



# IKEA

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The IKEA logo, consisting of the word "IKEA" in blue, bold, sans-serif capital letters inside a yellow oval, set against a blue background.

**IKEA**

# Outline



- 1 History of IKEA
- 2 IKEA conception
- 3 SWOT analysis
- 4 Entrance to Brasil



# Key figures



- ❖ 296 stores
- ❖ 36 countries
- ❖ 120 000 employees
- ❖ 12 000 products
- ❖ 28.8 bln Euro revenues
- ❖ Ingvar Kamprad Elmtaryd Agunnaryd

DECEMBER  
2008



# 1. History of IKEA

- ❖ **1943** - **Foundation**
- ❖ **1951** - **First IKEA catalogue**
- ❖ **1953** - **First IKEA showroom**
- ❖ **1957** - **First semi-assembly furniture**
- ❖ **1958** - **First IKEA store in Älmhult**



# 1. History of IKEA

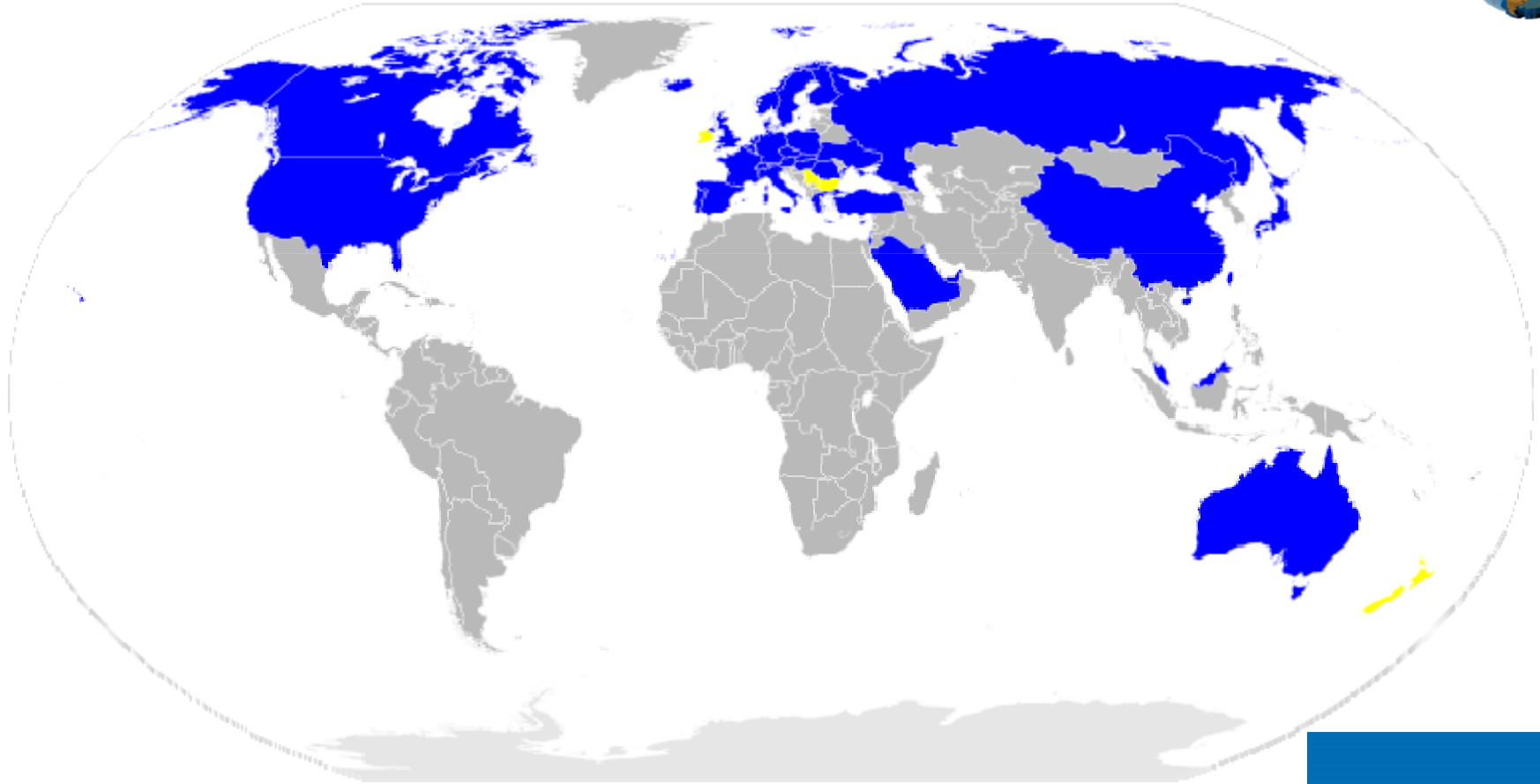


## IKEA expansion in the world

<b>1963</b>	<b>Norway</b>	<b>1985</b>	<b>United States</b>
<b>1973</b>	<b>Switzerland</b>	<b>1989</b>	<b>Italy</b>
<b>1975</b>	<b>Germany</b>	<b>1990</b>	<b>Poland</b>
<b>1976</b>	<b>Austria</b>	<b>1994</b>	<b>Taiwan</b>
<b>1978</b>	<b>Singapore</b>	<b>1998</b>	<b>China</b>
<b>1981</b>	<b>France</b>	<b>2000</b>	<b>Russia</b>
<b>1983</b>	<b>Saudi Arabia</b>	<b>2006</b>	<b>Ireland</b>



# 1. History of IKEA



## 2. IKEA conception



**VALUE**

semi  
assembly  
products

flat  
packs

effective  
supply  
chain

effective  
marketing

**IKEA**

# 2. IKEA conception



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*"Funny how there always seems to be a few bits left over."*



## 2. IKEA conception



# Franchising system

- ❖ **Unknown, relatively small & high risk markets**
- ❖ **All granted licences are parts of detailed expansion plan**
- ❖ **Granted to companies or individuals with strong financial backing and proven experience in retail**
- ❖ **Catalogues & promotional advertising is the responsibility of headquarter**
- ❖ **All products from IKEA product lines**
- ❖ **Strict, periodical audit**





# IKEA products



## **Product range is extensive enough**

- to have something that appeals to everyone
- to cover all functions in the home
- the products are modern not trendy so they are practical enough for everyday use.

## **Cost advantage**

- low price and yet good value for money.  
(excellent relationship with suppliers)
- flat packed furniture cuts costs on transportation and assembly.

## **Function**

- products are based on a functional approach to design.  
IKEA design means products that are attractive, practical and easy to use.
- they give genuine solutions for specific home furnishing needs and are made of the most suitable materials for their purpose.

## **The right quality**

- the quality of a product is appropriate for the intended use.



# 3. SWOT analysis



# Strengths

# Weaknesses



- ❖ Powerful brand image
- ❖ Wide range of products
- ❖ Swedish designs
- ❖ Cheap and affordable
- ❖ Friendly atmosphere/store layout
- ❖ Facilities: restaurants, daycare canters
- ❖ Furniture ease to ship

- ❖ Assembling furniture may be unappealing to some customers
- ❖ Relatively few locations
- ❖ Store layout – hassle for those who want particular thing
- ❖ Swedish design may not appeal to other nations
- ❖ Furniture not for lifetime



# Opportunities

# Threats



- ❖ **New areas for potential expansion (India, Latin America)**
- ❖ **Educate consumers via adverts**
- ❖ **Different types of stores like outlets or high end labels**
- ❖ **Increase on-line sales**

- ❖ **Indirect threats from other companies (walmart)**



# 4. Brazilian market



## 4. Brazilian market



- ❖ Furniture market in 2000 – 3.6 bilion \$ (\$111 million – import)
- ❖ 4.6 million hectars of forests
- ❖ 13500 furniture manufacturers in Brazil
- ❖ Developing sector tailored to satisfy niches
- ❖ Import of institutional furniture will increase
- ❖ Tariff based import system (easy licences)



# 4. Brazilian market



- 1. Economic instability**
- 2. Difficulties in obtaining financing**
- 3. Custom barriers for certain imports**
- 4. Real-dollar exchange rate**



# Plans and objectives



- ❖ Position IKEA as the leader in the home furnishings market
- ❖ Deliver a very aggressive sales target (the number is confidential).
- ❖ Provide a strong sense of connection between IKEA and the local community



# Summary



**IKEA**

**provides a functional, beautiful  
and affordable home**

**IKEA**

**attempts to reach good results  
with small means**

**IKEA**

**is "not for the rich one but for  
the wise one"**

**IKEA**

# Thank You !



## Applying for a job at IKEA



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