

Some thoughts on the IKEA case study from *Marketing Across Cultures* by Jean-Claude Usunier

QUESTION 1:

"Young people of all ages" are influenced by regional tradition and local customs to a lesser extent than the rest of society. They perceive themselves as modern and practical and thus appreciate the convenience of relatively standardized home furnishings. They are happy to follow global trends and fashions promoted by international media and mass culture. They enjoy spending their free time actively and don't mind assembling their furniture on their own. They might even treat it as an opportunity to socialize by asking their friends for help and inviting them over on the weekend. In addition, they get a sense of satisfaction and accomplishment when they manage to do it properly. Thanks to contributing their work, they are able to buy good quality furniture at a relatively low price. As the majority of young people are not wealthy, this may be an important factor contributing to the worldwide success of the company.

QUESTION 2:

The success of IKEA's strategy may in part be attributed to its comprehensiveness. A wide assortment of products encompassing all basic home furnishings is conducive to customer loyalty and enables customers to equip their house or apartment in a consistent style regardless of what country or part of the world they live in. Another key to success is the appropriate and well-defined target market, which is less susceptible to cultural influences than the general public.

QUESTION 3:

Given the fast development of an increasingly uniform global market, IKEA's international expansion seems likely to succeed. However, it must take into account prevailing economic as well as cultural differences. What is perceived as affordable in one country may be regarded as expensive in another. In some cases, striking a balance between low cost and good quality might present a serious challenge. Moreover, in societies with pervasive anti-Western attitudes it may prove exceedingly difficult for IKEA to establish and maintain a positive brand image. Another important consideration is the correlation between masculinity (as defined by Hofstede) and status needs. Demand for cheap goods is likely to be limited in high masculinity cultures such as Japan. Furthermore, in Japan houses are typically small, which dictates the size of furniture.