

Kea to transfer swedish design case study

Business



**ASSIGN
BUSTER**

KEA is determined to maintain a standardized product strategy with a universally accepted assortment around the world, now carrying a variety of different home furnishings. It has limited number of manufacturing, however, designs all of its furniture. Kike's cost leadership strategy through high volume production and standardized items enabled it to sustain its business. Consumers are expected to become "procurers", in the meaning of half producers and half consumers, thus supplying their time for assembling work after their purchases.

Consequently, Kike's success is due to its customer focused strategy.

The principal market target is composed of "people, who are young, highly educated, liberal in their cultural values, white-collar workers, and not especially concerned with status symbol". Therefore, consumers with low status concern and low conservatism enabled Kike's success in strong cultural influences. Moreover, high income groups have fewer cross-cultural differences and more open to adapt values to new beliefs.

As a result, with their right consumer target, KEA was able to succeed with their relatively standardized product line. However, KEA ran into difficulties in North American market.

One of difficulties is different tastes in furniture and a requirement for more customized furniture. For instance, European bed design were not wide enough for American consumers, also KEA did not sell matching bedroom accessories suitable with American preferences. American glass needs bigger size where they can put a lot of ice.

Moreover, there had difficulties for KEA to transfer Swedish design economical culture to the American market. For instance, the different measures where in Europe is centimeters where in America is inches. Therefore, some adjustments have made to the approach.

For instance, KEA increasing its joint with local supplier and use local sources develop product within their core competence for the local market as well as the Increasing responds to local market in American preferences. 2. Which features of the young people of all ages' are universal and can be exploited by a global [regional strategy?

As to achieve Kike's mission is to offer a wide range of home furnishing items of good sign, function, excellent quality and durability, at price so low, KEA targets the customer who is looking for value and is willing to do a little bit of work serving themselves, transporting the items home and assembling the furniture for a better price. Nine matches I KEA customer is young low to immune-lonesome Tamely. Modern Ana simple life style of Kike's design is certainly attracted of its target market. The target market of young people in KEA is the typical of global company that the similarities are come into view in each of countries market.

KEA advertisement used television, magazines, billboards and newspapers, but all markets had the same advertisements, whether it was in California or New York. KEA no longer uses this technique. KEA now has different commercials for different regions in the world. This is another example of how their global strategy had to be changed. Nevertheless, KEA also has

marketing strategies for different types of consumers within different regions.

3. Is KEA destined to succeed everywhere it cares to establish itself? KEA is not destined to succeed everywhere it cares to establish itself.

With all of their expansions, there are some possible concerns for the future. One of those concern is emerging of demographic trends such ageing people will force the organization to broaden its focus strategy. Furthermore, as expanding emerging also it will be more difficult to respond to national needs and cultural sensitivity issues.

It is highly questionable whether the current centralized design and research development department is able to understand global customer needs and satisfy all of them better than the local competition.