

Ikea-case study essay



**ASSIGN
BUSTER**

1. How has the globalization of markets benefited IKEA? – IKEA has been a great success in its home country. Now in this new global marketplace, companies can expand to other countries where they never imagined they could when they started. IKEA targeted the global middle class which is looking for low-priced buys attractively designed furniture and household items. It takes cultures and tastes from all over the world and brings them together through technologies such as the internet and telecommunications. The globalization of market made IKEA establish its stores almost in every country in the world as the cost of transportations, labor, and materials can be reduced.

2. How has the globalization of production benefited IKEA? – It has benefited IKEA beyond their expectations and benefited greatly from globalization of production. Globalization of production benefited IKEA also by letting them save in the shipping department. They were able to adapt so seamlessly to the new markets because everything has now adapted itself to newer markets. Their target market being middle-class, deal searching people, made them need to constantly reduce price. IKEA's success is based on principal marketing strategies that remain the same throughout the world, which include a catalogue that is printed in different languages, for many counties, and the use of the colors of the Swedish flag, blue and yellow, in the IKEA logo.

3. What does the IKEA story teach you about the limits of treating the entire world as single integrated global marketplace? – In my opinion, every country is unique and has different cultures. If the strategies to provide low price of product offer a company must identify what and which factor that

can bring the lowest cost in term of labor, transportation, materials and so on. IKEA first discovered in the early 1990s. The company found that its European-style offerings.