IKEA

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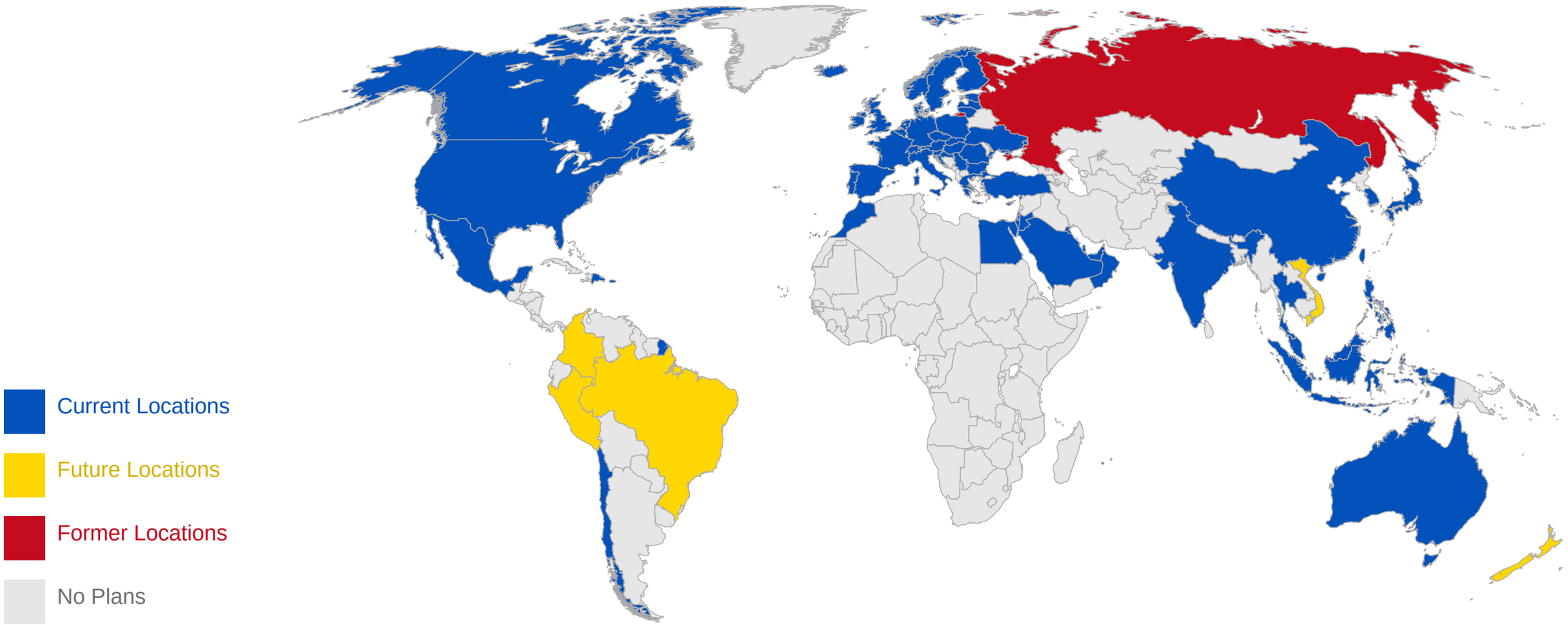
IKEA DIGITAL LOCATIONS



INTRODUCTION TO
IKEA’S DIGITAL STRATEGY

- IKEA is a global leader in home furnishings, known for its innovative designs, affordability, and commitment to sustainability.
- In response to changing consumer behaviors and technological advancements, IKEA has embarked on a digital transformation journey to enhance the customer experience and stay ahead of the curve.
- In this presentation, we will explore IKEA's digital transformation efforts, focusing on the launch of IKEA Kreativ, an AI-driven digital design experience that is revolutionizing how customers design and visualize their living spaces.
- Agenda: "We will begin by providing an overview of IKEA's digital transformation strategy, followed by an in-depth look at the features and benefits of IKEA Kreativ.

Mission statement: "At IKEA, our mission is to create a better everyday life for the many people by offering well-designed, functional home furnishings at prices that are affordable to as many people as possible."

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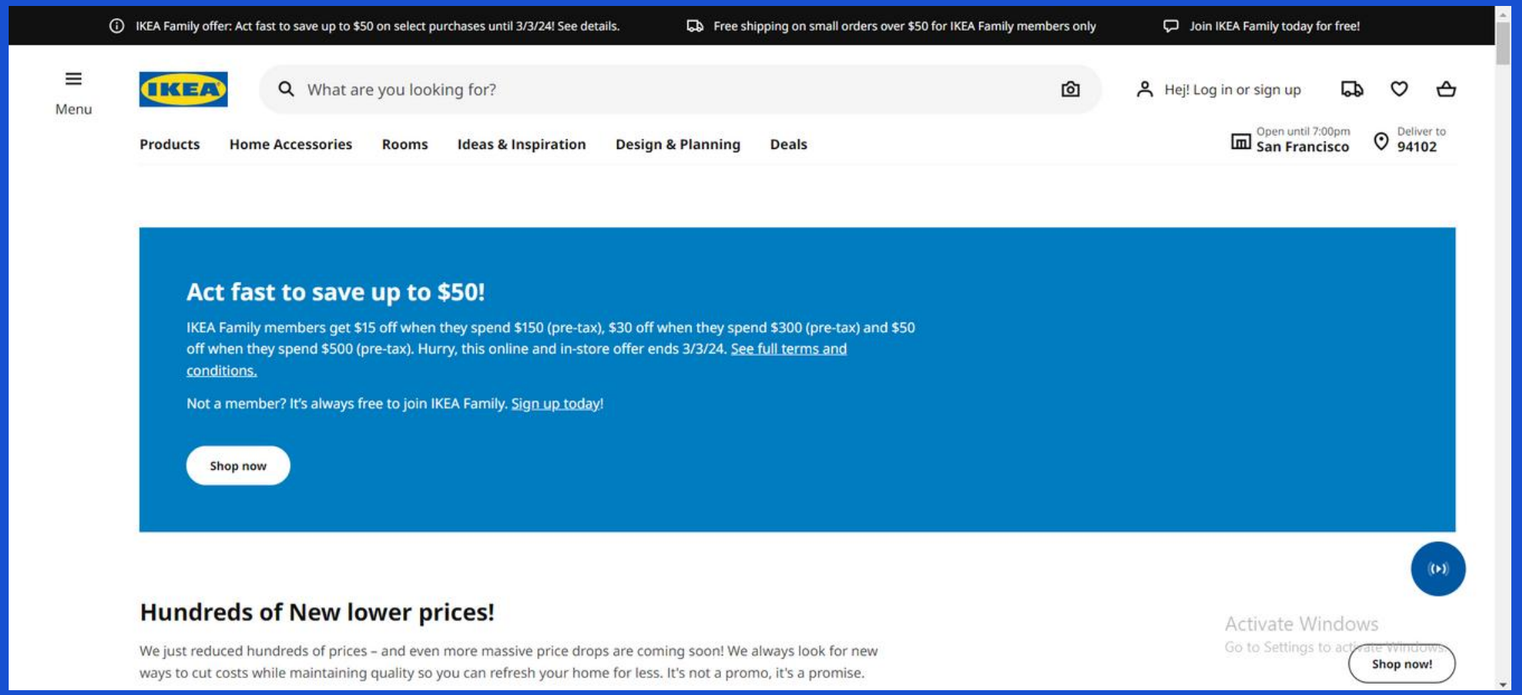

FREE SHIPPING

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PRIORITY SUPPORT

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DUTY AND TAX FREE

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PROBLEMS FACED BY IKEA

INCREASED COMPETITION:

Increased Competition: IKEA encountered intensified competition in the retail sector, particularly from online retailers, leading to a decline in foot traffic in physical stores and impacting sales.

DIGITAL DISRUPTION:

With the rise of e-commerce and changing consumer behaviors, IKEA faced the challenge of adapting its traditional business model to the digital landscape.

CUSTOMER EXPECTATIONS:

Evolving customer preferences towards convenience and personalized experiences necessitated a shift in IKEA's approach to meet the demands of the digital-savvy consumer.

IKEA's DIGITAL SOLUTIONS

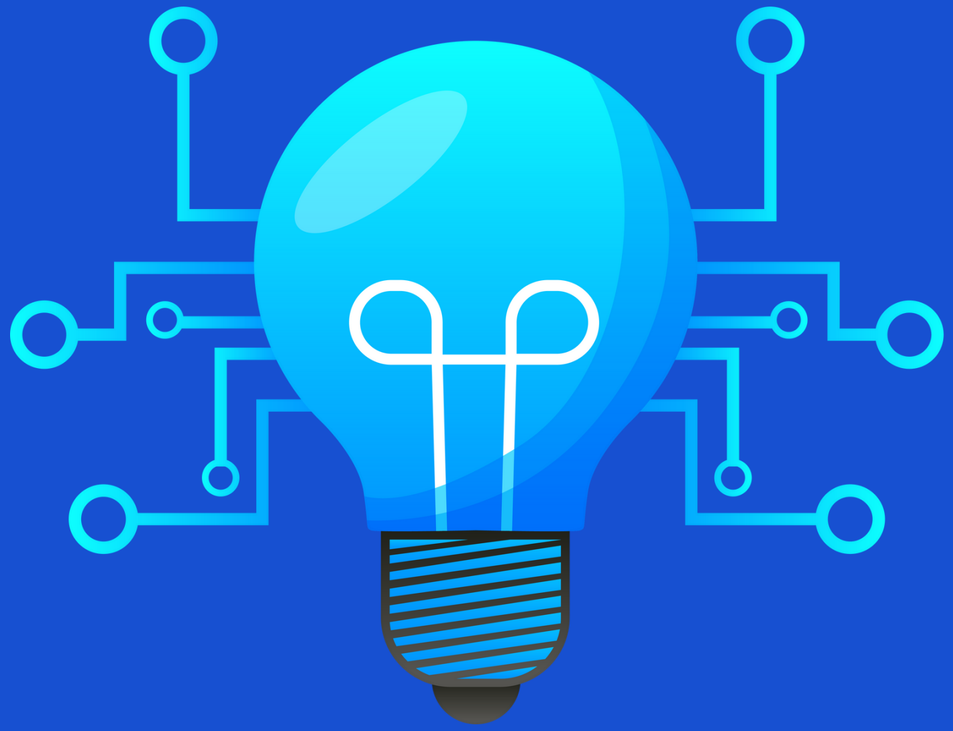
- **Enhanced ECommerce Platform:** IKEA revamped its online shopping experience, focusing on website and mobile app optimization.
    - **Digital Strategy:** Website and Mobile App Optimization.
- **Omnichannel Integration:** IKEA introduced click-and-collect services for a seamless online-to-offline experience.
    - **Digital Strategy:** Click-and-Collect Services.
- **Personalization and Data Analytics:** IKEA implemented an AI-powered recommendation engine.
    - **Digital Strategy:** AI-Powered Recommendation Engine.

Lessons Learnt By IKEA

Create an experience, Not Just a Product

Have a strong digital brand identity

Invest in content marketing



Make use of Social Media Channels

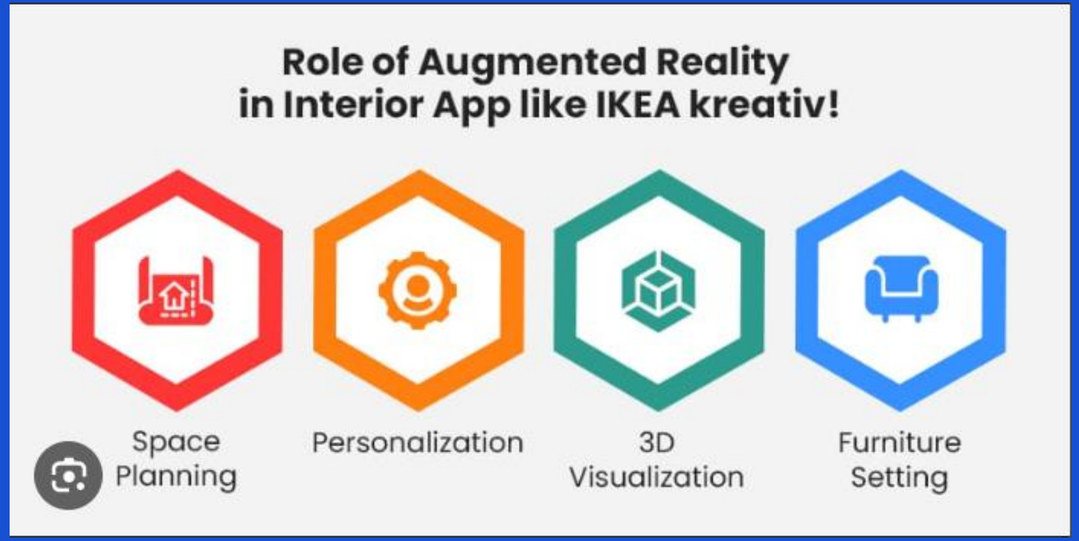
Get to know your customers (online / offline)

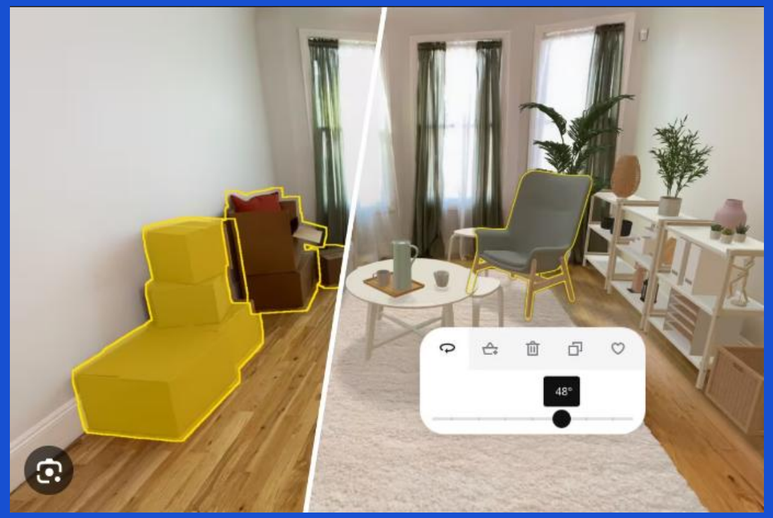
Keep it fresh

IKEA’s TECHNOLOGICAL IMPLEMENTATION

Augmented Reality and Virtual Reality (AR/VR):

IKEA Kreativ uses AR and VR for room design, allowing customers to scan their space, design it with IKEA products, and visualize the outcome before making a purchase. This technology is supported by machine learning and 3D technology on a scalable, cloud-based platform, enhancing the shopping experience both online and in stores.





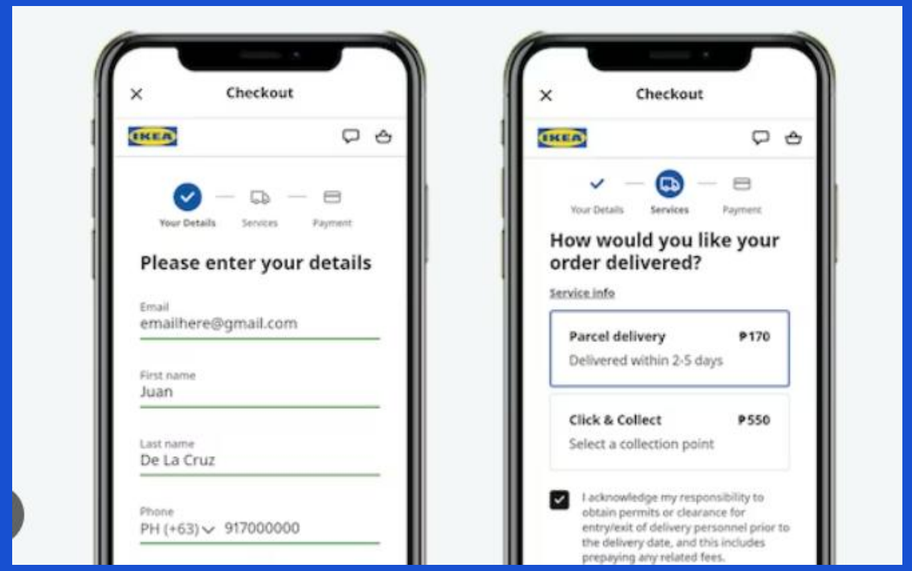
3D Technology:

The introduction of IKEA Kreativ in the US showcases IKEA's commitment to digital innovation, allowing customers to take a 3D scan of their rooms to place and visualize IKEA furniture, even allowing the removal of existing furniture in the visualization. This tool aims to provide a more immersive and engaging shopping experience.

IKEA’s TECHNOLOGICAL IMPLEMENTATION

Mobile Technology -

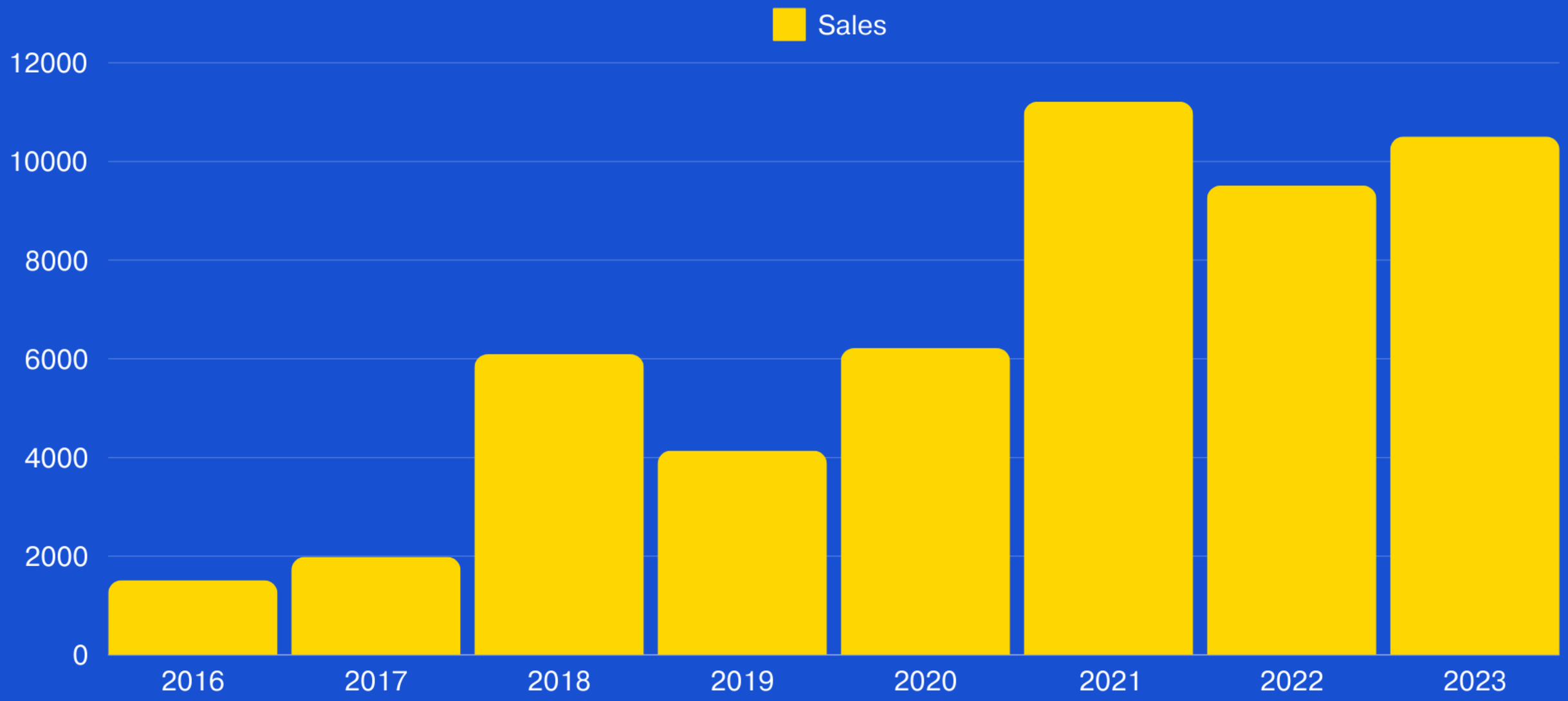
The IKEA app features innovative functionalities like “Shop-and-Go” feature, allowing customers to scan and pay for the products to be purchased using the Mobile app itself. This in turn reduces the wait time for them at the checkout counters.



Buy Now, Pay Later (BNPL):

IKEA has ventured into BNPL options in collaboration with Afterpay, offering customers the flexibility to make purchases in installments. This payment option aligns with consumer trends towards manageable spending and making larger purchases more accessible.

IKEA's Growth over the years

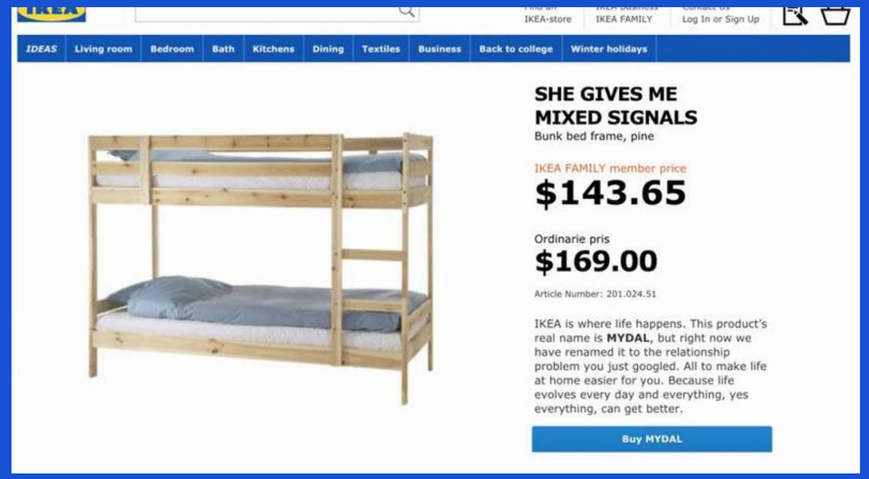


Growth

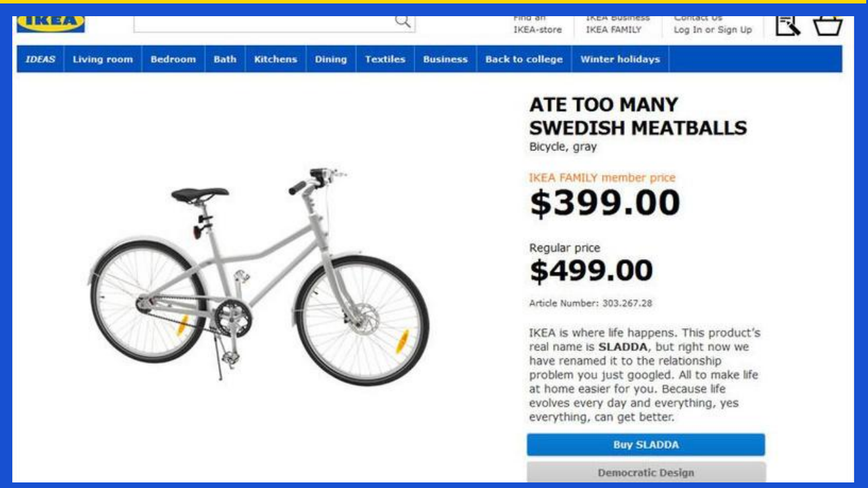
Ecommerce and Online Presence

Augmented Reality And Virtual Reality

Growth

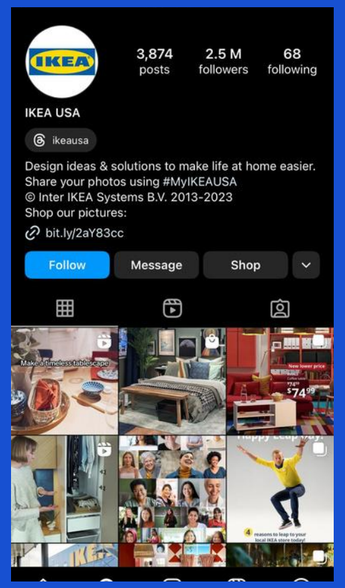


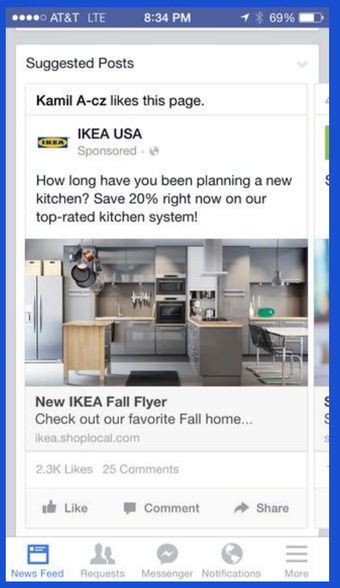
Innovative Names



Data Analytics And Personalization

Digital Presence



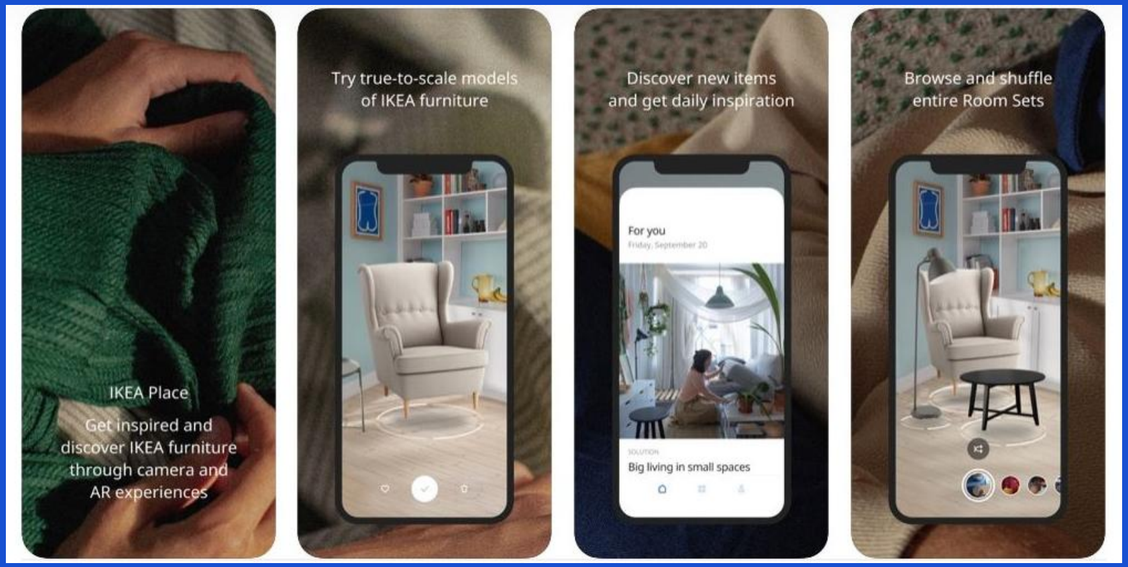


ADJACENT MARKETS

Smart Home Integration

Urban Planning And Housing

Ikea Place



AR

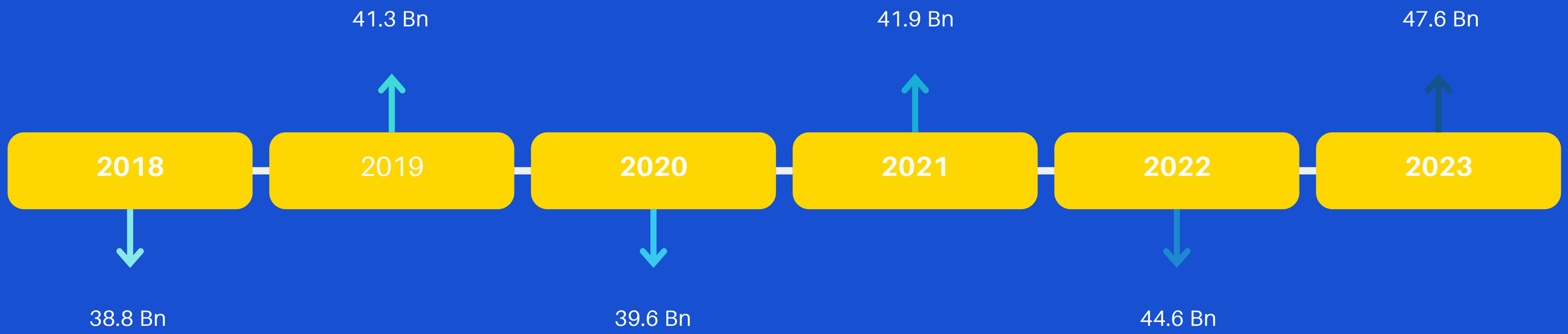
IKEA's Business Models

IKEA Digital Strategies

IKEA’s Business Models

IKEA Kreativ

Since its inception, IKEA’s Kreativ platform has contributed to a total of 7% growth in IKEA’s revenue by implementing the latest Digital Technologies.



SWOT
INPHOGRAPHIC

S STRENGTHS

- Innovative Technology: IKEA leverages advanced technologies like AI, spatial computing, and 3D mixed reality, providing a unique and cutting-edge design experience.
- Convenience: Customers can design their spaces from anywhere using their smartphones or computers, making the design process more convenient and accessible.

W WEAKNESSES

- Digital Adoption: Some customers may find it challenging to use the advanced technology required for IKEA Kreativ, potentially limiting its appeal to a more tech-savvy audience.
- Integration Challenges: There may be challenges in integrating IKEA Kreativ with existing IKEA systems and processes, leading to potential inefficiencies.

T THREATS

- Competition: Other retailers or tech companies could develop similar tools, increasing competition and potentially impacting IKEA's market share.
- Security and Privacy Concerns: The use of AI and computer vision technologies raises concerns about data security and privacy, which could affect customer trust and adoption.

O OPPORTUNITIES

- Market Expansion: IKEA Kreativ could help IKEA expand its market reach by attracting new customers who are interested in innovative digital design tools.
- Data Insights: The tool could provide valuable insights into customer preferences and behaviors, which IKEA could use to improve its products and services.

Simplicity and common sense should characterize digital planning and strategic direction

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THANKS!