

# Ikea case study

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



CASE STUDY: IKEA COMPANY Ikea Case Study Competitive priorities have been a major consideration variable whenever the top level management of any organization make decisions. The operations managers and researchers are left with the responsibility to respond efficiently to the ever changing business environment in order to gain the much needed competitive advantage in the market. An ordinary approach to determine competitive priorities involve the use of a questionnaire where respondents rate the relative Importance of each priority. <sup>1</sup> This method has been regularly implemented in many organizations and has portrayed reliability in results. Competitive priorities are directly linked to the performance of any business. The IKEA Company is involved with manufacturing of household items across the world. As a manufacturing company, IKEA has divided its competitive priorities into the following elements; cost or price, quality, innovation, flexibility and delivery. Under cost, the IKEA Company is able to pick a price of any prospective product and calculate what the product would cost. The company involves all its experts in design, product developers and purchasers to make the price choice. IKEA also ensures that there is quality in all the manufactured products. <sup>2</sup> This is ensured by maintaining the usual suppliers of raw materials, for instance, the Romania factory. The products are also produced with Keen Corporation with suppliers. Innovation has also seen the company develop better products for their consumers. IKEA's products are designed and produced by the best personnel of the company. The most innovative design is passed for production. This has led to increased convenience in the use of their products in addition to more sales for the company. IKEA's design and manufacturing process is

also flexible. This means that they are able to accommodate any necessary changes to products in any phase of production up to the distribution level. The company was able to change the design of various tables to ease transport. Moreover, the design of the mug was changed three times to fit the packaging in order to ensure more sales. Finally, IKEA's delivery system is efficient in all aspects of adding value to consumers. The company ensures that the correct numbers of goods are delivered to the right stores and at the required time. <sup>3</sup> These priorities explain the success that IKEA Company has enjoyed for a long time.

The nature and dynamism of today's global market requires new products to ensure survival in business while maintaining the market share. IKEA understands this thus there is always an introduction of a new product in the market after a given period of time. Initially, the company engages a team of designers, product developers and purchases so as to determine the appropriate design, materials and suitable suppliers for the finished product. This is done to ensure that the end product has the right price and design. The company then chooses a suitable manufacturer to be handed the processing procedure.

Among the forwarded designs of the particular product, the company further uses other designers to select the best design. The designers are required to write a report that explains the products price, the design process, the functions and materials to be used.

After the selection of the design, the manufactures are given the go ahead to commence with the processing procedure. However, this new product is always subject to changes even after completion. This is done to not only

ensure better packaging and transportation but also to fit well to the utility of the end users. 4 At this point, the new product is ready for shipment.

#### References

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