

A STUDY ON IKEA'S MARKETING STRATEGIES AND IT'S INFLUENCE CONSUMERS PREFERENCE.

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ABSTRACT :

The marketing strategies used by IKEA and their impact on consumer preferences are examined in this study. IKEA has established a strong brand identity that appeals to a wide range of consumers. The company is well-known throughout the world for its distinctive retail model and reasonably priced, fashionable furnishings. Key elements of IKEA's marketing strategies, including product design, price strategy, shop experience, traditional and digital advertising, and sustainability activities, are examined in this study. By concentrating on these factors, the study seeks to comprehend how IKEA affects customer behavior, ranging from general pleasure to brand loyalty and purchase intention. Surveys and a case study of IKEA's marketing activities were used to gather data using both qualitative and quantitative methodologies. The value-driven strategy, in-store experience, and constant innovation in products are the main reasons why IKEA's marketing methods impact consumer preferences. This insights contribute to a better understanding of how a strong, strategic marketing mix can build consumer preference and loyalty in the retail furniture industry.

Keywords: IKEA, marketing strategy, consumer preference, brand loyalty, product design, pricing strategy, in-store experience, sustainability, digital advertising, customer satisfaction.

JEL classification code: M31,D12,L81.

INTRODUCTION OF THE STUDY:

Companies utilize market strategies, which are comprehensive plans, to draw in and convert new customers. Features including the value proposition, brand message, and the four P's—product, pricing, place, and promotion—are among the essential components of marketing strategy. Creating a lasting competitive edge is the goal. Purchase decisions, brand engagement, and reactions to promotions are all influenced by consumer preference, which has a big impact on marketing strategy. Gaining insight into consumer preference marketers to tailor their approaches to suit consumer preferences, promoting brand loyalty and effective market placement. In essence, a company's market strategy guides its interactions with consumers, and the success of these strategies is based on the preference of its target audience.

IKEA, short for **Ingvar Kamprad Elmtaryd Agunnaryd**, is a Swedish multinational company founded in 1943 by Ingvar Kamprad. Known for its stylish, functional, and affordable home furnishings, IKEA has become a global leader in the furniture retail industry, revolutionizing home decor with its flat-pack, ready-to-assemble products. In India, IKEA made its debut in 2018 with the opening of its first store in Hyderabad, followed by locations in Mumbai, Navi Mumbai, and Bengaluru. IKEA's entry into the Indian market was met with excitement, as it brought a blend of Scandinavian design and localized products tailored to Indian consumer preferences. The company has also adapted its product offerings in India, including a mix of global bestsellers and products that cater to Indian lifestyle needs, like stainless steel cookware and more compact furniture for urban homes. Committed to sustainability and affordability, IKEA India combines its international appeal with an understanding of local tastes, making it a unique presence in the Indian home furnishings market.

STATEMENT OF THE PROBLEM:

By exploring IKEA's branding tactics, this study will examine how the company's reputation for affordable yet stylish furniture and home goods has contributed to its global success and influenced consumer perceptions of quality and value. Additionally, it will assess the impact of IKEA's advertising efforts, which emphasize lifestyle-oriented messaging and appeal to various demographic groups, on customer awareness and brand recall.

The research will further delve into IKEA's store design and layout, specifically the maze-like arrangement and immersive showrooms that encourage customers to spend more time exploring products in a realistic setting. This will help clarify how physical retail environment design shapes consumer buying be...

OBJECTIVES OF THE STUDY:

1. To examine IKEA'S marketing approach and how it affects consumers preferences.
2. To Determine how consumers are affected by Affordable and appealing products.
3. To examine the extent to which IKEA'S marketing strategies has increased customers loyalty.

SCOPE OF STUDY:

This research aims to explore the diverse marketing strategies utilized by businesses and assess their effects on consumer preferences. The study encompasses identifying various marketing techniques, including digital, influencer, content, and traditional marketing methods. It will also analyze consumer behavior patterns, market segmentation, and the impact of these strategies across different demographics, psychographics, geographic regions, and behavioral factors. By utilizing both qualitative and quantitative methods such as surveys, focus groups, and statistical analysis, the study will gauge the effectiveness of specific marketing strategies on influencing consumer preferences. Through comprehensive case studies of successful marketing campaigns, this research aims to offer practical insights into consumer expectations and perceptions. Lastly, the study will investigate emerging trends in marketing strategies and forecast their potential impact on future consumer behavior, enabling businesses to optimize their approaches for maximum effectiveness.

REVIEW OF LITERATURE:

1.Wang Yexiang.(2019) Expansion of the female consumer market based on experiential marketing Wang Yexiang's research emphasizes the crucial role of experiential marketing in establishing emotional connections with female consumers. The study points out that women prefer personalized and immersive experiences, and highlights the significant influence of social media on their behavior. Furthermore, it acknowledges the growing economic power of women, termed the "her economy," which makes them an essential target for marketers.

2. Molly Rather's(2020) research highlights the significant role of experiential marketing strategies in enhancing customer experience and engagement in tourism destinations. The study underscores the importance of creating memorable and meaningful interactions between travelers and destinations to foster emotional connections. It also points out that experiential marketing activities not only improve customer satisfaction but also boost repeat visits and positive word-of-mouth. Additionally, the research emphasizes the role of social media and digital platforms in shaping tourists' behaviors and preferences

3.Yang Yang's(2016) research focuses on the various factors that influence electronics experience marketing. The literature review highlights the importance of creating immersive and engaging experiences for consumers, which significantly impacts their purchase decisions. Factors such as product quality, user interface design, customer service, and social influence play crucial roles in shaping consumer perceptions and satisfaction¹. Additionally, the study emphasizes the growing role of digital platforms and online reviews in influencing consumer behavior and enhancing the effectiveness of experiential marketing.

RESEARCH METHODOLOGY:

Research methodology is the organized approach to planning, executing, and evaluating research projects. It includes various methods and processes such as designing studies, collecting data, selecting samples, and performing statistical analyses, all aimed at answering specific research questions.

RESEARCH DESIGN:

This study uses a descriptive methodology, and its major goal is to analyze consumer preferences and aims by using primary and secondary data.

METHODS OF DATA COLLECTION:

Both primary and secondary data were used to get the data for this study.

1. **Primary data:** IKEA consumer questionnaires are the study's main source of primary data.
2. **Secondary data:** Articles and magazine websites are used to get secondary data.

Sampling:

The convenience sampling method were used for analyzing objectives.

Sampling size:

The study's sample size consists of 125 responses to the descriptive questionnaires, which are gathered via Google Form.

LIMITATIONS OF THE STUDY:

1. This study is limited by a sample size of only 125 participants.
2. The questionnaire was only distributed through Google Forms, restricting data collection from those without mobile access.
3. The questionnaire is available only in English, which may pose comprehension challenges for respondents with limited English proficiency.

ANALYSIS AND INTERPRETATION:

1.Simple Percentage Analysis:

TABLE: 1 Demographic propile.

Categories	High Respondents's Area	No of Respondents	Percentage
Gender	Male	89	71.2%
Age	18 - 24	95	76%
Income Level	Less than 20000	74	59.2%

Source Primary Data:

The table above indicates that, among the high respondents, 71.2% are male, 76% are aged between 18 to 24 years, and 59.2% have an income level of less than ₹20,000.

TABLE 1.2 To examine ikea's marketing approach and how it affects consumers preferences.

Category	High Respondents Area	No.of Respondents	Percentage
Often do you shop at IKEA	Rarely	82	65.6%
Top Considerations in home furnishing	Quality	65	52%
People Excited for IKEA Entry in India.	Yes	109	87.2%
People familiar with IKEA's Marketing campaigns.	Somewhat Familiar	46	36.8%

Source Primary Data:

The Above table shows that the among the strategies 65.6% of 125 respondents are do shop at IKEA Rarely. Quality is most influenced factor by 52% Of respondents.87.2% of people excited for IKEA's entry in india .Among 125 respondents 36.8% Somewhat familiar about IKAE's marketing campaigns.

3. Ranking Analysis:

TABLE:1.3 Product Categories do you most often from IKEA.

Particulars	Total No.of Respondents	Rank
Furniture	40	1
Home Decor	36	2
Kitchenware	24	3
Lighting	14	4
Storage & organaizations	11	5

Source Primary Data:

The data indicates that the majority of respondents (40 in total) rank Furniture as the most frequently purchased category from IKEA, signifying a strong demand in this area. Home Decor is the second most popular category, with 36 respondents highlighting its importance for aesthetic and functional home enhancements. Kitchenware ranks third, with 24 respondents underscoring the significance of practical and stylish kitchen solutions. Lighting and Storage & Organizations are ranked fourth and fifth, with 14 and 11 respondents respectively, indicating a relatively lower but still notable interest in these categories.

TABLE:1.4 Factor that most influences your decision to buy form IKEA.

Particulars	Total No.of Respondents	Rank
Quality	69	1
Price	25	2
Aesthetic Appeal	22	3
Product Veriety	9	4

Source Primary Data:

The table indicates that the majority of respondents, totaling 69, consider Quality the most important factor, highlighting a preference for the durability and reliability of IKEA's products. Price is the second most influential factor, with 25 respondents emphasizing affordability. Aesthetic Appeal ranks third, with 22 respondents appreciating the products' visual and design aspects. Product Variety comes in fourth, with 9 respondents valuing a diverse range of options. These findings suggest that, while affordability and aesthetic appeal are significant, quality is the primary driver of consumer preference for IKEA.

3.Chi Square Analysis :

Table 1.5 To examine the extent to which ikea's marketing strategies has increased customers

Cosumers Excited about IKEA's entry in India.	18-24	25-34	35-44	45-54	Total
No	17	0	5	0	22
Yes	72	4	19	8	103
Total	89	4	24	8	125

loyalty.

Chi square Tests

	Value	df	Asymptotic Significance (2- sided)
Pearson Chi-Square	2.874 ^a	3	.009
Likelihood Ratio	4.947	3	.176
N of Valid Cases	125		

a. 4 cells (50.0%) have expected count less than 5. The minimum expected count is .09.

Source:

Primary Data computed From SPSS.

The chi-square test yielded a p-value of approximately ($p=0.009$) indicating a significant relationship between age groups and their excitement for IKEA's entry into India. This low p-value suggests that the observed differences in responses ('Yes' or 'No') among various age groups are unlikely to be due to random chance. Specifically, it shows that there is a noticeable variation in excitement levels, with younger consumers (18-24 years) expressing markedly higher enthusiasm compared to older age groups. This finding can be valuable for IKEA's marketing team as it emphasizes the necessity of customizing their promotional efforts to cater to the varying interest levels across different age brackets.

Table 1.6 To examine the extent to which ikea's marketing strategies has increased customers loyalty based on their gender.

Cosumers Excited about IKEA's entry in India.					Prefer not to say	Total
		18-24	Femal	Male		
Chi	No	0	5	17	0	22
	Yes	1	33	66	3	103
	Total	1	38	83	3	125

					Square	
Test		Value	df	Asymptotic Significance (2- sided)		
Pearson Chi-Square		1.847 ^a	3	.001		
Likelihood Ratio		2.562	3	.464		
N of Valid Cases		125				

a. 4 cells (50.0%) have expected count less than 5. The minimum expected count is .01.

Source: Primary Data computed From SPSS.

The p-value obtained from the chi-square test is approximately ($p=0.001$), which indicates a statistically significant association between gender and excitement about IKEA's entry in India. This very low p-value suggests that the observed difference in responses ('Yes' or 'No') between females and males is unlikely to be due to random chance. Specifically, the marked discrepancy in excitement levels implies a strong association between gender and consumer enthusiasm for IKEA's entry. This insight is crucial for IKEA's marketing team, as it emphasizes the importance of targeting their promotional strategies according to gender-specific preferences and reactions to maximize engagement and interest.

FINDINGS OF THE STUDY:

1.SIMPLE PERCENTAGE ANALYSIS:

- 1.Shopping Frequency at IKEA: A notable 65.6% of respondents shop at IKEA rarely.
- 2.Top Considerations in Home Furnishing: Quality is the primary consideration for 52% of the respondents
- 3.Excitement for IKEA's Entry: An overwhelming 87.2% of respondents are excited about IKEA's entry in India.
- 4.Familiarity with IKEA's Marketing Campaigns: 36.8% of respondents are somewhat familiar with IKEA's marketing campaigns.

2.RANK ANALYSIS:

➤ **Most Purchased Product Categories**

- 1.Furniture is the most frequently purchased category (40 respondents).
- 2.Home Decor is the second most popular category (36 respondents).
- 3.Kitchenware ranks third (24 respondents).
- 4.Lighting and Storage & Organization are ranked fourth and fifth (14 and 11 respondents respectively).

➤ **Factors Influencing Purchase Decisions:**

- 1.Quality is the most important factor for the majority of respondents (69).
- 2.Price is the second most influential factor (25 respondents).
- 3.Aesthetic Appeal comes third (22 respondents).
- 4.Product Variety is the fourth most influential factor (9 respondents).

3.CHI-QUARE ANALYSIS:

- Gender and Excitement for IKEA's Entry (Chi-Square Analysis)The chi-square test yielded a p-value of approximately 0.001, indicating a significant association between gender and excitement for IKEA's entry.Results highlight a significant difference in excitement levelsbetween males and females, suggesting the importance of gender-specific marketing strategies.
- Age Group and Excitement for IKEA's Entry (Chi-Square Analysis):The chi-square test produced a p-value of approximately 0.009, indicating a significant relationship between age groups and excitement for IKEA's entry.Younger consumers (18-24 years) showed markedly higher enthusiasm compared to older age groups, emphasizing the need for age-specific marketing approaches.

SUGGESTIONS OF THE STUDY:

1. Personalized Marketing: Tailor campaigns based on individual consumer data and preferences.
2. Social Media Optimization: Enhance presence through interactive content and influencer partnerships.
3. Sustainability Focus: Highlight eco-friendly products and renewable materials in marketing.
4. In-Store Engagement: Offer hands-on workshops and DIY events.
5. Loyalty Programs: Introduce exclusive offers and a points-based rewards system.
6. Product Versatility: Emphasize the practical and flexible nature of products.
7. Eco-Friendly Options: Promote sustainable and environmentally friendly products.
8. Product Variety and Convenience: Offer a wide range of products and ensure a seamless shopping experience.
9. Innovation and Customization: Highlight innovative features and provide options for customization.

CONCLUSION:

This study highlights the IKEA's marketing strategies, which emphasize personalized campaigns, social media engagement, sustainability, in-store experiences, loyalty programs, and innovative products, have a profound influence on consumer preferences. The strong focus on sustainability and

quality appeals to environmentally conscious and quality-driven consumers, while the diverse product range and seamless shopping experience cater to various consumer needs and preferences. By continuously leveraging customer feedback and adapting to market trends, IKEA ensures that it remains a preferred choice for consumers across different demographics. These comprehensive and targeted marketing efforts drive not only customer acquisition but also long-term loyalty and satisfaction, solidifying IKEA's position in the competitive home furnishing market.

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