

Ikea global marketing

[Business](#), [Marketing](#)



Case study 11. 3 IKEA crossing cultural boundaries to furnish the globe 1. How has IKEA successfully sold its home furnishing products in so many countries around the world? Do global customer segments truly exist? Ikea targets consumers who tend to have a young ‘mental age’ – that is, people who have a youthful outlook regarding the design of home furnishings. Industry analysts have described IKEA’s approach as targeting middle-class consumers including first-time home buyers, young families, and people renting their homes that transcend global needs. However, students may argue for forces against global segments, such as resistance to international brands in favour of local brands and anti-western sentiments. Students may also note cultural/attitudinal differences in various product categories that make targeting global segments difficult. 2. How important in its marketing is the role of IKEA's Swedish brand image? What are the implications for marketing? Students should answer the question in relation to the role of country-of-origin effects. These country-of-origin effects influence how consumers rate quality, and sometimes, which brands they will ultimately select. Consumers tend to have an established attitude or even a preference when it comes to a particular product being made in a particular country. This attitude might be positive, negative or neutral. This plays a critical role in IKEA’s marketing strategy, serving to differentiate its value proposition from its competitors and position its brand clearly in the minds of consumers. (Hint: Elaborate on how Ikea utilizes its C-O-Effect in its marketing efforts) 3. To what extent has IKEA practised a standardised strategy versus an adapted strategy in its global strategy? What are the advantages and disadvantages of this approach? IKEA’s products are

manufactured, packaged, and positioned the same way regardless of the country in which they are sold to a global segment. However, IKEA localises its advertising to consumers where absolutely necessary for various country markets, and has created different versions of their products to appeal to cultural preferences. The major advantages of IKEA's global standardised strategy are: 1. Cost savings/Mass Production 2. The design and implementation of a standardised marketing mix. 3. Branding control. The major disadvantage are: 1. Unable to fully localise its product range to meet the specific cultural needs and sensitivities of different markets. 2. Limited selection of advertising appeals for some markets to arouse the attention of local consumers. 4. Some say communications, especially the internet and television, enable a global culture to be broadcast to all societies. Are the cultures of the world becoming more similar or more different? Discuss.

Global marketing, travel, pop music, popular culture, networked news media and the internet are all forces pushing the world into a more global culture resulting in similar consumer behaviour. Students could discuss the increasing role of technology as a driver of global media with global television networks and the internet, enabling the transfer of cultures across boundaries and acting as important global promotional tools for global brands.