Required Assignment 2.4: Developing and Launching an Effective Product Offering

**Shridhar Dhuri**

**Suggested time:** 90 minutes

**New Product Idea**

I want to introduce a new service in the IKEA store called “IKEA Outdoor Hospitality Experience”. This will be a food and beverage offering by IKEA in their parking and waiting area of the IKEA store. The service will be a SELF-SERVICE for the IKEA customers. They can order food at the order counter/ online. The food will be prepared and packed in the same kitchen as the IKEA store. Once ready, it will be delivered at the pick-up counter in the parking area. Customers can pick up their food from the pick-up counter in the parking area. The target market and audience for this product will be all customers visiting the IKEA store, particularly on high-footfall days. This service will focus on IKEA stores in populated countries, such as India.

**Executive Brief for CEO**

**Problem Statement:**

You can write about, but not limited to…

**What problem are you solving and for whom?**

* It has been observed that IKEA stores, especially in India, experience a high footfall on Weekends, public holidays, the festive season, sale days, and school vacation days, which makes up approximately 40% of the whole year
* Most of the customers try to come to the store in the 1st half of the day before lunch, so that they can spend maximum time in the IKEA store comfortably and also have food when required
* The problem is that most of the customers come in the same window between 10 a.m. and 12 p.m., and most of them want to have lunch at the same time, i.e., between 12.30 p.m. and 2.30 p.m. (lunchtime)
* This results in a big bottleneck in smoothly moving the incoming crowd from one section to another in the IKEA store
* That makes crowd management challenging for the IKEA staff, eventually resulting in taking an unpleasant decision to halt the incoming customers in the parking area
* These potential IKEA customers have to wait outside the IKEA store in the parking area until inside customers have finished their lunch and dispersed to the next sections of the IKEA store

**Why is this problem important?**

* The problem looks simple, but has a significant impact on the customer experience as customers have to wait not only for the shopping but also for the food
* The waiting crowd could have families with women, children, and elderly people for whom waiting hungry for a longer time could be challenging
* If customers are waiting for a significant amount of time in queues outside the IKEA store, they tend to lose interest, which eventually results in a loss of sales for IKEA
* Also, IKEA is losing an opportunity to sell their food to their customer due to overcrowding in the food area

**Proposed Solution**

You can write about, but not limited to…

**How do you want to solve the problem (What do you want to build)?**

* IKEA should introduce a new service in the IKEA store called “IKEA Outdoor Hospitality Experience”. This will be a food and beverage offering by IKEA in their parking and waiting area of the IKEA store.
* This service should be a limited-time service, especially in the “lunchtime” window.
* This will keep customers engaged during the unwilling waiting period and is likely to stay and shop longer
* The IKEA overcrowding issue will be turned from a problem to an opportunity to increase food & beverage sales

**How is the proposed solution different from existing ones?**

* At present, IKEA does not have any solution to this problem

**Current Solution:**

You can write about, but not limited to…

**What solutions are people currently using to solve this problem?**

* To avoid this hustle, a few of the IKEA customers visit the IKEA shop early in the morning and compromise their lunchtime. They tend to have brunch (breakfast + lunch) together to avoid the crowded food area during “lunchtime”
* Some of them just leave the waiting queues and plan to visit IKEA on a less crowded day

**Deployment Plan**

**How do you plan to deploy the new product development process to arrive at the solution (from idea to launch)?**

Idea Generation:

Observation: Real-world problem observed during IKEA Nagasandra visit—crowded weekends, customers waiting outside

Empathy mapping: Identified frustration points—hunger, boredom, kids getting restless

validation:

* We can check footfall data on peak days (weekends, holidays)
* IKEA’s business model benefits from prolonged customer presence and engagement
* Check for government regulations and permissions for serving food in the parking area

Concept Development:

* A modular, mobile hospitality pop-up in the parking area
* Order and pick-up counter with limited items, especially non-sticky and non-spillable items. (e.g., rice bowls, burgers, bottled drinks)
* Shaded waiting area with limited seats and proper ventilation. Customers can have food inside their vehicles
* QR code-based menus and a mobile ordering system
* Live waiting time display (via app or screen)
* Store catalogue browsing station (physical or digital)

Market Research: Footfall analysis of IKEA stores (historical + real-time)

Prototyping:

* Create a small-scale pop-up setup in one store (e.g., Nagasandra, Bangalore, India)
* Food will be prepared and delivered manually by the IKEA staff, from the IKEA store food area to the parking area
* Serve food only on the highest footfall days, like a festival, in only the "lunchtime" window

User Testing:

* Observe waiting time and customer satisfaction during high-crowd days
* Set up feedback screen near pick-up counter. Request customers to register feedback at the time of receiving food.

Product Development:

* Work with the government facilities team for parking space layout approval and safety compliance
* Develop procedures for Setup/removal logistics and waste management
* Explore the possibility of installing a tiny Food Elevator/ conveyor belt, so prepared food containers can be sent from the Food area to the Parking area automatically
* As per the response from the customer, increase the time and the menu of the order counter

Marketing and Launch: Do marketing using social media and record user experiences

Post-Launch Review: Keep on checking pop up utilization and areas of improvement