

Strategy in Industrial Networks: Experiences from IKEA

Introduction

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IKEA is a huge company based in Sweden with an annual global turnover of over \$40 billion and 349 stores in 43 countries around the world.

"A better everyday life for the many people."

Thank you

Conclusion

- Also especially in a home market including developed and developing areas.
- Hence, IKEA wants to focus on expanding its selling activity there.
- This quite tough because the culture, the habits and the consumer behavior are completely different from in Europe or in the United States.
- The important key to success is to find out which is the best strategy for each country.

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Recipe for Success in China
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Explanation

I China is the world's second greatest country, not only in the number of population, but also in the production of goods. The reason is because of the rapid economic growth.

IKEA China

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- In 1973, Purchasing goods from China to the European market.
- In 1993, set up a procurement office in China.
- In 1997, establish IKEA China retail office in Beijing.
- In 1998, the first IKEA store opened in Shanghai.
- In 2000, IKEA founder Ingvar Kamprad, took his first time to China.
- In 2003, IKEA first standard store opened in Shanghai.

Recipe for Success in China
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The cultural environment

- China has a rich variety of stressed but with a different concept.
- you also just more attention to the development of essential resources.

The success of IKEA - "Low Price"
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Product

"Provide people with a beautiful and practical, affordable everyday products." The independent design. Hence there is a wide variety of products.

Recipe for Success in Korea
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Explanation

- In 1991, IKEA entered the first product sale in Korea after becoming a Korean partner.

The success of IKEA - "Low Price"
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Product

- IKEA's strategy is to emphasize on price issues. It is to manage the demand and production of products to consumers. IKEA's idea is based on the model of low price.

The success of IKEA - "Low Price"
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Price

"Low Price"

IKEA Korea - Strategies
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IKEA Korea
Background of Reasons
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Background of Reasons

- Geographic factor
- Business Environment factor : Change of consumption pattern
- Young people
- Single people
- Others

IKEA Korea

- Entry into Korea on December 14th, 2014.
- Having a plan to open four more stores in Korea by 2020.

IKEA Korea - Strategies
Thecasesolutions.com

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Recipe for Success in China
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Explanation:
- China is the world's second largest country, not only in the number of population, but also in the number of cities.
- The majority of consumers are aged 20-30 years old.
- The major consumer market.

Recipe for Success in China
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Essence:
- The overall economy in China is in a high-speed development period at present.

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The cultural environment:
- China has a rich variety of stressed but not so different concepts.
- You still pay more attention to the development of personal revenues.

The success of IKEA - "I.P.S."
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Product:
- "Provide people with a beautiful and practical, affordable everyday solution."
- The independent design.
- Keep them in a variety of products.

IKEA China

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Recipe for Success in Korea
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Explanation:
- In 2001, IKEA entered the first product sale in Korea.
- IKEA offers services a favorable price.

The success of IKEA - "I.P.S."
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Product:
- IKEA services to customers to open stores. It is the strategy of doing and producing a product to customers.
- IKEA also focused on the quality of its service.

The success of IKEA - "I.P.S."
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Price:
- "Low Price"

IKEA Korea - Strategies
Thecasesolutions.com

Explanation:
- IKEA's strategy is to provide a high quality product at a low price.
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IKEA Korea - Strategies
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IKEA Korea
Background of Reasons
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Background of Reasons:
- Geographic factor
- Business Environment factor:
- Change of consumption pattern
- Young people
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- Others

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Population

China is the world's most populous country, 20% of the world's population, 33% of the population in Asia.

The younger generation occupied the major consumer market.

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The success of IKEA-- Promotion

- In 1951, IKEA released the product album.
- IKEA album becomes a decorate guide.

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Recipes for Success in China

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The natural environment

The success of IKEA--“4 I

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Population

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The younger generation occupied the major consumer market.

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Economic

The overall economy in China is in a high-speed development period at present.

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The natural environment

- **China has a rich varieties of trees but only 12.98% forest coverage.**
- **people pay more attention to the development of renewable resources.**

The success of IKEA--“4 Ps”

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Product

- **"Provide a wide variety, beautiful and practical, affordable furniture supplies."**
- **The independent design.**
- **More than 10,000 kinds of products.**

The success of IKEA--“4 Ps”

Thecasesolutions.com

Price

“Low Price”