicius, Tybur, & Van der Burgh, 2010)
Energy use habits resistant to change	The gift of solar power	- Gift giving (Belk, 1988) - Windows of opportunity for sustainable change intervention (Schafer, Jager-Erben, & Bamberg, 2011)

Initiate a Targeted Media Campaign - Cultivate a Green Brand Identity

IKEA’s website efficiently communicates that IKEA has made PVC installation technically simple and affordable, but this message needs to be communicated to a wider audience. Therefore, I recommend a media campaign where IKEA’s solar shops are advertised, and IKEA’s effort to make all products environmentally sustainable is communicated.

1. You should produce targeted materials for different consumer groups. For example, there is a growing niche of millennials who are looking to lead more sustainable lives through various ways, such as going vegan, buying sustainable products, etc. For this consumer profile, digital materials emphasizing environmental sustainability are likely to be effective. Conversely, for older long-time homeowners, TV

advertisements emphasizing the cost effectiveness of the product are likely to be more successful.

2. Get an environmentally conscious celebrity, such as Leonardo DiCaprio, who powered the sets of his movies with solar power, to endorse the solar shops. Seeing a high profile individual associated with the brand can enhance the audience's attention on the advertisement, and thus on the product. It can lead consumers to perceive that by buying the product, some of the qualities of the celebrity will be transferred to them. It is also likely that celebrities who are very passionate about the environment will not charge exorbitant amounts of money to endorse solar energy, thus reducing production costs of advertisements.
3. Include information in the advertisements in the form of simple statistics such as how much money the consumers can save, and to what extent they can reduce their carbon footprint. This information can be creatively put forth with persuasive messages such as "installing solar panels is like planting 55 trees in your back garden" or "with solar power, you can save enough money to take an extra holiday every year." Emphasis should also be put on how PVCs make people not just consumers, but also producers of energy, and how they are creating electricity not for just themselves, but also their community. This information can make consumers perceive themselves as part of a large prosocial and pro-environmental community.

Such informational videos should have a strong online presence, especially on social media platforms. An advertising campaign centred around solar energy can play a significant role in enhancing the sale of IKEA's solar panels, because by linking the brand name with solar energy through advertisements, people will recall and choose IKEA whenever they decide to buy solar panels.

Giving the Consumer a Green Identity

To reward a customer's significant investment in PVCs, they should be presented with a small personalized trophy that labels them as a 'green home owner'. IKEA should also design small green leaf pins (to be put on clothing) and give them to all customers who invest in PVCs. These tokens will serve to validate consumers as environmentally conscious citizens who are taking a step towards fighting climate change. In today's day and age, many people are clamouring to engage in environmentally conscious behaviours, or signal to others that they are a part of the environmental sustainability movement, and these green tokens can provide this opportunity. The trophy and the leaf pin will also provide a common thread to all

individuals associated with IKEA's solar initiative and enable the formation of a "Sustainable IKEA" community.

Moreover, IKEA should build a "Green Wall of Fame" in all of their stores, where names of those who have crossed a certain level of solar power production (in terms of kwh) should be put up. Doing so can create healthy competition in communities and encourage buying of PVCs.

The Gift of Solar Power

Installation of PVC is likely to be a big investment for most people. Moreover, people who have owned homes for many years are unlikely to disrupt their habits and comfort to install PVCs. Therefore, I recommend to initiate the campaign "the gift of solar power", where people can sponsor PVC installation for their loved ones, especially during life transition events. For example, parents can gift their children PVCs for their weddings, or when they move to a new home or a new city; children can gift their parents when they retire; friends can collectively gift someone on special occasions, and so on. During important life events such as weddings or retirement, people are already in the process of change, and thus more likely to be receptive towards installing PVCs. IKEA can encourage this through the media campaign and by offering discounts when solar energy is given as a gift.

I am certain that IKEA can play a significant role in making solar energy a norm in the UK. In this regard, I hope that you will find these recommendations helpful and consider using them to boost sales and enhance your image as an environmentally sustainable company.

Yours Sincerely,

XYZ

Theoretical Justifications

Boltanski and Thevenot (1987) proposed 'economies of worth' in relation to how people justify their actions, and how these justifications can take different forms. From this arises the idea of alternative currencies in interactions. In the current problem that is being addressed, multiple stakeholders have a role to play: the prospective consumers, IKEA, Solarcentury, and the government. Each of these stakeholders operates with different motives, and wants to be rewarded in unique currencies. However, in alignment with the objective of the memorandum, I limit the discussion to the prospective consumers, as the recommendations are targeted towards them.

It is important to reflect on the meaning of change that PVC installation will bring into the consumer's life, and the hardships they will face because of it (Schafer, Jaeger-Erben, & Bamberg, 2012). Consumers are motivated to resist change because a change in energy source implies a change in routine. Therefore, currencies other than money and environmental responsibility need to be introduced in the transaction between consumers and IKEA to make this transition of energy source easy and more likely. This what the recommendations aim to do. In this process, IKEA will also be able to increase its sales revenue, and promote its image as an environmentally sustainable brand.

Initiate a Media Campaign

Advertisements are an important tool for information dissemination and persuasion (Santilli, 1983) and advertisements with a social dimension (such as pro-environment advertisements) lead to positive purchase intentions (Drumright, 1996). Through the proposed advertisements, the goal is to create a green identity for IKEA, which can positively influence attitudes toward the brand (Hartmann et al., 2005).

The persuasive power of advertisements lies in how their content is processed. The processing of information can occur in two ways: a) through system 1 or peripheral cues, which process information automatically and quickly; and b) through system 2 or the central route, which process information slowly, in-depth, and with effort (e.g. Kahneman, 2011; Evans, 2003). These systems determine the extent and process of persuasion and attitude change (Samson & Voyer, 2012). According to Petty and Cacioppo's (1986) elaboration-likelihood model, in an advertisement, the viewers will either process peripheral cues (S1) such as attractiveness of the source, expert authority, or emotional appeals; or take the central route (S2) to elaborate and assess the quality of an argument. Whether they take the

peripheral route or the central route will depend on internal dispositions and situational factors. Therefore, the incorporation of a celebrity and simple statistical and persuasive informational messages such as “installing solar panels equals planting 55 trees in your back garden” into an advertisement will cater to both peripheral processing and central processing, leading to greater chance of a wide variety of people being persuaded. Using a celebrity who is already linked with climate change advocacy provides an additional advantage. This will make the source of information more credible and attractive and will also enable the transfer of cultural meanings from the celebrity to the product (Erdogan, 1999). This way, the consumer will be better able to relate to the product.

The fact that consumers will become producers of electricity should be emphasized in the media campaign. Devine-Wright & Devine-Wright (2005) envision a shift from demand-side management of electricity in the UK to demand-side participation. Therefore, demand-side participation in the distributed generation of electricity in neighbourhood communities should be promoted through the media campaign. This can attract consumers because being part of a distributed network can elevate a sense of agency, make the consumer a ‘prosumer’, and also increase overall customer satisfaction (Bendapudi & Leone, 2003).

For media campaigns to be successful, it is important that they are created to cater to targeted consumers. Market segmentation is already a common practice and it helps to make marketing campaigns more effective in a highly diverse world (Gunter & Furnham, 1992). Personality variables and attitudes towards the environment play an important role in shaping how a consumer will perceive green marketing (Balderjahn, 1988). Thus, while designing media campaigns, it is important to differentiate between consumers who will be more receptive to adopting green practices and making a big change in their lifestyle, compared to those who probably would not.

Giving the Consumer a Green Identity

According to Belk (1988), we are what we have and possess. A house in this respect is not a mere commodity, but rather a possession that is attached with meaning, and is linked to one’s identity. We invest “psychic energy” into a house by directing our efforts, time, and attention to it, making a house into a home in this process (Csikszentmihalyi & Rochberg-Halton, 1981). Thus, labelling the home as green translates the quality of the house onto the owner. By obtaining a trophy of a green homeowner, the customer receives validation as a

person who cares about the environment. Additionally, the trophy becomes a symbol, reminding the homeowner of the green qualities of their home, which extends to their person.

The trophy and the green leaf pin can also help in the formation of a “Sustainable IKEA” community. McMillan and Chavis (1986) believe symbols to be an important aspect of community membership. Symbols act to bind a community together by performing an integrative function and signalling solidarity. Communities can play an important role in the legacy of brands (Muniz & O’Guinn, 2001), and members of the community can provide each other with support and encouragement for sustainable practices. The discussion on brand communities warrants elaboration, but due to the limited scope of this essay, it will not be discussed here.

Further, the trophy and the green pin can enable people to signal to their social circle and neighbourhood community that they are participating in a movement towards clean energy. Buying green products is a form of costly signalling because individuals convey that they are altruistic and prosocial and even willing to incur a cost for the good of the community (Griskevicius, Tybur, & Van der Burgh, 2010). This occurs because green products such as PVCs are usually more expensive than non-green alternatives. However, this costly signalling leads to a prosocial reputation and status enhancement (Willer, 2009). A good reputation and status becomes more valuable than money because it provides symbolic capital that can be used to expand wealth and access (Bourdieu, 1977). Therefore, the trophy, the green pin, and the green wall of fame introduce status competition into the PVC market, which can be used to increase pro-environmental buying (Grisvicius, Tybur, & Van den Burgh, 2010).

The recipients of the signalling behaviour can play a crucial role by inducing a snowball effect, wherein a greater number of households can be influenced to adopt solar energy. This can possibly lead to the use of renewable energy becoming a social norm in the near future.

The Gift of Solar Power

Gifts are a special form of social and economic exchange. Gifts from important others become symbols of the giver, thus adding sentimental value to the gift (Rochberg-Halton, 1986). The giver involves the recipient in their extend self through the process of gift-giving (Belk, 1988), and in some ways, gift-giving involves the acceptance of the identity of the

giver by the receiver (Schwartz, 1967). Therefore, the gift of solar power is something useful and special in terms of its environmental relevance, and, at the same time, has sentimental value, because it provides a means for extending the self (Belk, 1988). In this exchange, renewable energy will be valued not just because it is good for the environment, but also because it is linked to a loved one. The currencies involved, then, will not just be money and environmental responsibility, but also love and sentimental value.

Other than the gift-giving aspect, the point in the life cycle when the gift is given is crucial for the success of this recommendation. During special life events such as weddings, retirement, and relocation, individuals are already in the process of modifying behavioural routines. Therefore, these “windows of opportunity” are ideal for introducing new sustainable aspects, such as solar energy, in people’s lifestyle (Schafer, Jager-Erben, & Bamberg, 2011). This is because gifts will be given in a situation where people are already in transition and dealing with a new environment and lifestyle, and thus they will be more receptive to new things. Verplanken and Wood (2006) commented that to change habitual behaviours, the focus should be on changing the environmental factors that facilitate and maintain these habits. Therefore, changes in the physical environment (e.g. relocation to a new house) and the social environment (eg. new neighbours, friends who have adopted the same lifestyle) can be good opportunities to change habits around energy usage (Verplanken & Wood, 2006). However, these windows of opportunity are only open a short time before and after the life transition event (Schafer et al., 2011; Verplanken & Wood, 2006). Putting this concept in the frame of Lewin’s (1947) model of social change, in these life events, old habits automatically “unfreeze” during life transition events; conventional energy source can thus be “changed” to solar energy; and finally the new energy source “freezes”, as a new routine is developed.

Limitations and Conclusion

The recommendations are intended to enable IKEA to make solar power more appealing to its customers. This has been done by introducing new currencies with which the consumer is rewarded, which are summarized below.

Recommendation	Currency Introduced
A media campaign	- Information - Agency through participation in a distributed network - A new relationship with the product mediated by the celebrity's identity
Cultivating a green identity	- Perception of self as a pro-green individual - A sense of community - Reputation and status
The gift of solar power	- Love, care, and sentimental value

Some evidence has been found that individuals who have strong environmental concerns are more likely to engage in pro-environmental behaviours (Bamberg, 2003). Therefore, the given recommendations are likely to be most effective for individuals that have at least some interest in environmental conservation. It is hard to imagine how they will impact individuals without any concern for the environment in the absence of empirical evidence. However, attempts have been made to make the recommendations as inclusive as possible. Communities, especially neighbourhood communities, can play an important role and can act as settings for the propagation of solar energy. However, their role has not been discussed here due to the limited scope of this essay.

In conclusion, these recommendations attempt to change the representation of solar energy from something inaccessible to something accessible, and make PVC installation a norm in the UK.

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