

Current strategy of ikea

Business



IKEA's Current Strategies Introduction IKEA has undergone an immense transformation from the time of its inception. The growth and expansion of IKEA can be traced from the various strategies that the company has instituted as a measure of staying competitive in the market. The furnishing company has unique Scandinavian furniture that is found in its various stores spread on a planetary scale. Currently, the company has operations in almost 42 countries with close to 400 hundred million customers visiting the stores annually. Though IKEA is a leading company dealing with furniture globally, its current strategies are geared towards increasing its competitive advantage in the market. This paper puts into perspective the various current strategies employed by IKEA.

IKEA's current strategy is focused on low cost of operations. Case in point is that the company assembles most of its products on a self-assembly basis. This strategy is critical for the company because it helps in cutting transportation and operational cost. The company also uses the strategy to focus on the middle class on each segment of the market (Palepu et al., 2012). IKEA has a strategy that has immense cultural orientations. Case in point is that the company's advertisement program has attention catching elements that make its products salable to a wide range of customers. Essentially, IKEA does not focus its attention on the mass market, but rather concentrates on marketing approaches that target individuals.

The market in the current dispensation is increasingly competitive, and IKEA has sought to establish mechanisms that can ensure continual relevance in the market. Ideally, the company's current strategy is more quality oriented (Elliott et al., 88). Quality defines the products that a company deals with and fundamentally distinguishes it from the competitors. IKEA has become <https://assignbuster.com/current-strategy-of-ikea/>

bullish in the market due to its quality furniture that is characterized by uniqueness. Another current strategy that IKEA focuses on is the diversification of its products (Elliott et al., 212).

The Company does not just focus on the mainstream furniture products, but also concentrates on childrens products. Additionally, the company produces customized products for its clients as a consequence of meeting their needs and expectations. IKEA has an advertisement strategy that has limited orientation in the international market (Daft et al., 234). Case in point is that the promotional strategy adopted by IKEA is based on catalogues. The current strategies that have been adopted by the company have expanded its market portfolio to a greater extent. Essentially, the company's competitive advantage has fundamentally increased making it one of the best companies in the in the furniture industry.

Conclusion

IKEA has tremendously grown since the time of its inception due to its improved strategic programs. The company has a promotional and advertising strategy that is characterized by catalogues. Consequently, IKEA has diversified products with some being customized to meet the needs and expectations of the customers. Additionally, the company focuses on individuals other than mass markets. IKEA's current strategy is characterized by cultural orientations that are market specific and are spread among the various segments. The current IKEA strategies are responsible for extending its leverage in the market. The introduction of such strategies has been essential in ensuring IKEA's competitive advantage in the market.

Work Cited

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