

Ikea argumentative essay



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1. What has allowed IKEA to be successful with a relatively standardized product and product line in a business with strong cultural influence? Did adaptations to this strategy in the North American market constitute a defeat to its approach?

IKEA has made themselves successful with a relatively standardized product and product line in a business with strong cultural influences because of their stated mission, “to offer a wide variety of home furnishings of good design and function at prices so low that the majority of people can afford to buy them.” Along with the previously stated mission it is key that they target people who are also not so concerned with status symbols and material possessions.

They draw to this demographic because of the low cost to manufacture these products which make them inexpensive and can be sold at prices that these certain groups of people will continually buy. People of many different strong cultural influences will buy these products because of cultural universals, “which are manifestations of the total way of life of any group of people... Common denominators can indeed be found.” (Czinkota & Ronkainen, 2013, pg. 64) This concept is stated in the article saying that the standardized product strategy for IKEA is offering products that are universally accepted around the world.

In the North American market it appears that this strategy has not defeated its approach by adapting and allowing smaller franchise stores rather than large company owned outlets. North America is one of the smaller markets where the “IKEA concept” is not as widely received and by allowing smaller

franchising stores it still gives the consumers who are on board with their concept the chance to go out and buy their products.

2. Which features of the “ young people of all ages” are universal and can be exploited by a global/regional strategy?

The features of the “ young people of all ages” that is universal are the young, highly educated, liberal cultural values, white collar workers and the little emphasis on status symbols. Those characteristics they market too and products they offer are universal and regional. Majorities of people are working toward having these values instilled into their lives and when it comes to the products they are universal and regional as well. Where ever you go in the world inexpensive products will appeal to people if they are looking for a bargain it most likely will not matter on what the product looks like if your biggest concern is the price.

3. Is IKEA destined to succeed everywhere it cares to establish itself?

It appears after reading the article that IKEA had entered all the markets that they will see the greatest success in for the type of products that they manufacture and sell. Having market share in this industry in Europe, North America, Asia and Australia is mostly likely all this company will ever need to pursue. This is because venturing into new sectors of the world would be a very expensive expansion and with the type of manufacturing and producing this company does the situations in these new places would have to work with their strategy. With that said it doesn't mean they could not expand into other places like South America. They would most likely succeed there by

importing all of their goods and doing the smaller franchise stores like they do in North America.

4. IKEA Social Initiative was formed to manage the company's social involvements on a global level. Why?

“ Corporate social responsibility (CSR) is not going to solve the world's problems. That said, CSR is a way for companies to benefit themselves while also benefiting society.” (Epstein-Reeves, 2012) The previously stated sentences are why IKEA formed this social initiative. They are a very large international company that uses lots of natural resources and produces in places where unethical business can be conducted unseen to the world. By having these initiatives it shows the world and mainly other potential consumers that IKEA is not just producing household products at the cheapest prices at any cost to the environment and surrounding societies in which they involve themselves.

“ IKEA Social Initiative is committed to promote the rights of every child to a healthy, secure childhood and access to quality education.” (United Nation, 2012) This is just one major example of how IKEA invests their money; they have decided it is important to them to fight for the rights of children protecting them against unfair child labor and making sure they have equal opportunity to education. All this just gives the company a much better image to the consumer world and beyond that as well because with so much manufacturing and labor just for one company to produce their products it's important they offset some of the potential damages this may have caused.