

Customer behavior analysis of ikea essay sample



**ASSIGN
BUSTER**

IKEA was chosen as the target company to study its consumer behavior due to its high brand awareness and large consumer base. 12 young respondents, who are mainly from our friends, are selected to do the depth-interview. Base on the data collected from the interviews, quotes are interpreted by the theories, including perception, buying theory, learning theory, motivation, attitude, reference groups and social media, gender, social class, subculture and culture. Besides, some interesting and meaningful findings which can't be explained by the theories are summarized as well. Accordingly, suggestions are raised derived from the findings through the interviews, including recommendations to brand image, customer convenience and service, membership and defective zone.

IKEA company background introduction

IKEA which was founded in Sweden in 1943 is an international home products retailer. IKEA designs and sells almost all kinds of ready-to-assemble furniture as well as home accessories. It is famous for its fashionable architectural designs on different types of appliance and furniture, often associated with a simplified environmental-friendly interior design. The first IKEA store was opened in Älmhult, Småland in 1953 while the first store outside Sweden was opened in Norway(1963). Since then it started extent itself into other countries. The extension was much faster from 1990s to 2000s. At the end of 2009 financial year, IKEA group had 267 stores in 25 countries. For Chinese market, there are 9 stores has opened in mainland China, 5 more under construction and 3 stores in Hong Kong.

Objective and focus of this study

In this project we expected to find out IKEA's customers' behavior which

<https://assignbuster.com/customer-behavior-analysis-of-ikea-essay-sample/>

could explained by the theories we have learnt. While studying the data we collected from our respondents we focused on finding out the common characteristics as well as the interesting behavior which is not covered by existing theories. After decoding those messages we aim to understand consumer behavior deeply and come up some recommendations for IKEA.

Methodology

According to the objectives stated above we propose to use a depth-interview to fulfill the objectives. Screening was applied for choosing our target respondents, where covered age from 20 to 30 and included both white-collar and students. Accordingly, total number of respondent is 12 which are 7 males and 5 females. The average income is around HKD10000-20000. Among our respondents, 3 of them had married and living in their own house while other 9 are single which 3 of them living with their parents and the other 6 rent an apartment for living. During the interview, we controlled the time within 45 minutes for each one, and encouraged respondents to provide detailed opinions and personal experience towards the questions we prepared before. Meanwhile, we tried to investigate more deep reasons why they had these opinions, how the motivations came out and what behavior related to purchase as well. We may discover some unknown opinions from them about how they think of IKEA's products, and service. The results may be out of expectations. After the in-depth interview, we interpreted the data based on the theories we learnt and concluded the interesting findings.

Findings

1. Perception

<https://assignbuster.com/customer-behavior-analysis-of-ikea-essay-sample/>

Perception influence consumers' behavior, it is a process by which people select, organize, and interpret these sensations. According to our respondents, for visual aspect, we found female who mention like the Kids area and lighting area during the interview are easier to draw attention to bright and vivid tone. Also for the scent, refer to our respondent Stacy describe " Once, I was obsessed by the odor of Jasmine candle place in the IKEA and, you know buy a package which I do not planned to before shopping ." Fragrance does have its function and appeal to customer and influence their buying decision. Touch experience play an important role for the perception that respondents have towards IKEA. The most common and interesting phenomenon is that always see people sleeping on the bed, sitting on the sofa chatting with friends and hold the pillow.

Our respondents said that they like this kind of experiential shopping which they could touch and experience everything in IKEA that make them feel good. According to Bunny said " I was not plan to buy the quilt and sheets at first, but when I bought the bed I saw the quite things it's beautiful and suite will with the bed , so I decided bought all of them in IKEA finally ." We found she rarely notice the beddings displayed in the demo area became very much aware of them when she bought the bed for her new house in IKEA, which could explained by perceptual vigilance that consumers are more likely to be aware of stimuli that relate to their current needs which is one of personal selection factors. Customer tends to position a brand perceptually, In our respondent's mind they perceived that IKEA is for people who rent house and who do not have considerable salary. 2. Buying theory

* Store Image

How do we pick one over other brand? There are a lots of factors shape a personality of IKEA. The key elements our respondent mentioned are as below

- 1) Location: Most of the respondents from mainland china consider that IKEA's location is too far away and the transportation is not convenience for them, some of them need to transfer different transportation to get to the IKEA. They mention that , if the transportation situation could change, they will increase the frequency of visiting IKEA.
- 2) Intangible factors

Interior design, color, food and service, etc. are the main intangible factors influence customers' perception with regard to IKEA. * In store decision making

Most of our respondents admit that they will buy things which do not planned to initially. There are the factors contribute to their in-store decision making we found from the interview.

- 1) First, no matter male or female of our respondents, they all impulse buying sometimes, they emerge the urge spontaneously while stimulating by the environment such like they small frame placed nicely in the IKEA.
- 2) Another one is Synchronicity which means in the right place at the right time. Bonny have the potential need for the quit things and she just saw it at the right time and right place so she bought it at the end.
- 3) Some respondents admit that sometimes they have to spend lots of time to shop the whole part due to the one-way layout of IKEA, and finally buy something unexpected because of staying longer in in.
- 4) Respondents also admit that they will buy the small things aside the check-out counter which named POP stimuli in term, when they waiting the checking queuing.

* Post-purchase

What they do after they purchase, apart from using them, they also evaluate whether they satisfied with the product. After the evaluation, if satisfied, our respondent will recommend to their friends. * Queuing Theory

Zhou Wei one of our respondent said that, queuing too much time in IKEA is just like traffic jam that's may become one of the reasons he may choose other place to shop. It is demonstrate that too much waiting during a queue produce negative feelings. 3. Learning Theory

* Classical Conditioning

Similarly to the Classical conditioning theory, when brand of IKEA always combine with the conditional stimuli " young generation and tenant" which commonly perceived that they are low income and they buy furniture just for temporally use, consequently, this would come to a conditioned result that IKEA's furniture are cheap and low quality. * Instrumental conditioning

Instrumental conditioning occurs when we learn to perform a behavior that avoids things that yield negative outcomes. Our respondent Kenny narrated his bad experience of using the quit he bought at IKEA and claim that he definitely won't buy this kind of product in the future. * Cognitive Learning Theory

Most of the respondents will imitate the demo of IKEA to decorate their own house. Even one of our respondent said that one of the reasons for her to go to IKEA was learn the new concept of decoration. 4. Motivation

* Motivational conflicts

This part includes findings about motivational conflicts, different levels of

needs and customer involvements. Consumers often meet motivational conflicts. They are: approach-approach conflict, approach-avoidance conflict and avoidance-avoidance conflict. In the interviews, the respondents meet conflicts between product quality and product price. In most case, they choose to accept the poor quality because of attractive price. This is an example for approach-avoidance conflict. Another example for avoidance-avoidance conflict is delivery self and pay delivery fee. Sang Yan, a respondent said she would pay the delivery fee rather than pulling the big furniture back home herself. * Various level of need

According to Maslow's need model, people's need from the basic physical to self-actualization. Ikea's products are simple, ordinary and low-quality, which can't satisfy people's higher standard when they reach to a certain social status. Most of the respondents said they will only buy IKEA products before marriage or when they are not rich. They will pursue expensive brands after they have their own houses. * Customer involvement

IKEA is good at involving customers' interactions. In our interviews, all the respondents are enjoying to look around the sample rooms. They are satisfied with the pencil and paper prepared by IKEA. Most female respondents like to DIY with families. And many respondents have interests to design the cabinet structures on computer. 5. Attitude

The findings in attitude part are divided into attitude functions, consistency principle and ABC theory. * Attitude function

Attitude has four functions: utilitarian function, value-expressive function, ego-defensive function and knowledge function. For example, people think

IKEA is equal to young; Daisy said the taste of home furnishing represents the owner's taste of fashion; Nan thought DIY showed the individuality of young generation. These are examples for value-expressive function. Sang Yan expressed her attitude to IKEA bed quilt that she will never buy bed quilt of IKEA because she doesn't know what is in it. She felt unsafe. * Consistency principle

The consistency principle is that our nature is to keeping our attitudes and behavior consistent. The layout of IKEA is complicated, which makes most of the respondents feel inconvenient. However, they can understand and accept this for the sake of going around the whole store without any unwillingness. * ABC theory

We found an interesting example of "affect-behavior-cognition" model.

Daisy mentioned that she perceived IKEA's kitchen wares as high-grade. She thought the pan's design is very similar to ZWILLING's however the price is much lower than it, she think is worth to buy, then she would take the action to purchase one, after that she would have the cognition toward IKEA's kitchen wares. 6. Reference Group and Social Media

There are findings in the reference group influence, word of mouth and social media functions. * Reference group

Reference group influences customers' behavior. Daisy said when she found there were many ABCs eating in IKEA restaurant, she thought IKEA restaurant is a fashion place that fashion people would choose. In this case, Daisy received value-expressive influence from ABC group. Apart from that, opinion leader play an important part when our respondents' buying

decisions. Some respondents are deeply influenced by their friends and would like to buy the same products with their friends. * Word of mouth

Word of mouth has strong power to sales. In our interviews, all the attendees got to know IKEA from the mouth of friends and relatives. Besides recommend IKEA to friends, the interviews also tell the bad experience or products to their friends. For example, Kenny will tell his friends not to have high expectation to IKEA because he had bought a very bad quilt in IKEA. *

Social media and e-commercial

Social media, such as internet, mobile phone, changed consumers' behavior a lot. Some respondents said they will not look the catalog book but will use APPs before go to the store. Another respondent expressed that he can accept e-shopping because the size and 3-D effect on the website is very clear. 7. Gender

Refer to D. I. Y Product from our depth interviews analysis, we can conclude that female consumers prefer to purchase some D. I. Y products than male in IKEA, because they usually believed that it is the very enjoyable and proud moment when their boyfriend or husband helps them to assemble that D. I. Y items, like bed, wardrobe, etc. One of the female respondents said: " I feel so good when my boyfriend helps me to assemble my D. I. Y bed". Male respondents, however, don't like D. I. Y products anymore. They tend to choose furniture which is not need to assemble instead of D. I. Y items. As far as they are concerned, they take D. I. Y products as the very complicated and time-consuming products, which mean it is very hard for them to put their time on assembling their furniture. About one-way layout, IKEA often

designed in one-way layout in order to lead customers to go with counter clockwise along, which indicate that all customers have to see all product areas in IKEA and cannot walk to the opposite direction.

Considering our analysis from interview data, one-way layout design is acceptable for female, but not for male. Female respondents think that they prefer to spend much more time on shopping than male. During the shopping period, they are willing to compare different products in terms of design, color, price and so on. Besides, female consumers usually visit to IKEA without a clear goal in their minds. Male consumers, whereas, always have a specific target. That is to say, they know which kind of products they want to buy when they visit to IKEA. Only one thing they want to do is to go the related area directly to buy their planned products. So, they are not satisfied for one-way layout design in IKEA. As a consequence, compared with their counterparts, female consumers can accept IKEA'S one-way layout.

8. Social Class

Social class can be divided into three groups, lower, middle and upper. Based on economic of consumption theory, each of groups has different consumer buying behaviors according to their income. All of our respondents believed that IKEA's main consumers come from lower and middle social class group. Most of them recognized that lower and middle class consumers not only can accept the low-quality, but, more importantly, they have financial ability to afford the cheap price. However, it is the fact that low price cannot attract to the upper social class consumers. IKEA is not in conformity with upper social class group. Take one interview record as an

example, one respondent said: " my father will never buy any items in IKEA, because it cannot reflect his high social status." 9. Subculture

* Age (age cohort)

As 90% our respondents are post-80s generation, so they have similar values and experience. Because of limited financial ability, most of them do not have their own house and they have to rent house by themselves.

Consequently, it is not necessary for them to buy some high-end furniture and IKEA's product is very economical and practical for them. * Acculturation

It is an undeniable fact to say that Chinese post-80s generations are influenced by western cultures in terms of their lifestyle, attitudes and so on. Therefore, it is very normally for them to accept western ideas and values to some extent. IKEA, as a western furniture brand, has its own advantage in products. The symbol of IKEA products is simple and fashion combined with western style, which is definitely suitable for these post-80s consumers social status. 10. Culture

With lived in a long history country, Chinese consumers behavior have been influenced with traditional culture. In their opinions, furniture is lifelong using product, so, it is impossible for them to buy low quality items when they buy their own house in the future. Besides, everything in Chinese culture is saving face. Most of consumers are not willing to buy low-end brand when they enter into middle age. In addition, based on their habits, they are so likely to buy hard mattress as to promote their physical growth, but, there only sale soft mattress in IKEA. Lastly, Chinese consumers used to think that

IKEA should deliver consumers purchased products without any payment, whereas, delivery service is not free in IKEA.

Interesting findings

Besides the above findings which related to the theories, we also found some very interesting phenomenon that cannot be explained by the learned theory. 1. Unique reasons for low end impression of IKEA

Most of our respondents think IKEA belongs to a medial or lower class shop mall. Why they have this kind of opinions? Most of the respondents consider that the products' price and quality are the main factors of this opinion. But one of our respondents said that " actually layout and service are also the important reasons which make me feel IKEA belongs to the lower class shopping mall." As we know IKEA's layout just like a supermarket or storage, in people's traditional opinions especially in China, they believe that in a shopping mall where looks like a supermarket cannot provide high quality and top grade products. That is an important reason why IKEA gives people a low end feeling. Another problem is the service factor, as we know most of Chinese people go to shopping mall they want the professional service to help them, they want to the shopping guide can introduce them the products one to one and face to face. However, in IKEA, it is difficult to find a guide to help you; most of them always face to the computer and do not talk to the customer if you do not ask them for help. 2. What kind of things do the customers usually want to buy in IKEA? Based on our interview we found that most customers prefer the small items in IKEA, they do not like the big furniture like integral kitchen and big wardrobe. As a responds said " I will not buy the wardrobe or beds in IKEA because they are not valuable I prefer <https://assignbuster.com/customer-behavior-analysis-of-ikea-essay-sample/>

the small stuffs like the chairs or the adornments, they are beautiful and characteristic.” 3. Interesting finding toward choosing price range

We found that respondents will not choose the both the highest and lowest price of the products, they will just choose the middle price stuffs of the products, because they think this price range is more safety. They believe that middle price products are the mass choose with reliable quality and high cost performance. 4. Attitude toward defective zone

When we asked the respondents weather they will buy the products in the defective areas? Most of the responds said they will never buy the goods from defective area, because they consider that the discount is too high compare with the product’s defective condition. They would rather buy the new products without discount. 5. Convenience expectation

Another interesting finding is that most of the respondents think IKEA provide the tips and pencil to help customers remember the number of the products what is very good. But sometimes the customers may feel confused of it, because they may make mistake of the numbers, so if IKEA can provide some small cards with the numbers and size of the products, that will be wonderful. 6. Furniture size

Some of the respondents mentioned that if the furniture size of IKEA can change, it will be better. As we know all of IKEA’s furniture is fixed size and cannot change, for some customers even they like the products very much they cannot buy them because of the size. So if IKEA can provide the customized service more customers will feel better. 7. Appeal to food in IKEA

Last but not least, we found that some of the responds will go to IKEA just for the IKEA's food. They think the food of IKEA is very delicious and the price is reasonable. But the other respondents do not like the food in IKEA at all, they think except the price everything of IKEA's restaurant is awful including the taste and environment.

Marketing Implications

In the end, we would like to make some recommendations for IKEA based on our findings mentioned above. 1. Recommendations about the brand image

Most of our respondents regard IKEA as a low-end brand so we think IKEA should do something to change the customers' attitudes. We consider creating a new and high-end branch brand called IKEA. Pro which mainly focuses on the high social class customers. And we suggest IKEA build a special area for IKEA. Pro in its marketplace where they can sell the costly furniture. To enhance the brand awareness of IKEA. Pro, IKEA can sponsor some high-end sport events such as golf and they can also hold the VIP private party which the furniture and silverware all provided by IKEA. Pro. With IKEA. Pro, we are sure that IKEA can succeed in changing the customers' attitudes to its brand image and attracting some high social class customers. 2. Recommendations about the convenience

1.) Some of our respondents complain that it is quite difficult for them to find a way out when they are in IKEA, so we suggest that IKEA would better increase its shopping exit and add some signposts so as not to make the customers get lost. 2.) One of our respondents says that it is not convenient for him to write down the commodity code on a piece of paper when he

wants to buy the product. Therefore, we suggest that IKEA should provide commodity label cards which have the commodity code on them. Thus, when a customer buys the product he can just take one label card to the checkout counter and pay the bill. That'll be very convenient.

3. Recommendations about the service

1.) According to our findings, the customers sometimes have to wait for one or even two weeks to get their product delivered so we advise IKEA to shorten their goods delivery time to please the customers. 2.) Some respondents say that if there are enough free shuttle buses they would like to go to IKEA more frequently so it's better for IKEA to increase the number of free shuttle buses to encourage more customers to go to IKEA. 3.) Some respondents do complain about the cold manner of the staff in IKEA so we advise IKEA to retrain its staff to be more enthusiastic for the customers so as to improve the service level. 4.) We also advise IKEA to provide custom furniture service since customization is really popular with the customers nowadays on the basis of our findings. 4. Recommendations about the membership

Most of our respondents think that it is unnecessary to become a membership of IKEA because they feel that they can benefit almost nothing from it. So in order to encourage customers to join in the membership IKEA would better offer fix-interval discount on more products and allow their members to use their store credits to change for gifts or coupons. Thus, more people will like to register as a member of IKEA. 5. Recommendations about the defective zone

The last recommendation for IKEA is to lower the price of defective products. Some of our respondents mention that they seldom buy the defective goods from IKEA because they think these products are not so cheap. In their words the products are not cost-effective. So we think IKEA would better lower the price of its defective products to attract more customers.

References

1. Consumer behavior: buying, having, and being | Michael R. Solomon| Global Edition| Tenth Edition
2. <http://features.blogs.fortune.cnn.com/2011/11/30/ikea-china-stores/>
3. <http://www.ikea.com/>
4. Reuters (January 8, 2008) IKEA mulls joint venture with Bosnia furniture maker
5. " Marketing management| Philip Kotler , Kevin Lane Keller." 14th Edition