The effects of Ikea and external shopping centers on regional trade and retail growth
A comparative analysis of Ikea’s establishment in Kalmar and Karlstad

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Summary

Title: The effects of IKEA and out-of-town shopping centers on regional trade and retail growth
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Abstract
This paper examines the effects of Ikea store establishment in Kalmar and Karlstad on the trade and retail inside the two cities, and as well on the trade and retail in the close neighboring municipalities and in further peripheral municipalities in both regions. After the establishment of Ikea store, Kalmar and Karlstad have experienced significant growth in trade and retail. The question, however, is how big this growth is in both cities? And how different locations on different distances from Ikea have been affected? What impact there was on different segments of the retail? How different business branches have been affected? How large the catchment area for the emerging new large-scale retail locations is? These questions, in addition to few others, are investigated in this paper.

The thesis starts with an introduction chapter containing a background of the topic, problem description, the investigated questions, the purpose, and the outline of the paper. The next chapter includes the frame of reference which consists of literature review and theoretical framework about the external shopping centers and their impact on retail and regional trade development. It includes also information gathered from previous studies technical reports and other available sources about the subject. The third chapter includes description for the methods used to collect the primary and secondary data needed for the purpose of this study. Then the empirical framework which demonstrates the results of the conducted research followed by analysis and concluded in discussion and conclusion. Mixed methods are used as research strategy in this thesis, and the method to conduct the research is based on telephone interviews for the primary (qualitative) data, and documents and desk research for the secondary (quantitative) data. The gathered data is analyzed and designed in a way that allows the usage of comparative analysis technique to present the findings and draw conclusions.

The results showed that new established Ikea retail store outside the city boundaries results with many effects on the city center and on the neighboring municipalities as well. The city center seems not to be affected negatively, but on the contrary positive effects were witnessed in both regions, these positive effects are linked to the increase inflow of customers from the external retail area which is known as spillover effect.
On the other hand, the neighboring towns and municipalities are more negatively affected especially with the trade of con-convenience goods as the consumers in these towns and municipalities start to go to the area of Ikea and the large external retail center to do their purchasing, the substitution effect is then said to be occurred. Moreover, the further far municipalities do not seem to be significantly affected by the establishment of Ikea. These effects whether positive or negative could be monitored by looking to few trade parameters such as the turnover, the sales index, and the consumers’ expenditure, these parameters can be very useful to measure the developments and changes in the trade and retail in a given place.
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1. Introduction

This chapter includes a background for the subject of this thesis, which is how newly established external retail store or center can affect the retail trade and growth in the city center and in the surrounding municipalities, this chapter also includes problem description and the thesis questions, the purpose of the thesis, and the outline of the paper.

1.1 Background

The latest decades revealed that in the highly competitive marketplace, such as the one we have today, external shopping centers are playing an important role in the trade in general and the retail industry in particular; this is not limited to specific part of the world, however, it is more evident in the industrialized countries.

The economy of scale and the rapid transition of the society towards a more consumption-oriented one, have contributed to the rise of the concept of the out-of town shopping as an alternative to the conventional high street shopping or shopping in city center. As a result to this development, a shift from down town and high street shopping towards external and large-scale retail locations outside cities and urban areas have been a common phenomenon from the 1960s in many industrialized countries. In France, the out of town shopping centers took over the retail market. The same development took place in the United States, from the 1960s on, city centers have lost their market dominance to the favor of the emerging cheaper and easily accessible locations outside city boundary (Gorter, Nijkamp & Klamer 2003).

This trend became evident in Sweden which has also experienced this shift in the location of shopping. Today, several external shopping centers can be found out of the main cities in the country; moreover, most of the mid-sized municipalities today have external shopping centers, mainly at the boundary of the central place in the municipality Bergström (2002).

The changes were not limited to the location of the retail stores but also to the number of stores which became fewer, and the size of stores which became larger, Svedström & Holm (2004)

Despite the major contribution of the external shopping centers to the retail sector in today’s economy; and the essential role they play in the economic growth and development both on nationwide and regional level, there have been long debate of unwelcome effects
on different locations around them. For instance, a vibrant and competitive marketplace is a necessity for sustainable economy for city centers, as this marketplace provides not only goods and services but also it is considered as place for hangout, shopping, and amusement. Therefore strong trade inside the city center is essential.

The relation between out of town shopping centers and the shopping in city center has been a subject of dozens of scientific studies, empirical researches, technical reports, and academic papers. One of the most debated topics in this field is the possible impacts of out of town shopping centers on the trade inside the city, and whether these impacts, if any, are negative or positive.

According to (Gorter, Nijkamp & Klamer 2003), the city centers in France have been suffering from the dominance of the out of town shopping centers on retail sector. The result was that small-scale retail businesses have been crowded out of city centers. In Sweden, however, the out of town shopping centers are not likely to represent a threat for the trade inside the city center; nonetheless, they have been a danger for shops outside the city boundary according to Bergström (1999).

The effects of external shopping center on the neighboring municipalities were also the focus of many researches and investigations. One of the most recent studies in Sweden was done by Handelsn Utredningsinstitut (HUI) in 2009; the results showed that there are significant effects of external shopping centers on the towns and municipalities within the catchment area of the external shopping center. Moreover, the report illustrated the variation of the impact on different municipalities according to their distance from the external shopping center, as well as according to their size, furthermore, the variation between the effects on the trade of convenience goods and non-convenience goods (Rosén & Rämme 2009).

The structure of the external shopping center is, to a great extent, a result of its location in rural area on the city’s boundary, in other words, the large retail area allows the establishment of super mega stores measured in tens of thousands of square meters, alongside an attractive mix of shops with a wide assortment of goods, in addition to higher accessibility, plenty of parking places, and other facilities for consumers. HUI, (2005).

Many external shopping centers in Sweden have emerged following to an establishment of a mega store of large retail firm; the best example of such firm is the furniture giant Ikea.
The establishment of a giant department store in the size and name of Ikea attracts both businesses and customers and give the marketplace considerable move forward. The recently established Ikea stores in Kalmar and Karlstad fall under this category. In Kalmar, the establishment of Ikea store in 2006 led to a rapid expansion of Hansa City which is today one of the most vibrant shopping centers in the country with more than 90,000 m² of retail area, and a comprehensive mix of large retail players such as City Gross, Elgiganten, MediaMarkt, Bauhaus and many others. Bergvik outside Karlstad also developed extensively after the establishment of Ikea store in 2007, today the total retail area exceeds 54,000 m² and many hypermarkets and large stores are present in the area.

Both regions in Kalmar and Karlstad have experienced a boost in the trade and retail sector after the establishment of Ikea, and therefore it was interesting to study the consequences and impact of the furniture giant on the trade and retail in these regions, and to investigate how these effects were seen by the local authorities in different places within the region around Ikea.

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1 Kalmar Kommun [Internet] a. 2010.12.24
1.2 Thesis problem and questions

The thesis demonstrates a qualitative and quantitative data that are used to illustrate the impact of Ikea on trade and retail development in Kalmar and Karlstad and the surrounding region, the aim is to provide an overview of the changes that took place in the two regions where Ikea has established its store. The questions addressed in this study are:

- How the trade and retail in different locations on different distances from Ikea have been affected by Ikea establishment?
- What impact Ikea establishment has on different segments of the retail?
- How different business branches have been affected by Ikea establishment?
- How consumers’ expenditure in the region has been affected by Ikea establishment?
- How large the catchment area for the emerging retail location around Ikea is?

1.3 limitations

The study is limited to Ikea effects on Kalmar and Karlstad and the municipalities in the region around these two places. The limitation to the two regions of Kalmar and Karlstad is due to the fact that they are the places where Ikea has established the most recent department store in 2006 and 2007 respectively, so the changes under investigation covers a period of few recent years. Another limitation is related to the time available for a bachelor thesis which is relatively short; a similar study could include other places with recent Ikea establishment, e.g. Haparanda, if more time is available.

1.4 Purpose

The purpose of this paper is to investigate the effects of Ikea establishment in Kalmar and Karlstad on the retail and trade, businesses and firms, and as well on the consumers and their expenditure, and to draw a picture of the occurred changes in the trade and retail in the areas subject to investigation, and furthermore to use the comparative analysis to illustrate the differences and or similarities of these effects on different places in the region around Ikea.
1.5 Outline

Chapter 1 Introduction
This chapter includes a background for the subject of this thesis, which is how the establishment of external shopping center can affect the retail trade and growth in the city center and in the surrounding municipalities, this chapter also includes problem description and the thesis questions, the purpose of the thesis, and the outline of the paper.

Chapter 2 Theoretical framework
This chapter includes theoretical approach and the frame of reference which encompasses literature review of articles and previous studies on external shopping centers and their effect on regional retail and trade. The theoretical framework provides the basis for the thesis empirical research part.

Chapter 3 Methodology
This chapter introduces the strategy and methods used to collect the qualitative and quantitative data, also it describes the way the empirical work has been done, and as well the comparative analysis method used in this thesis.

Chapter 4 Empirical framework
In this chapter the empirical facts and results generated from the fieldwork is presented in a structured way in order to be analyzed and interpreted in next chapter.

Chapter 5 Analysis
In this chapter the results of the empirical work are analyzed by using the comparative analysis.

Chapter 6 Conclusion and Discussions
This chapter provides a feedback to the stated purpose of this thesis, and includes conclusions and discussions of the results from the previous chapter.
2. Theoretical framework

This chapter includes theoretical approach and the frame of reference which encompasses literature review of articles and previous studies on external shopping centers and their effect on regional retail and trade. The theoretical framework provides the basis for the thesis empirical research part.

2.1 Literature review

Questions concerning retail and trade growth can be viewed from different theoretical perspectives. The materials used in this thesis are literatures on external shopping centers, their development, structure, and characteristics, and how they influence the trade and retail growth in the city center and in the surrounding areas as well. The theory shows what impacts an emerging out of town shopping center has on different aspects of trade and retail.

2.1.1 The raise of external shopping centers

Sweden has witnessed the emergence of the earliest external large-scale retail areas in the 1970s; this was mainly the results of two main sets of factors; the first is related to changing in legislations concerning trade, traffic, and environment inside the cities, and the second set of factors is the increasing consumption trend, the increasing mobility of consumers, (Bergström, Löwlund & Nygren 1999)

Today, the external shopping centers are dominating the retail business in most big and medium sized cities, and the expansion that started in southern regions of the country started to extend towards the northern part, both in large and small municipalities. Many of these external shopping centers emerged in already existing retail locations, few others, however, were constructed in new sites. The indications show that the development of the external shopping centers is going on and their number will continue to increase, Svedström & Holm (2004).

The evident success of the external shopping centers is basically linked to their high capabilities to attract huge number of customers by offering different consumer-friendly facilities, parking places, competitive prices, and large mix of shops with wide range of
products and offering assortments, all that in addition to giving the consumers the opportunity to do all their purchases in one place in one time. (Bergström 2000)

2.1.2 External shopping centers attracts firms

The attractiveness of the external shopping centers for consumers led to another kind of attractiveness for businesses. Retail firms from different sizes and branches are competing today to secure a place in a vibrant external retail area.

The strategy adopted by many large companies in choosing locations for a new retail store depends in the first place on the economic and business opportunities in that location. However, other factors can be considered as important when such a decision has to be taken. Among these factors is the population size and growth in the area, local authorities regulations and legislations, and the investment environment and facilities provided by the official authorities e.g. towns councils and municipalities.

The retail firm’s decision of establishing a new business in a certain area, according to Daunfeldt (2002) is determined by several factors, two of them are named to be the most important, the market size, and the population density. Accordingly, the larger and more populated markets increase the possibilities of new firms to establish their business there.

The transportation system and infrastructure with good communication and movement facilities, in addition to few other factors, are also considered by firms when it comes to make a decision about the choice of establishment location.

Bergström et al (2004), described the term (A location), which is the first-class location for a firm to establish a business, the investigations illustrated the reasons behind the concentration of trade in (A locations), the study shows that the advantages of the wide range of shops and goods in attracting more customers to the firm outweigh the disadvantage of the possible competition in the places where companies are co-located. The authors also distinguished between the effect of competitive situation in the retail place on the large companies with many branches in the market, which can easily cope with this situation, and on the smaller firms, which can be negatively affected and therefore they are more likely to choose smaller towns to establish their stores.

From a business perspective, the attractiveness of a place depends on the overall possibilities and opportunities that this place can offer to the firm. Central places, which are
the large cities or towns in a region, have an advantage in terms of attractiveness power towards firms and businesses when they have external shopping centers. On the other hand, the attractiveness power of a certain place is affected by attraction characteristics of the neighboring areas. Other factors that can affect the attractiveness of a certain place are the population growth, transportation cost, and the range of goods and services available. Generally, firms in external shopping centers tend to be located in clusters, which create a compete and complement condition that results in more benefits for customers and more customers for firms. Baldwin & Wyplosz (2006) mentioned the clusters in the trade, which denotes the grouping of business and economic activities in a specific geographic area. Each new business establishment in the cluster area results in an increase in the variety of offering and the assortment available, and consequently leads to more attractiveness for customers to visit the area, and accordingly more firms are attracted to establish business in that place. There are, however, some factors that hinder the clustering, such as a high level of competition in the area, which might lead some firms to exit the business, or to discourage new entrants to come and establish their business in the retail area. The success of external shopping centers resulted in positive effects on the retail and trade in the area where these centers exist. This is certainly apparent by looking to the increase in different parameters such as, the sales indexes, turnover, total consumers’ expenditure, and number of start-ups, and above all the number of consumers. This applies to the area of the external shopping center; however, what are the effects on the neighboring city center, and the municipalities in the surroundings?

2.1.3 External shopping centers and their impact on city center

Many studies have shown that external shopping centers have noticeable effects on the trade of the city center. The Handelns Utredningsinstitut (HUI) has published the results of a study on a number of external shopping centers in different regions, the results shows that external shopping centers have a small negative impact on the trade in the city center (Bergström, Löwlund & Nygren 1999). Another similar conclusion was reached by Svedström & Holm (2004) who found that the city centers were negatively affected by the external shopping center, the declining in sales figures led to shops in down town to suffer and in some cases to close down. City centers end up with many empty properties due to
the difficulties of leasing premises caused by lack of interest from retail firms; hence, when all this occurs, the city center became less competitive against the external shopping center. On the other side, Bergström (2000) stated that external shopping centers can have a positive impact on the trade inside the city center where shops can benefit from the expansion caused by newly established external shopping center. The explanation for this is that external shopping centers attract consumers from different places in the surrounding region, and some of those customers decide to visit the city center to do some shopping, this is known as spillover effect which occurs when customers from other municipalities come to the city centers before or after visiting the external shopping center outside the city. (Rämme & Rosén 2008)

The spillover effect results in an increased competition between the outlets in the city center and the stores in the external shopping center and consequently the prices of goods become under pressure which leads it to decrease and consumers’ purchasing power to increase, and thereby the shops in the city center will benefit from the new situation which provides more customers with higher purchasing power, (Fölster & Bergström 2001).

2.1.4 External shopping centers and their impact on surrounding area

The effects of external shopping centers are not limited to the city center, stores outside the city in peripheral areas and surrounding towns are also facing increased competition for the purchasing power in the region from the external shopping centers. The study done by Handelns Utredningsinstitut (HUI) in (1999) showed that the shops outside the city borders are severely affected by the establishment of an external shopping center. These shops are suffering from the falling demand and less profitability because their customers started to do their shopping in the external shopping center, as a result some of these shops will end up quitting their business. This phenomenon is known as the crowding out effect (Fölster & Bergström 2001). In mot Swedish municipalities, small businesses outside the city and in neighboring small towns are facing a relatively more diminishing market share for the external shopping center comparing to the shops inside the city center. The crowding out effect results in a decline in the turnover for the small businesses that are located in peripheral places and do not have the capability to compete with a strong external shopping center in the neighborhood, (Rosén & Rämme 2009).
2.1.5 External shopping centers and their impact on neighboring municipalities

The marketplace for today’s consumers is not limited to the borders of the municipality where they live, the increasing mobility gave people the privilege to go on shopping trips and made them prepared to travel far to find the product they are looking for, this is particularly evident when it comes to purchasing of non-convenience goods. Central places and surrounding municipalities are therefore competing for the purchasing power in the region. Rosén & Rämme (2009) stated that consumers tend to travel longer distances to other neighboring municipalities to buy non-convenience goods. The study revealed that municipalities located close to a central place with external shopping center are more likely to lose part of the turnover of non-convenience goods for the favor of the central place. On the other hand, municipalities on a longer distance from the central place seem not to be affected that much. When it comes to convenience goods, consumers tend not to travel far to do their purchases, instead, they buy their needs from the marketplace in their residence area.

When consumers move their shopping from the municipality where they live to an external shopping center in the neighboring central place a negative impact on their home municipalities take place, this impact is called the substitution effect. The substitution effect results in lower turnover of businesses in places around the central place and in the surrounding municipalities, and at the same time increase it in the external shopping center. (Rosén & Rämme 2009)

The conclusion drawn from this chapter can be summarized in the following points.

Sweden has witnessed the emergence of external shopping centers from in the 1970s, those large-scale retail areas are dominating the retail business today.

The firm’s decision of the location where to establish a new business depends on several factors related to the area subject to evaluation. The population density and the size of the market seem to be the most important factors in addition to the transportation system and the communication facilities.

Firms tend to chose the location for its business in the so called (A location) which is preferred for its attractiveness for customers despite the possible high competition.
The retail trade has been more concentrated in out of town shopping centers near central places, large cities with relatively large population density, while smaller towns with poor population density are suffering from declining in the retail trade. These central places with external shopping centers have advantage of attracting firms to establish their business there. In the external shopping centers firms tend to co-locate in clusters where they compete and complete. The external shopping centers are good for the place where they exist; however, they have different effects on the neighboring city center, and the surrounding municipalities. They sometimes have positive effects on the city center via the spillover effect, and negatives effects on the neighboring area and surrounding municipalities through the substitution effect and the crowding out effect. Consumers are more mobile today are wiling to travel longer distances for purchasing of non-convenience goods, while, they tend to buy their needs of convenience goods locally.
3. Methodology

This methodology chapter describes the practical approach of this study. The chapter also provides a theoretical basis as well as empirical description of the methods used to collect primary and secondary data, data sources, sample selection, questionnaire design, and research implementation.

To achieve the purpose of the thesis, mixed methods are used as research strategy, and the method to conduct the research is based on telephone interviews for the primary (qualitative) data, and documents and desk research for the secondary (quantitative) data. The gathered data is analyzed and designed in a way that allows the usage of comparative analysis technique to present the findings and draw conclusions.

3.1 Research Strategy

The mixed methods strategy is used in this thesis; this strategy is applied due to the need of using qualitative and quantitative approaches to collect the data for this thesis. As well this strategy has been chosen because it helps coming with a more complete picture of the investigated topic, by enhancing the outcome of the fieldwork when using more than method. Moreover, using more than on method in one research generates a complementary data and alternative perspectives that allow the view of the subject under study in a more comprehensive way, Denscombe (2007).

Another reason for choosing the mixed methods as strategy is the privilege of developing the analysis of the data by contrasting the used methods and using one of the methods to build on what has been already learned by the use of the other method, in this way the mixed methods lead to the generate “further data” that can add new insights to the analysis.

The advantages of using the mixed methods strategy is that it helps to provide a more complete description of the subject by allowing the use of qualitative and quantitative methods as well as exploratory and explanatory research to produce data that can answer more questions than one single research approach can. The disadvantage of using the mixed methods in this thesis is the requirement of relatively long time for the research and data collection, Denscombe (2007).
3.2 Research Methods

The methods used to conduct the research are, desk (secondary) research and documents for the secondary (quantitative) data, and telephone interviews for the primary (qualitative) data.

3.2.1 The desk research (documents)

The desk research, also known as secondary research or documents, is a method of research involves gathering data from different sources such as existing research, published information, statistics, etc.

According to Denscombe (2007) documents can be alternative to questionnaire, interviews, or observations as a source of data. Documents as a research method can include government publications and official statistics, information from journals, textbooks, magazines, newspaper articles, and other printed materials, in addition to electronic materials from the internet.

The data collected in this thesis includes figures and numbers about the trade and retail in the municipalities under investigation covering a periods of 5 year from 2004 to 2008.

3.2.2 The secondary data

The gathered data and information illustrates the retail sector growth and development in Kalmar and Karlstad and the surrounding municipalities between 2004 and 2008, i.e. this data covers the retail development before and after IKEA establishment in both regions.

More specifically, the gathered data includes:

- Total retail turnover (2004 to 2008)
- Convenience goods turnover (2004 to 2008)
- Non-convenience goods turnover (2004 to 2008)
- Total retail sales index (2004 to 2008)
- Convenience goods sales index over (2004 to 2008)
- Non-convenience goods sales index (2004 to 2008)
- Consumers expenditure on total retail (2004 to 2008)
- Consumers expenditure on convenience goods (2004 to 2008)
- Consumers expenditure on non-convenience goods (2004 to 2008)
• Total start up firms (2004 to 2009)
• Total bankruptcies (2004 to 2009)

Furthermore, the secondary data included different information on Kalmar and Karlstad such as, demographics, shopping centers, competition, etc. in addition to a short brief on Ikea in both regions.

3.2.3 Sources of secondary data
The sources of the secondary data included books, articles and materials from the library at Dalarna university, university of Umeå, and Stockholm city library, information and materials from the internet, some material received from or recommended by the persons interviewed in the qualitative research.

The main three sources for the trade and retail statistics were
• Publications and reports from HUI (Handeln';s utredningsinstitut),
• Statistics and database of SCB (statistiska centralbyråns)
• Information from different sources and internet websites (data about start up firms and bankruptcies)

3.2.4 The interviews
The interviews are used as research method to collect straightforward information, interviews are particularly useful research method when the needed data is qualitative in nature such as individual opinions and personal judgments, and also because they produce privileged information if the informant is the right person to give in-depth valuable information that others can not, Denscombe (2007).

The choice of interview as a method of research in this thesis is based on the above mentioned reasons. The required data is of qualitative nature as it consists of opinions and judgments of persons who have high involvement in the subject under investigation and are expected to be able to provide valuable information that others can not.

The chosen method has its advantages as it allows measuring the impact of Ikea on the different locations, and on different aspects of trade and retail in these locations from the informants’ perspective. In other words, how the interviewed individuals assess the effects
of Ikea establishment in Kalmar and Karlstad on the trade and retail in the municipality where they work.

3.2.5 Sample selection
The informants interviewed in the qualitative research in this thesis are persons working with trade and growth in Kalmar and Karlstad municipalities, and in a number of selected neighboring municipalities. The interviewed persons are mostly employees in business units as business managers, business developers, and other similar positions.

The chosen sample for this research consisted of:

- Kalmar and Karlstad as (central place) in addition to eight municipalities in each region split up into two area groups based on their location from the central place
  - Primary area, municipalities bordering the central place within a distance between 20 and 60 km.
  - Secondary area, more far municipalities within a distance between 60 and 120 km.

The reason for this selection of Kalmar and Karlstad is to investigate what effects Ikea establishment outside these two cities has on the city centers. The reason of the selection of the other 16 municipalities and grouping them into two groups in primary and secondary area is to see what impact Ikea has on the group of places in the near and in the far neighborhood.

3.2.6 Questionnaire
The questionnaire used in this study is formed in a specific structure that helps the purpose of obtaining qualitative information from the interviewed persons. The questionnaire consists of 11 questions divided into 3 main sections, with 3 questions each, and another section with 2 questions.

There are two versions of the questionnaire with a minor difference between them, the first version is intended for the informants from Kalmar and Karlstad city, which includes questions on the effects of Ikea establishment on trade and retail inside the city. And the second version which is intended for the rest of the 16 neighboring municipalities includes questions on how Ikea affected the main town in the municipality.
In both versions of the questionnaire, each main section starts with an open question asking the informant to talk about his own assessment of the impact of IKEA on the area under investigation. After the open question comes directly a question asking the informant to rate the different attributes on a scale from 0 to 4 (rating question).

The open questions are used in order to make the informant tell his own assessment of the questioned point, and give the chance for him to provide what he thinks is valid in this regard. The reason behind using the rating questions is to help quantify the informant’s individual opinion and to enable illustrating the collected data of these questions in the form of charts.

The questionnaire covers

- The total retail and the retail of convenience and non-convenience goods
- The furniture and grocery branches
- The turnover of convenience and non-convenience goods
- The turnover of different retail branches
- The sales Index of convenience and non-convenience goods
- The number of new start-ups and bankruptcies
- Consumers expenditure on:
  - Total retail
  - Convenience goods
  - Non-convenience goods.
- The catchment area for the Kalmar and Karlstad trade

(Questionnaires are in appendixes 1 & 2)

### 3.2.7 The telephone interviews

The telephone interview is selected in this thesis as an alternative to the face to face interview, this is basically because telephone interviews are cheaper and quicker than other types of interviews, yet, they can generate the same outcome, and people in telephone interviews are as honest as they are in other types of interviews, face-to-face interviews for instance, Denscombe (2007).

The selected sample for this research are 18 municipalities in the region of Kalmar and Karlstad, and the potential informants are people working in local authorities in these
municipalities, the first alternative was to interview them face-to-face. However, this would take long time due to the long distances between the two regions and between municipalities within the same region, in addition to the difficulties of scheduling the planned interviews in a short period of time that fits the time limit of this research. For all these reasons the interviews were conducted using the telephone method. Letters headed with Dalarna University logo and signed from the supervisor and the project leader were sent to the targeted persons, the letters included a brief of the research and the required information, and the main points that will be covered during the interview. This is followed by sending emails to the persons in the business units in the selected municipalities who are the potential informants in this research, and a copy of the questionnaire was attached to each email. Based on the received replies to the emails, the interviews were scheduled and the sample was modified.

The interviews were conducted using the semi-structured approach, as this way of interview provides the interviewer with a certain degree of flexibility in terms of how deep he wants go through a specific question and gives him the possibility to emphasize on certain points and issues to get in-depth and detailed information. On the other hand the Semi-structured interview allows the respondent to develop ideas and speak more widely on the issues raised by the interviewer, Denscombe (2007).

3.3 The Comparative Analysis

The information gathered from the qualitative and the quantitative methods in this thesis are concerning the effects of Ikea establishment on the trade and retail in two deferent regions, therefore, it would be interesting to compare these effects between the two regions, and to see what differences and or similarities might exist.

The comparative analysis method is usually used to compare and contrast two things, which might be similar to each others or different from each others, to do so the researcher have to take data or elements from the two comparable things or subjects, and then to find the similarities and or difference between the characteristics of this data or elements and finally to use his findings to come up with meaning argument³.
3.3.1 The elements of the comparative analysis

The frame of reference for the comparative analysis in this paper is what impact the establishment of IKEA store has on Kalmar and Karlstad and the neighboring municipalities in both regions.

This paper, in the analysis part will be a classic compare-and-contrast paper; this is mainly because the two “things” under comparison, which are the effects of IKEA on the regions around Kalmar and Karlstad, are regarded as equal to each others from this research point of view.

The text-by-text scheme will be used to organize the body of the paper in the analysis section, and the grounds for comparison will be a number of points concerning few parameters and attributes of different trade and retail segments in different locations in the two regions, and the development and change of these parameters and attributes before and after the establishment of IKEA, in addition to the personal assessments of the informants for these points.

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3 Harvard, Faculty of Arts and Science [Internet] a. 2010.12.28
4. **Empirical framework**

In this chapter the results generated from the telephone interviews and from the desk research are presented in a structured way in order to be analyzed and interpreted in next chapter.

4.1 **The approach of data presentation**

The secondary (quantitative) data will be presented first. This data is identical in both regions of Kalmar and Karlstad, - in terms of the measured variables and time series -; moreover, the size of the data is rather big, therefore, the data will be only described and explained by examples.

The results of the Primary (qualitative) data gathered through telephone interviews will follow the secondary data, and will be presented by taking question-by-question for both regions together starting with Kalmar and then the same question for Karlstad follows.

4.2 **The secondary data**

The quantitative data is divided into two parts:

The first part consists of time series data tracing the values of important variables and parameters of the trade and retail in the municipalities included in this research over five years period from 2004 to 2008.

This data is mainly generated from the database of the SCB (statistiska centralbyråns) and from publications and reports from HUI (Handelns utredningsinstitut).

The measured variables include:

- The total turnover for the retail sector in the selected municipalities broken down into convenience and non-convenience goods.
- The sales index in the selected municipalities broken down into convenience and non-convenience goods.
- Total consumers’ expenditure on retail in the selected municipalities broken down into convenience and non-convenience goods.
- Number of start up firms and number of bankruptcies in the selected municipalities.

The reason behind gathering this data is to use it in the analysis of the retail and trade sector in the selected municipalities before and after Ikea establishment in each region, and
also to use it as a benchmark to create a more complete picture with the help of the qualitative data. Due to the numerical type of the quantitative data and its big size it will not be possible to present it here entirely in the form of tables, however, the data will be fully exploited in the analysis chapter.

The data will be plotted in diagrams showing the trend over time for every variable. Two different methods are used for every set of data.

The first method shows the values of each data series independent from the other series. The second method shows the growth of the measured variable over time with reference to a base year. The following two examples explain both concepts in presenting the data in diagrams:

**Example 1.**
In this example the consumers’ expenditure on non-convenience goods in different areas over the period between 2004 and 2008 measured in thousands Swedish crowns is illustrated. This diagram as well as all the quantitative data diagrams in this study contains a sign with the logo of Ikea to indicate the year of the establishment and to make it easy for the reader to distinguish the changes before and after Ikea.

**Example 2.**
This example shows the growth of the turnover of total retail over the time with reference to the base year (2004) which takes the value of 100.
The second part of the secondary data consists of information about trade and retail in Kalmar and Karlstad, as well as demographics, external retail areas, and a short brief on Ikea in both regions is also included in the collected data. This information is not pure numerical and it is basically gathered to be used as an introduction to the analysis of the qualitative and quantitative (numerical) data.

4.3 The Primary data

The main objective of the interviews was to see the effects of Ikea on the different locations from the informants’ perspective, and how they as employees in the local municipalities in these areas see these effects.

The results of the data gathered through telephone interviews will be presented here for both regions together question-by-question following the order of the questions as in the questionnaire, first the answer from Kalmar then the one from Karlstad.

4.3.1 Results from telephone interviews.

- **Question 1**: The informant was asked to give his assessment of how the establishment of Ikea has affected the trade in the municipality where the informant is working. The informant from Kalmar and Karlstad (central places) was asked about the effects of Ikea on the trade inside the city center.

The answers can be summarized in the following statements.

**Q1 Kalmar**

- **Impact on Kalmar city center**
  - There has been positive impact in almost all the shopping areas inside the city.
  - The informant has stated that there has been high inflow of customers from the neighboring municipalities, and large number of the customers of Ikea and Hansa City are coming to the city center.
  - Increase in the movement of customers and the traffic in and through the city, in addition to increase in the tourism in the city.
Since the establishment of Ikea and the expansion of Hansa City there has been increased interest from many firms to establish their business inside the city.

- **Impact on municipalities in the primary area**
  
The primary area in this region included, as mentioned before, only two municipalities, the two interviewed informants gave the following information about the impact of Ikea on their municipalities as they see it.

  - The establishment of Ikea resulted in a strong impact on the retail and trade in general; the impact was negative on the trade of non-convenience goods as many consumers from the primary area started to go to the large attractive retail area in Hansa City.
  
  - The source of the impact was, according to the informants, from Hansa city more than from Ikea, as this city has many large firms with an extensive collection of goods.
  
  - After 2 to 3 years the trade situation in this area started to recover.
  
  - On the long run, there have been new market opportunities for already existed firms.

- **Impact on municipalities in secondary area**
  
  - The increased traffic towards Kalmar contributed to the increase of convenience goods’ turnover.
  
  - In larger municipalities as Oskarshamn, there was significant negative effect on the turnover and sales index of non-convenience goods.
  
  - The effects used to be more significant at the beginning, now they are less.
  
  - In Vimmerby (120km from Kalmar) people started to go to Ikea in Kalmar instead of going to Ikea in Nyköping which is 100km away.

- **Q1 Karlstad**
  
  - **Impact on Karlstad city center**
  
    - There was immediate and direct positive effect, which took place since the announcement of Ikea’s establishment plan.
The city center has not lost much, as the major share of Bergvik and Ikea customers come from surrounding municipalities.

The city center managed the competition with the out of town shopping area in Bergvik despite price pressure effects and the attraction power of Ikea.

At the same time some customers of the external retail area tend to visit the city center.

Increased interest in establishments of firms from different branches and different sizes.

**Impact on municipalities in the primary area**

- Notable effect on the trade as customers from the primary area started to go to Bergvik to buy non-convenience goods and as well convenience goods.
- The wide range of shops and stores contributed to the movement of consumers to the large attractive shopping area in Bergvik
- Today the situation is more stable and the municipalities in this area started to recover.

**Impact on municipalities in secondary area**

- No significant impact was noticed in Arvika (73km), despite a slight outflow of customers.
- In Säffle (55km) some positive effects in general.
- Customers traveling to Karlstad from places beyond the secondary area, mostly customers from Norway, tend to stop on their way to do some shopping (mainly convenience goods) in this area.
- The uncertainties at the beginning led to a kind of impact on trade. However, this has disappeared soon.

**Question 2:** The informants were asked to use a scale from 0 to 4 (where 0 = no effects at all and 4 = very strong effects) to rate the effects of Ikea establishment on the trade in their location.

The given ratings are shown in the following tables.
### Q2 Kalmar

<table>
<thead>
<tr>
<th></th>
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<th></th>
</tr>
</thead>
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<td>1</td>
</tr>
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<tr>
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<td>2</td>
<td>0</td>
<td>1</td>
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<td>0</td>
</tr>
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<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Table 1: Informants’ ratings of the effects of Ikea establishment in Kalmar on different aspects of the trade in their municipalities by using a scale from 0 to 4 (where 0 = no effects at all and 4 = very strong effects).

### Q2 Karlstad

<table>
<thead>
<tr>
<th></th>
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<tbody>
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<td>0</td>
<td>0</td>
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</tr>
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<td>0</td>
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<td>1</td>
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<td>2</td>
<td>0</td>
<td>2</td>
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<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Sunne (70)</td>
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<td>1</td>
<td>2</td>
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<td>0</td>
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<td>0</td>
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</tr>
<tr>
<td>Arvika (73)</td>
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<td>1</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Hagfors (84)</td>
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<td>2</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Table 2: Informants’ ratings of the effects of Ikea establishment in Karlstad on different aspects of the trade in their municipalities by using a scale from 0 to 4 (where 0 = no effects at all and 4 = very strong effects).
• **Question 3**: The informants were asked to list the positive and negative effects of Ikea establishment in their region as they see it.

The positive / negative effects according to the informants were:

**Q3 Kalmar**

- **Kalmar city**
  - More customers and more consumption
  - Increase of total visitors to the city led to increase tourism
  - The city became a market for customers from new locations around
  - Increase

No negative effects were mentioned

- **Primary area**
  - Part of Kalmar visitors come to visit the area for tourism and partly for shopping
  - Recent recovery and increased interest from firms and businesses
  - Strong competition from the marketplace in Kalmar
  - Negative effects on selling of Non-convenience goods

- **Secondary area**
  - The traffic towards Kalmar led to slight increase in the trade
  - Small negative effect on the sales on non-convenience goods.

**Q3 Karlstad**

- **Karlstad city**
  - The overall trade went up
  - Increase in the customer base
  - Negative effects for small groceries in the city

- **Primary area**
  - Increase in the interest for new firms to open
  - Customers are going to Karlstad

- **Secondary area**
The traffic towards Kalmar led to slight increase in the trade.
- In weekends people go to Karlstad more than before both for shopping and for pleasure.

- **Question 4**: The informant was asked to give his assessment of how the establishment of Ikea has affected the firms and businesses in the municipality where the informant is working. The informant from Kalmar and Karlstad (central places) was asked about the effects of Ikea on the firms inside the city center.

### Q4 Kalmar

- **Impact on firms in Kalmar city center**
  - Increase in the number of establishments inside the city mainly from smaller firms, a “waiting list” has been created.
  - Firms benefit from the increasing number of visiting customers.
  - Increase in the turnover for almost all sectors.

- **Impact on firms in the municipalities in the primary area**
  - Strong negative effects resulting from the competition from the Hansa City and Ikea.
  - Became less attractive for new establishments

- **Impact on municipalities in secondary area**
  - No significant effects that can be linked to Ikea establishment were noticed.

### Q4 Karlstad

- **Impact on firms in Karlstad city center**
  - Small firms have been affected negatively especially groceries
  - Furniture firms have also been affected but positively as they have offerings that differ from Ikea’s

- **Impact on firms in the municipalities in the primary area**
Not much effects were noticed, however, companies selling non-convenience goods experienced decrease in turnover.

**Impact on municipalities in secondary area**

Positive effects were mentioned despite they were minor and could not be linked directly to Ikea itself.

**Question 5**: The informants were asked to use a scale from 0 to 4 (where 0 = no effects at all and 4 = very strong effects) to rate the effects of Ikea establishment on firms and businesses in their location.

The given ratings are shown in the following tables.

**Q5 Kalmar**

<table>
<thead>
<tr>
<th>Municipality</th>
<th>Impact on total number of bankruptcies</th>
<th>Impact on the turnover of all retail firms (overall)</th>
<th>Impact on the turnover of furniture firms</th>
<th>Impact on the turnover of firms selling household utensils</th>
<th>Impact on the turnover of firms selling glass, porcelain, and household goods</th>
<th>Impact on the turnover of hypermarkets (coop, willys, etc.)</th>
<th>Impact on the turnover of smaller groceries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kalmar city center</td>
<td>2</td>
<td>0</td>
<td>2</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>2</td>
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<td>1</td>
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<td>Mörbylånga (40)</td>
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</table>

Table 3: Informants’ ratings of the effects of Ikea establishment in Kalmar on firms and businesses in their municipalities by using a scale from 0 to 4 (where 0 = no effects at all and 4 = very strong effects)
Table 4 informants’ ratings of the effects of Ikea establishment in Karlstad on firms and businesses in their Municipalities by using a scale from 0 to 4 (where 0 = no effects at all and 4 = very strong effects)

<table>
<thead>
<tr>
<th>Municipality</th>
<th>Impact on total number of start-up firms</th>
<th>Impact on total number of bankruptcies</th>
<th>Impact on the turnover of all retail firms (overall)</th>
<th>Impact on the turnover of firms selling household utensils</th>
<th>Impact on the turnover of firms selling glass, porcelain, and household goods</th>
<th>Impact on the turnover of hypermarkets (coop, willys, etc.)</th>
<th>Impact on the turnover of smaller groceries</th>
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<tr>
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<td>Hagfors (84)</td>
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<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

**Question 6:** The informant was asked to mention if he has noticed firms that have moved to Kalmar/Karlstad after the establishment of Ikea.

**Q6 Kalmar**

The informant from Kalmar stated that many firms came to the city and opened new stores and branches but not moved entirely from municipalities in the region.

Informants from municipalities in primary and secondary stated that no such movement has been noticed.

**Q6 Karlstad**

The informant from Karlstad stated that firms selling non-convenience goods came from some neighboring towns when they found an opportunity.

Informants from municipalities in primary and secondary stated that no such movement has been noticed.
• **Question 7:** The informants were asked to use a scale from 0 to 4 (where 0 = no effects at all and 4 = very strong effects) to rate the effects of Ikea establishment on the consumers’ consumption / expenditure on retail in their location.

The given ratings are shown in the following tables.

### Q7 Kalmar

<table>
<thead>
<tr>
<th></th>
<th>Impact on the consumers’ expenditure on retail</th>
<th>Impact on the consumers’ expenditure on convenience goods</th>
<th>Impact on the consumers’ expenditure on non-convenience goods</th>
<th>Impact on the consumers’ expenditure in stores in city center</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Kalmar city center</strong></td>
<td>2</td>
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<td>Oskarshamn (75)</td>
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<td>Karlshkrona (91)</td>
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<td>Vimmerby (120)</td>
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</tr>
</tbody>
</table>

*Table 5 informants’ ratings of the effects of Ikea establishment in Kalmar on consumers’ expenditure on retail in their municipalities by using a scale from 0 to 4 (where 0 = no effects at all and 4 = very strong effects)*

### Q7 Karlstad

<table>
<thead>
<tr>
<th></th>
<th>Impact on the consumers’ expenditure on retail</th>
<th>Impact on the consumers’ expenditure on convenience goods</th>
<th>Impact on the consumers’ expenditure on non-convenience goods</th>
<th>Impact on the consumers’ expenditure in stores in city center</th>
</tr>
</thead>
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<tr>
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<td>Säffle (55)</td>
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<td>Sunne (70)</td>
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<td>Arvika (73)</td>
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<tr>
<td>Hagfors (84)</td>
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<td>1</td>
</tr>
</tbody>
</table>

*Table 6 informants’ ratings of the effects of Ikea establishment in Karlstad on consumers’ expenditure on retail in their municipalities by using a scale from 0 to 4 (where 0 = no effects at all and 4 = very strong effects)*
• **Question 8:** The informant was asked to mention how much is the percentage change of number of people who go / come to the central place to do their purchases:

**Q8 Kalmar**
Kalmar informant reported that the increase of the consumers who come from the surrounding region is between 50% and 60%.
In the primary area 20% was mentioned as the increase in number of customers who go to Kalmar to do their purchases.
In the secondary area the percentages were estimated to be between 5% and 15%.

**Q8 Karlstad**
Karlstad stated that the total increase in the number of consumers after Ikea establishment can be estimated around 60%, including 5% to 10% of customers from Norway.
In the primary and secondary area, the stated percentage change of the number of consumers who go to Karlstad for purchasing purposes is between 5% and 10%.

• **Question 9:** The informant was asked to mention how the purchasing power has been changed after the establishment of Ikea.

**Q9 Kalmar**
In Kalmar city it was mentioned that a positive change that means increased purchasing power but very slightly “might be around 5%”.
In primary and secondary area no changes have been stated.

**Q9 Karlstad**
In Karlstad city the purchasing power has increased but no percentage has been given by the informant.
No changes are stated in the primary and secondary area
**Question 10:** *this question differs between the questionnaire of the central place (Kalmar and Karlstad) and the questionnaire of the municipalities in primary and secondary area.*

**Question 10 (a) (Kalmar and Karlstad Questionnaire):** The informant was asked how large the catchment area of Ikea customers is.

**Q10 (a) Kalmar**
The informant stated that Ikea customers come from places at 100 km from Kalmar.

**Q10 (a) Karlstad**
The informant told that the catchment area today crosses the Norwegian border in the west and reaches Örebro County in the east and covers all Värmland County.

**Question 10 (b) (primary and secondary area):** informant was asked how the establishment of Ikea in Kalmar affected the unemployment in the municipality where the informant works.

**Q10 (b) Kalmar**
In the primary area informants stated that some people got jobs in Ikea. In the secondary area no effects could be linked to Ikea establishment.

**Q10 (b) Karlstad**
No major changes in municipalities in both primary and secondary area except some employment opportunities in Ikea for people from both areas.
**Question 11**: The informant was asked to mention the reasons that attract the customers to go Karlstad to do their purchases.

**Q11 Kalmar**
The most reason mentioned was the large and varied selection of shops, and then comes the prices; other reasons mentioned are the existence of shops that does not exist in the home place of the customer, the availability of restaurants and cafés, and the possibility to purchase all the needed goods on one trip in one place.

**Q11 Karlstad**
The large selection is also mentioned as the primary reason for consumers to go to Karlstad, however, for Norwegian customers price was mentioned as number one pulling factor. Several purchases in one time, and the longer opening hours especially in weekends were also mentioned among the reasons why customers go to Karlstad.
5. Analysis

In this chapter the results of the empirical work are analyzed by using the comparative analysis.

The comparison will take the text-by-text type, that is, all the points/elements of the first region (Kalmar) will be fully analyzed and discussed, and then all the points/elements of the second (Karlstad) region will be discussed and analyzed. The ground for the comparison will be based on the qualitative and quantitative data collected by the primary and secondary research described previously in this paper, the elements which will be the source of comparison are:

- Ikea establishment impact on the trade and total retail
- Ikea establishment impact on turnover (Total, convenience, and non-convenience goods)
- Ikea establishment impact on sales index.
- Ikea establishment impact on consumers’ expenditures (Total, convenience, and non-convenience goods)
- Ikea establishment impact on start-ups and bankruptcies
- Overall impact of Ikea on all municipalities
- Ikea catchment area

5.1 Kalmar

Introduction

The municipality of Kalmar has in the recent years experienced a shift from being an industrial area to a flourishing shopping and tourism destination. Today, trade and retail became more important for the region and contributed to the expansion of the city particularly after Ikea establishment in 2006⁴.

Ikea store was opened in June 2006 with a total store area of 24,500 square meters. The store had 2 million visitors in the year 2009. It is located outside Kalmar in the main retail area Hansa City on the E22 highway⁵.

⁴ Kalmar Kommun [Internet] a. 2010.12.24
⁵ Kalmar Kommun [Internet] a. 2010.12.24
Hansa City which is today the commercial heart of the whole region Emerged in 2007 after the establishment of Ikea, it has a shopping area of 90,000 square meters, many large retail firms are located within this large retail location, the city attracts people from places on 150 to 200 km distance from Kalmar. The catchement area covers many municipalities in and outside the county of Kalmar\(^6\).

**Primary research sample in Kalmar**

<table>
<thead>
<tr>
<th>Municipality</th>
<th>Distance from central place</th>
<th>Population 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kalmar</td>
<td>-</td>
<td>62 373</td>
</tr>
<tr>
<td>Nybro</td>
<td>31</td>
<td>19 594</td>
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<tr>
<td>Mörbylånga</td>
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<td>Karlskrona</td>
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<td>5 822</td>
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<tr>
<td>Oskarshamn</td>
<td>75</td>
<td>26235</td>
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</table>

Table 7 Municipalities included in Kalmar region sample

The interviews in Kalmar region were conducted with informants from:

- Kalmar as the central place where Ikea has been established in 2006.
- Two municipalities in the primary area which are Nybro and Mörbylånga. Three other municipalities in the primary area, namely, Torsås, Emmaboda, and Mönsterås, were contacted but no interviews were done due to negative reply.
- Four municipalities in the secondary area which are Karlskrona, Lessebo, Högsby, and Oskarshamn.

\(^6\) Hansa City [Internet] a. 2010.12.28
Population growth
Like most Swedish counties, Kalmar has witnessed increase in the population of the central place in the county which is Kalmar city, however, the notable results that smaller municipalities in the primary area near the central place have had a stable population through the period from 2004 to 2008. The growth of the population in Kalmar city supports its strong position as an attractive place for businesses and gives it the advantage of creating successful external retail area such as the one in Hansa City.

5.1.1 Ikea impact on the trade and total retail
The impact of Ikea on the trade in Kalmar region is rather significant, as the area did not have strong trade and retail history few years ago; the establishment of Ikea according to the informants’ assessments has resulted in a positive impact inside the city center, there have been more customers coming from different areas around the city, from different distances, this inflow of customers affirms the spillover effect of Ikea and the external retail center in Hansa City. The increased interest of new firms to start business inside the city proves that the external shopping center does not crowd out the down town shopping. The effects on the municipalities in the primary area, however have been affected more heavily, they are smaller and weaker than the central place and with the expansion of the huge retail area in Hansa City.
along with Ikea, the effects became tougher. The total trade was affected negatively and mostly non-convenience goods that have been the big loser. Customers are willing to travel to Kalmar to do their purchases especially when the distance does not exceed 50km. The convenience goods are most likely to be found everywhere, and the customers could replace some needed convenience goods in their daily shopping, but when it comes to non-convenience goods, consumers are more likely to go to the place where they find a wider range of products and shops with different prices and qualities, such a place is Hansa City and Ikea near Kalmar. The substitution effect will definitely take place in this region especially with the continuous expansion of the large retail area. The further far municipalities in the secondary area have not been affected significantly, but on the contrary, some positive effects took place in the form of consumers passing by and doing some purchases.

5.1.2 Ikea impact on the turnover

The assessments denotes the impact on non-convenience goods which is stronger in all areas, this is the result of the external retail area including Ikea, since customers are traveling to purchase their non-convenience goods their which results in higher turnover for firms in the external retail area, and a decrease in the turnover of firms selling non-convenience goods in the city center, primary and secondary areas.

The qualitative data shows the increase in the total turnover for Kalmar after 2006 which is mainly the result of the establishment of Ikea and the emergence of Hansa.
City. The trend in the turnover for total retail (figure 6) is to a great extent following the trend of the turnover of the non-convenience goods (figure 8) which illustrates the increase in the turnover of these goods in Kalmar, and the slight decrease in the primary area.

The turnover of the convenience goods also shows continuous increase in Kalmar, this could be the effect of the bigger market and the attraction of consumers from the neighboring municipalities, and also could be due to the growth in population.

5.1.3 IKEA impact on the sales index

The stated high impact of IKEA on the sales index in the city center indicates the inflow of consumption from other places outside the city.
Kalmar city and municipality has been working effectively to strengthen their trade profile and to increase the sales index, the efforts have paid off when Ikea came to the city in 2006, since then the sales index continued to go up due to the increasing customer base and the increasing consumption coming from other places around. The sales index in the primary area used to be under 100 which is normal with the existence of strong central place in the neighborhood, this index continued to decrease even more after the establishment of Ikea IN 2006, this also indicates substitution effect and the move of the consumption towards Kalmar. The secondary area, however, does not seem to be affected and the sales index is going on the same level even with the establishment of Ikea.

5.1.4 Ikea impact on the consumers’ expenditure

According to the informants’ assessments, the impact on the primary area is as great as in Kalmar city center, this is mainly because municipalities in the primary area rely heavily on the trade in and with Kalmar, which also supports the assumption of the substitution effect.
The actual figures show this effect as a slight decrease on the consumers’ total expenditure on the retail in the primary area after the year 2007. Municipalities in the secondary area have not suffered much from the substitution effect and the curve of their consumers’ expenditure continues to increase slightly.

5.1.5  Ikea impact on start-ups and bankruptcies

According to the assessments of the informants, few small privately-owned firms were forced to shut down in the neighboring municipalities when Ikea and Hansa city opened. The effects in the secondary area were rather small and insignificant. The number of start-ups in primary area became more dependent on the situation in Kalmar since the establishment of Ikea.

Figure 13 Consumers total expenditure Kalmar

Figure 14 Ikea Impact on total number of strats-ups and bankruptcies Kalmar

According to the assessments of the informants, few small privately-owned firms were forced to shut down in the neighboring municipalities when Ikea and Hansa city opened. The effects in the secondary area were rather small and insignificant. The number of start-ups in primary area became more dependent on the situation in Kalmar since the establishment of Ikea.

Figure 13 Consumers total expenditure Kalmar

Figure 14 Ikea Impact on total number of start-ups and bankruptcies Kalmar
5.1.6 Overall impact of Ikea on all municipalities

The average of the assessments given by the informants in every municipality in Kalmar region resulted in the graph (figure 15) which clearly shows the diminishing effects within the distance. The effects are highest on the city center, and within 40km distance from Kalmar is the effects still relatively evident, and it becomes less in areas within a range between 60 to 90 km. In Vimmerby about 120km away no impact is observed.

5.1.7 Ikea catchment area

The catchment area includes places within a range of 100km from Kalmar. Kalmar’s strong growth led to influence markets within the catchment area of competitor regions such as Växjö in the west and Karlskrona in the south.
5.2 Karlstad

Introduction

Karlstad municipality is one of the today's most flourishing municipalities within trade and retail in Sweden. It has a very attractive business environment with a vibrant external trade centers and strong city center. In 2008 Karlstad was the number 1 trade municipality in Sweden. Being close to the Norwegian borders give the municipality the advantage of attracting customers from Norway which they contribute to a big share of the turnover and Sales index of the municipality.

The main large retail area is Bergvik which is one among the the biggest shopping centers in Sweden, it and was opened in 2003. It has a shopping area of 45 000 m2 with 60 shops and 11 cafes/restaurants. In 2009 Bergvik had 8.6 million visitors and the catchment area of Bergvik covers all Värmland county and stretches further to parts of Dalarna in the north, and Örebro county in the east, and to the Norwegian borders in the west. Bergvik has major competition comes from Karlstad city center, Marieberg center in Örebro, Charlottenberg in Eda, and Töckfors in Årjäng at the Norwegian borders.

The other large shopping center Välsviken has a shopping area of 35 000 m2 and is a new promising trade area located east of Karlstad, the area is still emerging and the number of retailers are increasing, the most recent big firms in the site are ICA Kvantum and JULIA entered in 2010. IKEA Karlstad was opened in 2007 with a total store area of 24,500 m². It is located outside Karlstad, abut 6 km from city center, near Bergvik shopping center next to E18 highway.
Primary research sample in Karlstad

<table>
<thead>
<tr>
<th>Municipality</th>
<th>Distance from central place</th>
<th>Population 2010</th>
</tr>
</thead>
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<tr>
<td>Kristinehamn</td>
<td>43</td>
<td>23 977</td>
</tr>
<tr>
<td>Filipstad</td>
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<td>10 582</td>
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<tr>
<td>Säffle</td>
<td>55</td>
<td>15 600</td>
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<td>Sunne</td>
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<tr>
<td>Arvika</td>
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<td>26 108</td>
</tr>
<tr>
<td>Hagfors</td>
<td>84</td>
<td>12 584</td>
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</table>

Table 8 Municipalities included in Karlstad region sample

The interviews in Karlstad region were conducted with informants from:

- Karlstad as the central place where Ikea has been established in 2007.
- Four municipalities in the primary area which are Kil, Grums, Kristinehamn and Filipstad.
- Four municipalities in the secondary area which are Säffle, Sunne, Arvika and Hagfors.

Population growth

The population growth of Karlstad increases as it is the central place in the region, and this growth supports the position of the city as one of the most developing cities in the country. It is also noticed that the smaller municipalities in the primary and secondary area tend to have negative population growth, which affects the trade negatively as the customer base decreases.
5.2.1  Ikea impact on the trade and total retail

Karlstad had for several years a successful trade and retail sector, yet the establishment of Ikea in 2007 gave the municipality a further boost to more central role in the economy of the whole region. The positive effects started even before the establishment of store of the furniture giant, these effects took place since the announcement of the plan of Ikea to come to the area. The assessments showed that the city center has a strong position in terms of trade and retail and is considered as a real competitor to the external shopping area where Ikea is established, in addition to the fact that the customers of Ikea and the external retail area come mainly from the neighboring and surrounding municipalities and even from other counties such as southern Dalarna, for these reasons the city center in Karlstad managed the competition from Ikea and the expanding retail area around it. There has been evidence of spillover effect of customers coming from the external retail area outside the city into the city center. Furniture firms which were expected to suffer from the establishment of Ikea are said to be benefiting from this establishment, they are trying to compete through better quality and through furniture with different concept than the one of Ikea. The closer and smaller municipalities however, suffered from this establishment at least in the first year, customers from the primary area started to go to Bergevik where Ikea is established and to do their purchasing there, mainly non-convenience goods but also convenience goods, the attractive large mix of shops and goods seems to pull customers from even further far municipalities. The customers coming from Norway are making a big difference in the trade and retail. Those customers tend to come to Ikea in Karlstad and on their way they, in some times, stop, and do some of their purchasing in the municipalities in the secondary area mainly convenience goods.
5.2.2  Ikea impact on the turnover

Informants’ assessments tell that the impact on non-convenience goods is greater than them on convenience goods in all areas, the city center has a good position to compete with the external retail area with Ikea, and however, there were still relatively strong effects on the non-convenience goods.

Despite the harsh competition and negative effects, the increase in the turnover for total retail has been measured in Karlstad and in the primary and secondary area as well. The growth after 2007 is slightly greater in the primary area than in the secondary area.

By looking to the values of the turnover of the non-convenience goods after Ikea establishment in 2007 we see that there has been a decrease both in the primary and secondary area, this supports the given assessments of negative effects on these areas.
On the contrary, the figures of the convenience goods showed positive trend in the primary and secondary area, and even in the city center, the thing that does not match with the assessments given by the informants.

5.2.3 Ikea impact on the sales index

The primary area tends to be more affected when it comes to the sales index of the non-convenience goods. This is mainly from the substitution effect when customers from this area travel to Karlstad to buy non-convenience goods.

The actual figures of the sales index clearly show the difference between the sales index in Karlstad and the ones in the primary and secondary area, however, the data shows no changes before and after Ikea establishment.
5.2.4  Ikea impact on the consumers’ expenditure

The consumers’ expenditure on non-convenience goods is affected the most in all areas, the difference however, is more clear in the city center. The primary and secondary area are generally less affected as per the assessments of the informants.

The consumers’ total retail expenditure continues to increase after 2007 in the city center and in the primary and secondary area as well, this indicates the overall positive effects on all these areas despite the negative effects.

Figure 26  Ikea Impact in consumers’ expenditure Karlstad

Figure 27  Consumers total expenditure Karlstad
5.2.5 Ikea impact on start-ups and bankruptcies

The impact on start-ups in the primary area is greater than in the secondary area, whereas, the impact on bankruptcies is vice versa.

The assessments say that there is increased interest from firms to start businesses in the city center. Some municipalities, usually larger ones, suffer from losing the attraction for businesses to the favor of the central place.

Figure 28 Ikea Impact on total number of start-ups and bankruptcies Karlstad

5.2.6 Overall impact of Ikea on all municipalities

Within a distance less than 40 km the overall average impact is rather strong, and beyond this distance the impact becomes less and less until it nearly disappear in areas on a distance more than 90 km.

Figure 29 The overall impact of Ikea in Karlstad region
5.2.7 IKEA catchment area

The catchment area includes all Värmland county and stretches further to parts of Dalarna in the north, and Örebro county in the east, and to the Norwegian borders in the west. The expansion of Bergvik with IKEA led to a competition on the catchment area with the strong Örebro region on the east. This catchment area differs between convenience and non-convenience goods.

Figure 30 IKEA Catchment area Karlstad
6. Conclusion and Discussions

Both Kalmar and Karlstad have had an increased growth in trade and retail after the establishment of Ikea store. When it comes to the effects of Ikea on trade inside Kalmar city center there has been an overall positive impact on the shopping areas inside the city. Kalmar city has experienced a spillover effect of the establishment of the Ikea store; more consumers are coming to the city center after visiting Ikea and Hansa city. Kalmar city has also noticed an increase in tourism and more firms are interested to set up their store in Kalmar. Karlstad city center has faced similar effects, there was immediate positive effects on trade as soon as the Ikea establishment plan was announced. Karlstad city center has also experienced a spillover effect from the Ikea store, an increased inflow of consumers are now visiting Karlstad city center after their visit in Ikea and Bergvik shopping center. Karlstad city center has also faced an increased interest of establishment of firms.

The impact on trade on municipalities in the primary area in Kalmar has been negative when it comes to non-convenience goods as more consumers have started to go to Hansa city instead, i.e. the substitution effect. However the trade has started to recover in this area and on the long run the Ikea establishment has created more market opportunities. The primary area in Karlstad has also faced a negative trend in trade after the establishment of Ikea. The stores in the primary area in Karlstad have faced the substitution effect as well, that consumers choose to shop convenience goods and non-convenience goods in Ikea and Bergvik instead. But trade has started to recover in this area as well.

When it comes to the secondary area in Kalmar there have been large negative effects on turnover and sales-index of non-convenience goods. In some municipalities in the secondary area in Karlstad there has been no significant impact on trade, while some municipalities have faced a small positive impact on trade as consumers come from Norway and stop to visit the municipalities in the secondary area on their way to Ikea.

Overall Kalmar city center and Karlstad city center has had an increase in consumption after the establishment of Ikea. The sale of non-convenience goods has gone down in both the primary and secondary area in Kalmar.

In Karlstad city small firms, especially grocery firms have faced a falling demand. But in Kalmar city more stores have been established after the establishment of Ikea and the turnover is increasing for almost all sectors. However the opposite effect have been noticed
in the primary area of Kalmar, as the stores there have faced a strong competition from Hansa city and the municipalities in the primary area in Kalmar have become less attractive for establishment. In the primary area in Karlstad however there were no significant effects on firms other than sales going down for non-convenience goods. In the secondary area there has not been any effect or minor effect on firms that cannot be linked to IKEA in both Kalmar and Karlstad.

Both Karlstad and Kalmar city center have noticed that more stores are being established in the city center after the establishment of IKEA. But the same effect has not been noticed in the primary and secondary area in Karlstad and Kalmar.

Karlstad and Kalmar city has both had an increase of consumers coming from surrounding municipalities and the increase has been around 50-60%. The purchasing power has slightly increased in both Karlstad and Kalmar city, but in the primary and secondary area there were no changes stated.

Reasons to visit Karlstad and Kalmar for consumers were the large and varied selection of shops, the possibility of purchasing all need goods at one place at good prices and longer opening hours in the weekends. Many consumers come from Norway to visit Karlstad due to the lower prices.

Overall the establishment of IKEA has had a positive impact on trade in both Karlstad and Kalmar region and on the long run IKEA has created more market opportunities.
References


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Kalmar Kommun “Kalmar’s expanding trade and industry”

Kalmar Kommun “Hansa City”

Bergvik Köpcenter “historia”

Hansa City ” om Hansa City”
<http://www.hansacity.nu/1/1.0.1.0/2/1/> (accessed 28 December 2010)
Appendices

Appendix 1 Sample questionnaire (Kalmar)

Frågeformulär Kalmar

I. Ikeas påverkan på Kalmar citys handel

1- På vilket sätt bedömer ni att Ikeas etablering i Kalmar påverkat handeln inne i stan (dvs. butiker och handelsplatser i Kalmar city)? Och hur ser ni att handeln inne i stan förändrats efter Ikea etablering?

Berätta t.ex. om:
- Hur lång tid det tog innan ni märkte skillnader?
- Hur har förändringar utvecklats över tiden?
- Sker det fortfarande förändringar i handeln än idag, eller har det stabiliserats?

………………………………………………………………………………………...

………………………………………………………………………………………...

2- Hur bedömer ni att Ikeas etablering har påverkat handelns olika delar inne i stan? (se tabell nedan): (Ange ditt svar på en skala mellan 0 till 4 där 0 = ingen påverkan och 4 = mycket stor påverkan)

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</table>

* Har ni data, statistik på detta

3- Vilka ser ni är de positiva eller/och negativa effekterna av Ikeas etablering på handeln inne i stan?

<table>
<thead>
<tr>
<th>Positiva Effekter</th>
<th>Negativa Effekter</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

53
II. **Ikeas påverkan på företag och affärer i Kalmar city**

4- Hur tror ni att Ikeas etablering i Kalmar har påverkat företag och affärer *inne i Kalmar city*?

………………………………………………………………………………………...
………………………………………………………………………………………...

5- På en skala från 0 till 4 hur bedömer ni att Ikeas etablering påverkat företagandet *inne i Kalmar city*? (se tabell nedan):

0- ingen påverkan  
1- liten påverkan  
2- ganska stor påverkan  
3- stor påverkan  
4- mycket stor påverkan

<table>
<thead>
<tr>
<th></th>
<th>Positivt</th>
<th>Negativt</th>
<th>Oförändrad</th>
<th>0</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Antalet nystartade företag <em>inne i stan</em></td>
<td>+</td>
<td>-</td>
<td></td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Antal företag som behövt lägga ner sin verksamhet (dvs. gått i konkurs) <em>inne i stan</em></td>
<td>+</td>
<td>-</td>
<td></td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Omsättningen för redan etablerade/existerande företag <em>inne i stan</em></td>
<td>+</td>
<td>-</td>
<td></td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Omsättningen för möbelföretag <em>inne i stan</em></td>
<td>+</td>
<td>-</td>
<td></td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Omsättningen för företag som säljer husgeråd <em>inne i stan</em></td>
<td>+</td>
<td>-</td>
<td></td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Omsättningen för butikshandel med glas, porslin och andra bosättning varor <em>inne i stan</em></td>
<td>+</td>
<td>-</td>
<td></td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Omsättningen för stormarknaderna <em>inne i stan</em></td>
<td>+</td>
<td>-</td>
<td></td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Omsättningen för mindre livsmedelsbutiker <em>inne i stan</em></td>
<td>+</td>
<td>-</td>
<td></td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
</tbody>
</table>

*Har ni data, statistik på detta*

6- Har ni märkt att företag har flyttat till Kalmar från krankommuner efter Ikeas etablering?

- [ ] Hur många?
- [ ] Vilka branscher?
- [ ] Små eller stora företag?
III. **Ikeas påverkan på konsumenter i Kalmar**

7- På en skala från 0 till 4 hur bedömer ni att Ikeas etablering har påverkat konsumtionen i Kalmar? (se tabell nedan):

<table>
<thead>
<tr>
<th></th>
<th>Positivt</th>
<th>Negativt</th>
<th>Oförändrad</th>
<th>0</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Konsumenters spendering på detaljhandel*</td>
<td>+</td>
<td>-</td>
<td></td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Konsumenters spendering på dagligvaruhandel*</td>
<td>+</td>
<td>-</td>
<td></td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Konsumenters spendering på sällanköpvaruhandel*</td>
<td>+</td>
<td>-</td>
<td></td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Konsumenters konsumtion i butiker <strong>inne i stan</strong></td>
<td>+</td>
<td>-</td>
<td></td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
</tbody>
</table>

* Har ni data, statistik på detta

8- Hur mycket fler folk från kranskommuner kommer till Kalmar för att handla efter Ikeas etablering? Procentuella förändringen? Uppdelat på kommuner?

9- Hur har köpkraften förändrats i **Kalmar city (inne i stan)** efter att Ikeas etablerades i Kalmar?
   - Har köpkraften ökat?
   - Minskat?
   - Hur mycket? (procent)

IV. **Övrigt**

10- Hur stort är upptagningsområdet för Ikeas kunder?

11- Vad är det som gör att folk väljer att åka från en kranskommun till Ikeas i Kalmar för att handla?
   - [ ] Priser?
   - [ ] Större utbud?
   - [ ] Nöje (restauranger, kaféer)
   - [ ] Övrigt ............................
Appendix 2 Sample questionnaire (Kil)

Frågeformulär Kil

I. IKEAS påverkan på Kils handel

1- På vilket sätt bedömer ni att IKEAS etablering i Karlstad påverkat Kils handel? Och hur ser ni att Kils handel förändrats efter IKEAS etablering i Karlstad?

Berätta t.ex. om:

- Hur lång tid det tog innan ni märkte skillnader?
- Hur har förändringar utvecklats över tiden?
- Sker det fortfarande förändringar i handeln än idag, eller har det stabiliserats?

………………………………………………………………………………………...
………………………………………………………………………………………...

2- Hur bedömer ni att IKEAS etablering i Karlstad har påverkat handelns olika delar i Kil? (se tabell nedan): (Ange ditt svar på en skala mellan 0 till 4 där 0 = ingen påverkan och 4 = mycket stor påverkan)

<table>
<thead>
<tr>
<th>Positivt</th>
<th>Negativt</th>
<th>Oförändrad</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>1</td>
<td>2</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Kils totala handel *</th>
<th>+</th>
<th>-</th>
<th>0</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kils handel av sällanköpsvaror *</td>
<td>+</td>
<td>-</td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Möbler</td>
<td>+</td>
<td>-</td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Vitvaror, Hushållsapparater och belysning</td>
<td>+</td>
<td>-</td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Bosättningsvaror och husgeråd</td>
<td>+</td>
<td>-</td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Kils handel av dagligvaror*</td>
<td>+</td>
<td>-</td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Livsmedel</td>
<td>+</td>
<td>-</td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Omsättningen för (dagligvaruhandeln)*</td>
<td>+</td>
<td>-</td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Omsättningen för (sällanköpvaruhandeln)*</td>
<td>+</td>
<td>-</td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Försäljningsindex för (dagligvaruhandeln)*</td>
<td>+</td>
<td>-</td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Försäljningsindex för (sällanköpvaror)*</td>
<td>+</td>
<td>-</td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
</tbody>
</table>

* Har ni data, statistik på detta

3- Vilka ser ni är de positiva eller/och negativa effekterna av IKEAS etablering i Karlstad på handeln i Kil?

<table>
<thead>
<tr>
<th>Positiva Effekter</th>
<th>Negativa Effekter</th>
</tr>
</thead>
<tbody>
<tr>
<td>………………………………</td>
<td>………………………………</td>
</tr>
</tbody>
</table>

56
II. Ikea påverkan på företag och affärer i Kil

4- Hur tror ni att Ikeas etablering i Karlstad har påverkat företag och affärer i Kil?

………………………………………………………………………………………...
………………………………………………………………………………………...

5- På en skala från 0 till 4 hur bedömer ni att Ikeas etablering i Karlstad påverkat företagandet i Kil? (se tabell nedan):

0- ingen påverkan
1- liten påverkan
2- ganska stor påverkan
3- stor påverkan
4- mycket stor påverkan

<table>
<thead>
<tr>
<th>Positivt</th>
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<th>0</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Antalet nystartade företag i Kil*</td>
<td>+</td>
<td>-</td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
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<td>+</td>
<td>-</td>
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<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Omsättningen för stormarknaderna i Kil*</td>
<td>+</td>
<td>-</td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Omsättningen för mindre livsmedelsbutiker i Kil*</td>
<td>+</td>
<td>-</td>
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<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
</tbody>
</table>

*Har ni data, statistik på detta

6- Har ni märkt att företag har flyttat från Kil till Karlstad efter Ikeas etablering i Karlstad?

☐ Hur många?
☐ Vilka branscher?
☐ Små eller stora företag?
III. Ikeas påverkan på konsumenter i Kil

7- På en skala från 0 till 4 hur bedömer ni att Ikeas etablering i Karlstad har påverkat konsumtionen i Kil? (se tabell nedan):

<table>
<thead>
<tr>
<th></th>
<th>Positivt</th>
<th>Negativt</th>
<th>Oförändrad</th>
<th>0</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Konsumenters spendering på detaljhandel*</td>
<td>+</td>
<td>-</td>
<td></td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Konsumenters spendering på dagligvaruhandel*</td>
<td>+</td>
<td>-</td>
<td></td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Konsumenters spendering på sällanköpvaruhandel*</td>
<td>+</td>
<td>-</td>
<td></td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
</tbody>
</table>

* Har ni data, statistik på detta

8- Hur mycket fler folk från Kil åker till Karlstad för att handla efter Ikeas etablering? Procentuella förändringen?

9- Hur har köpkraften förändrats i Kil efter att Ikea etablerades i Karlstad?
   - Har köpkraften ökat?
   - Minskat?
   - Hur mycket? (procent)

IV. Övrigt

10- Har etableringen av Ikea i Karlstad påverkat arbetslösheten i Kil?
   - Om ja- på vilket sätt?
     - företag har lagt ner.
     - företag har flyttat till Karlstad

11- Vad är det som gör att folk väljer att åka från Kil till Ikea i Karlstad för att handla?
   - Priser?
   - Större utbud?
   - Nöje (restauranger, kaféer)
   - Övrigt ………………….
Appendix 3 the email sent to the targeted informants.

Dear,

We are PhD students at Högskolan Dalarna who are doing a research project about rural areas and their development in Krineby, the focus of the project is on one of the targeted informants.

E-mail address to see the entire research project and the informants' perspectives on the development of Krineby.

Best,

[Name] and [Name]
Appendix 4 list of interviewed persons.

- **Ulf Johansson**, Näringslivsdirektör, Karlstad
- **Michael Hjelm**, Projektledare I NäringslivsSamverkan, Kristinehamn
- **Mats Olsson**, Näringslivschef, Kil
- **Soren Kronberg**, Näringslivsingenjör, Filipstad
- **Annika Lomarker**, Kommunchef, Grums
- **Jonas Andersson**, Näringslivsutvecklare, Arvika
- **Pia Proper**, Näringslivsutvecklare, Säffle
- **Maria Mattsson**, Företagsrådgivare, Sunne
- **Anders Bäcker**, Näringslivsutvecklare, Hagfors
- **Thomas Davidson**, Näringslivschef, Kalmar
- **Anders Nyholm**, Näringslivschef, Mörbylånga
- **Inge Ivarsson**, projektledare för Nybro Handel, Nybro
- **Carl-Axel Ottoson**, Näringslivsutvecklare, Karlskrona
- **Jonas Höquist**, Utvecklingsstrateg, Högsby
- **Magnus Johansson**, Utvecklingschef, Oskarshamn
- **Sofia Edlund**, Vimmerby Turist & Näringsliv AB, Vimmerby