

Marketing case study examples

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IKEA IN USA: Future of Swedish Giant

Introduction

This report focuses on the IKEA which is the furniture retailer Swedish company in Sweden and as January 2008 is the world's largest furniture retailer. Regarding the competitive analysis the Home Centre is company's biggest competitor but this Swedish company has done far better than the Home Centre. This has been very brave when it comes to the marketing strategies. The new promotion strategies have been followed by the company to push their customers to the furniture's and thus about 20,000 coupons were distributed all about Abu Dhabi and were dropped in the raffle box. It happened in the year 2010. When one thinks of the furniture's then one thinks of the IKEA. In 1943 Ingvar founded the company. IKEA does a lot more to stimulate the customer's senses. It tries best to motivate them to come to the company's stores. There are used the different techniques about the items that are present in the stores. The organization is running successfully with the top most brandings. (Bayer, 2013)

IKEA concept of success

The IKEA stores expanding in early 1980s in 20 countries, the founder Ingvar realized to protect the IKEA concept on the basis of the company's seen growth. For the total independence the stock market was not the available option. The notion starts with the idea of the giving the varieties of the home furniture and the related products that are much more affordable to the customers. As of the September 2014, in 43 countries with the 351 stores the company is operating with the success. In the fiscal year of 2010, the

goods that were sold vary from US\$23. 1 billion and the total was representing the 7. 7. Percent increase was compared to the year 2009/there are about 12, 000 products that the company's website contains. To the visitors of the IKEA there are about 470 million visitors to its websites from September 2007 to September 2008. only 1 % of wood's supply is used by the company and thus becomes world's largest users of wood in the retail sector. (Batsman, 2010)

Production and the global destination store

IKEA that operates in 41 countries is the global store for the furnishing with home accessories and the kitchen products. It has more than 301 stores and 30 franchises units where the largest marketing company is Germany with 44 stores and in the US with 37 stores. \$24 billion with \$3 billion coming from the United States shows the sales volume that is in estimated form. There are approximate 533 million people who made a visit to the company.

The world's five largest IKEA stores are:

- 552, 000 square feet in Stockholm, Sweden
- 494, 000 square feet in Shanghai, China
- 457, 000 square feet in Tianjin, China
- 450, 000 square feet in Berlin, Germany.
- 494, 000 square feet in Shanghai, China

IKEA's market development strategies according to the Ansoff's growth matrix strategy reveals that IKEA is trying to sell the products to those markets that are new in nature. They are now making entry in the new geographical markets with the Swedish designed furniture's. On the initial

expansion of the company, the said company has earned the greater return form as of the other countries. And they were explored the different markets. Currently WE, Russia and china have been indentified as the main source of their supply chains. The growth in the target market segment has made them and enable them to have grow the size by catering to more people it is according to the IKEA's global marketing strategy, 2015.

The future of IKEA expansion in the USA

The company in the US started with the owned subsidiaries but was with the standardized equipments where the entry was proved unsuccessful and the US markets pretences followed with their strategies are totally different over the furniture's. The entry in the European markets was successful but not in the US. The reason is that the US customers prefer the large sets of furniture's and other house hold items. For example to say the Swedish beds were five inches narrower than those the US customers uses. The company redesigned it strategies for the US market and is now in the successes mode to some extent. (Batsman, 2010)

IKEA strengths and weaknesses

The biggest strength of the company is low cost structure, when the company has kept the low cost structures for its customers then it is more profitable in nature that meets the requirements of the customers all over the globe except to the US. The weakness of the company is that the IKEA products are simple abd basic in nature while in the US people wants the modern structures furniture's . the company do it yourself approach is not affordable by the customers as it is the hindrance to the convenience. In the

website of the IKEA there are majority of products that cannot be ordered from the online and this causes the inconvenience to the customers at the greater extent. The online strategy where the information's are given at the wide range but the availability of purchase is also to be made present.

IKEA low cost marketing opportunity

IKEA low cost but high quality is always adhered by the customers at the international level. This quality has made the company the preferrable one in the world. (LaFond, 2012)

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