

Ikea concept and history



**ASSIGN
BUSTER**

IKEA offers a wide range of well-designed, functional home furnishing products at prices so low that as many people as possible will be able to afford them. This is the idea at the heart of everything IKEA does, from product development and purchases to how we sell our products in IKEA stores globally.

Anybody can make a good-quality product for a high price, or a poor-quality product for a low price. But to make good products at low prices, you need to develop methods that are both cost-effective and innovative. This has been the focus of IKEA since its beginnings in Småland, Sweden. Maximising the use of raw materials and production adaptation to meet people's needs and preferences has meant that our costs are low. The IKEA way of doing things is to pass these cost savings on to you, our customers. Our vision and business idea

At IKEA our vision is to create a better everyday life for the many people. Our business idea supports this vision by offering a wide range of well-designed, functional home furnishing products at prices so low that as many people as possible will be able to afford them. Our product range

The IKEA product range is wide in several ways. First, it's wide in function: you'll find everything you need to furnish your home, from plants and living-room furnishings to toys and whole kitchens. Second it's wide in style. The romantic at heart will find just as much as the minimalist. And finally, by being coordinated, the range is wide in function and style at the same time, and at all times. No matter which style you prefer, there is something for everyone.

Anybody can make a good-quality product for a high price, or a poor-quality product for a low price. But to make good products at low prices, you need to develop methods that are both cost-efficient and innovative. That is why at IKEA we approach things a little differently.

Quality home furnishing products at affordable prices

Low prices are the cornerstone of the IKEA vision, business idea and concept. The basic thinking behind all IKEA products is that low prices make well-designed, functional home furnishings available to everyone. After all, our vision is to create a better everyday life for the many people.

We are constantly trying to do everything a little better, a little simpler, more efficiently and always cost-effectively. All IKEA units play an important part in creating our low prices which we are then able to offer our customers.

Developing and producing our product range

At IKEA we design the price tag first and then develop the product to suit that price. IKEA product developers and designers work directly with suppliers to ensure that creating the low prices starts on the factory floor. They consider maximising production equipment, using raw materials efficiently and applying technical innovations and the best possible design. It is all about making the most of our production process, keeping waste to an absolute minimum and considering flat-pack transportation and self-assembly. IKEA of Sweden in Älmhult, Sweden, develops the entire IKEA range.

Expert and support functions

An organisation such as the IKEA Group requires internal support functions to operate smoothly. IKEA IT provides cost-effective IT solutions to all IKEA units. IKEA Food Services is responsible for cost-efficiency in food purchases, development and deliveries to IKEA restaurants, bistros and Swedish Food Markets. IKEA Indirect Materials & Services provides IKEA with products and services used by IKEA co-workers, excluding home furnishing products. These are just some examples of IKEA support functions.

There is a grand total of 314 IKEA stores in 38 countries/territories. The IKEA Group itself owns 277 stores in 21 countries: Australia, Austria, Belgium, Canada, China, Czech republic, Denmark, Finland, France, Germany, Hungary, Italy, Japan, Netherlands, Norway, Poland, Portugal, Russia, Slovakia, Spain, Sweden, Switzerland, United kingdom and USA.

The other 37 stores are owned and run by franchisees outside the IKEA Group in 17 countries/ territories. These are Australia (2), the United Arab Emirates (2), Cyprus (1), Dominican Republic (1), Greece (4), Hong Kong (3), Iceland (1), Israel (2), Kuwait (1), Malaysia (1), the Netherlands (1), Romania (1), Saudi Arabia (3), Singapore (2), Spain (4), Taiwan (4), and Turkey (4)