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IKEA's proposed entry into Brazil's furniture and home-furnishings market

Assessment details

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AI Use Acknowledgement

I acknowledge the use of ChatGPT (OpenAI) during the preparation of this assignment to support source discovery, initial planning, drafting support and language review. Some examples of the prompts used were: 'Identify credible academic and official sources relevant to IKEA's possible entry into Brazil' and 'Review this paragraph for grammar, clarity and academic tone while retaining its original meaning and structure'. I reviewed and compared relevant claims to the cited sources, and considered suggestions in relation to the assessment brief. I continued to choose and analyze evidence, use the Bartlett–Ghoshal and Dunning OLI frameworks, formulate the recommendation, and review my learning as an International MBA student. I have read the final document and confirm that it is accurate, referenced and meets the University requirements.

Executive summary

Brazil is a conditional opportunity for IKEA. According to IKEA's International Sales material, Brazil is listed among countries without a store and bulk shipping is preferred for no store countries (IKEA International Sales, 2026). This supports formal entry without proving an untouched market or revealing any confidential plans. The decision concerns how to incorporate IKEA's global concept into a feasible Brazilian market system while controlling cost, compliance and demand riskier IKEA coalesces global ownership of the brand, concept, sourcing, range and standards with a specific local franchisee operation (Inter IKEA Holding B.V., 2025; Inter IKEA Systems B.V., 2024). Brazil offers a substantial population, urban concentration, digital payment methods and a furniture trade network but a weak demand, slow growth, complicated tax and legal obligations and competitive local market constraints the opportunity (IBGE, 2026; World Bank, 2026; Euromonitor International, 2025). The report proposes a staged and partner-led entry into the market. A full store should be preceded by a digital pilot. IKEA should maintain its control on brand, data, quality and sustainability while adjusting and adapting price, language, delivery, assembly and sourcing. Expansion should be planned by examining demand, cost, compliance, fulfilment, returns and partner gates.

Table of Contents

AI Use Acknowledgement	2
Executive summary	3
Introduction	6
1. Organisational classification and global strategy	7
1.1 Bartlett–Ghoshal classification	7
1.2 Geographic footprint, competitive advantage, and the Brazilian gap	8
2. Macro-environmental appraisal and market attractiveness	9
2.1 Market boundary and entry premise	9
2.2 Industry and competitive setting	9
2.3 Political and institutional conditions	10
2.4 Economic, infrastructure, and financial conditions	11
2.5 Legal, regulatory, tax, and data conditions	12
2.6 Cultural, consumer, and digital conditions	13
2.7 Dunning OLI synthesis	14
3. Entry-mode strategy and strategic synthesis	16
3.1 IKEA's dominant mode and the choice problem	16
3.2 Entry-mode comparison	16
3.3 Recommended staged entry	17
3.4 Strategic synthesis and recommendations	18
4. Reflective account using Gibbs' cycle	19
4.1 Description	19
4.2 Feelings	19
4.3 Evaluation	20
4.4 Analysis	20
4.5 Conclusion	21

4.6 Action plan	21
Conclusion	23
References	24

Introduction

IKEA should pursue a structured, partner-led approach when entering the Brazilian market rather than immediately developing a national network of stores. IKEA should retain control over important elements such as the IKEA Concept, brand, product architecture, data, safety, quality and sustainability standards. At the same time, a qualified Brazilian operator could adapt areas such as delivery, assembly, payment methods, customer service, language and selected sourcing. This forms the main argument of the report.

Brazil provides a reasonable market for testing IKEA's business model, although the available public evidence does not support an immediate and irreversible national rollout. IKEA's International Sales page currently identifies Brazil as a country without an IKEA store. The country offers several potential advantages, particularly its large population, concentration of consumers in major metropolitan areas, widespread digital payment methods and established furniture industry. However, these opportunities are accompanied by several challenges. Slow economic growth, complicated import and taxation requirements, strict data regulations, consumer-law obligations and established local competition could make market entry more difficult.

Therefore, the main issue examined in this report is whether IKEA can use its global capabilities to create value in Brazil while maintaining an acceptable level of control and risk. The report first examines IKEA's international business system and then evaluates Brazil's political, economic, cultural and digital environment using the OLI framework. Different entry strategies are compared before appropriate pilot and expansion criteria are proposed. Finally, the report reflects on how conducting this research influenced my judgement as an international MBA student.

1. Organisational classification and global strategy

1.1 Bartlett–Ghoshal classification

Whether IKEA should enter Brazil must be addressed from an organizational perspective. Bartlett and Ghoshal (1989) differentiate international strategies by the demand for global integration and local responsiveness.. A global strategy focuses on coordination and standardisation; a multidomestic strategy concentrates on local adaptation; an international strategy obtains knowledge from the home base; and a transnational strategy prioritises efficiency, responsiveness, and learning across the chain of network. The framework resonates with IKEA because a familiar concept must operate across different homes, incomes, regulations, supply systems, and retail habits. It should not be regarded as a fixed label: Harzing (2000) shows that subsidiaries diverge in interdependence and responsiveness.

IKEA is best identified as predominantly multinational. Inter IKEA Systems B.V. reserves the rights of the IKEA Concept and brand as well as acts as the worldwide franchisor. IKEA of Sweden develops the product scope, while IKEA Supply sources, sells, and maintains product distribution; local franchisee groups handle customer-interactive businesses (Inter IKEA Holding B.V., 2025). The shared concept, product architecture, design-for-cost logic, procurement scale, range development, digital identity, and sustainability standards contribute to a successful global incorporation. These factors allow IKEA to offer a reasonable value proposition based on functional design, flat-pack efficiency, self-service, and accessible prices.

Apart from that, franchising produces local responsiveness. Inter IKEA suggests that the franchisor develops and implements the concept whereas franchisees offer local market knowledge and handle local business operations (Inter IKEA Systems B.V., 2024). Responsiveness cover a wide variety of constraints such as; format, city selection, service, communication, payment, delivery, range emphasis, and interpretation of home life. IKEA's own method of fresh-market entry emphasizes on research into local culture, aspirations, law, and barriers rather than automatic transfer of a Swedish formula (IKEA Global, 2025a).

The classification is not void of risk. Adaptation can get delayed by global range rules; ; franchise governance can produce improper execution; price consistency and brand control can suffer weakening impact due to local responsiveness. A transnational

design also demands sharing of knowledge and learning across a system of network, which can be expensive if the partner lacks capability or the distance between the market and the supply routes is not economically efficient.

1.2 Geographic footprint, competitive advantage, and the Brazilian gap

IKEA records a global retail system of more than 500 stores in more than 60 markets, organised and maintained through numerous franchisees (IKEA Global, 2025b). This footprint produces repeatable patterns for range presentation, customer flow, digital ordering, home delivery, and service. The benefit is not only limited to furniture items. It is a system that connects design, sourcing, packaging, storage system, food and family experience, online exposure, delivery, and assembly. The model can bring down design and procurement cost while giving customers a clear relationship between price and function.

From a strategic point of view, the Brazilian market is different from the markets IKEA has already stepped into. As Brazil is listed as a no store country in the official International Sales page, the products are shipped in bulk from the Netherlands (IKEA International Sales, 2026). This indicates limitations of transportation routes, vulnerabilities of Brazilian retail operations, subsidiaries, or production facilities. It also suggests that a formal arrival would need to transfer local knowledge, gain customer trust, compliant product information, delivery capability, after-sales support, and partner relationships.

This gap can provide an opportunity as IKEA can offer a unique combination of design, function, modularity, and price discipline. Local Brazilian furniture market already possess local design knowledge and market relationships, while home-improvement chains offer broad ranges and service. The strategic question is whether IKEA with its ownership advantages can exploit Brazilian location advantages at a cost and service level customers will accept.

2. Macro-environmental appraisal and market attractiveness

2.1 Market boundary and entry premise

Brazil is an attractive market to discover but it should not be misjudged as a ready-made market for rollout without any obstacles. The proposed market is Brazil's furniture and home furnishing segment, which covers furniture, accessories, online order, delivery, assembly, returns and after-sales service. IKEA's concept prioritizes a connected customer journey instead of focusing on store sales alone.

IKEA international sales page places Brazil among countries without a physical store and describes bulk orders for such countries. The page is the most up-to-date public material that can provide proper information. Although, there is no evidence of a formal IKEA retail operation at the inception, indirect sales, brand awareness or other relationships cannot be ignored. Therefore, this proposal concerns formal entry not first contact with Brazil.

2.2 Industry and competitive setting

Brazil has a prominent local furniture ecosystem. ABIMÓVEL describes sector support, standardisation, international access, and the Brazilian Furniture Project with Apex-Brasil (ABIMÓVEL, 2026). Local manufacturers can play a role either as suppliers, competitors, partners or stakeholders. Local sourcing can provide a location advantage, but needs to comply with IKEA quality, safety, cost, and sustainability requirements.

Demand evidence is ambiguous. IBGE reported that the furniture subcategory dropped 3.0% year on year in January 2026 and 4.5% over the previous twelve months, even though the wider household-goods retail category demonstrated a better performance (IBGE, 2026). Euromonitor's public record depicts slower sales growth amid economic-headwinds while encountering continued relevance of physical retail, expansive omnichannel activity, and growing attraction in modular and multifunctional furniture (Euromonitor International, 2025). The same fact can either compliment or challenge the IKEA case. Modularity and Omnichannel retail align with IKEA's capabilities. On the other hand, weak furniture sales raise alarm when it comes to treating broad consumer scale as immediate category growth.

Competition is local and service oriented. Tok&Stok represents design, quality, sustainability, and Brazilian identity (Tok&Stok, 2026), while Leroy Merlin suggests that more than 55 physical stores are present on digital channels and services (Leroy Merlin Brasil, 2026). IKEA has to compete with a system proposition. Its distinguishable features could be discipline, scale purchasing, self-service, flat-pack logistics, and store experience. However, IKEA would still need to match Brazilian prices, establish a Portuguese communication system, and implement reliable delivery and assembly methods.

Table 1. Brazil macro-environment signals

Macro signal	Evidence	Strategic implication for IKEA
Market scale	212.6 million people with major metropolitan concentration (IBGE, 2025)	Start with dense metropolitan demand rather than a national network
Category demand	Furniture retail fell 3.0% year on year in January 2026 (IBGE, 2026)	Test price, range, and affordability before fixed investment
Domestic capability	Established industry institutions and design-led local competitors (ABIMÓVEL, 2026; Tok&Stok, 2026)	Treat local firms as competitors and potential suppliers or partners
Omnichannel setting	Brazilian home-improvement retail already combines stores, digital channels, and services (Leroy Merlin Brasil, 2026)	Compete on integrated service, not on online presence alone

2.3 Political and institutional conditions

Brazil is open to most foreign ventures. The US international Trade Administration's investment-climate guide argues that foreign investors receive treatment in a similar manner to local investors, and shows that there are no restrictions on foreign ownership, except for a few particular sectors (U.S. Department of Commerce, 2025a). The furniture retail does not fall under the restricted sector category. This provides a positive ownership and location setting for IKEA, but does not mean overall operational simplicity.

The operating environment is monitored through federal, state and municipal institutions. A customer-meeting point involves property, planning, building, fire, employment, consumer, tax, waste, and product processes; an import pilot provides registration, licensing, classification, documentation, and customs-broker dependence. As a consequence execution delay and cost becomes a real issue.

Hence, partner choice is an institutional decision. A local partner can be beneficial by providing relationships, market knowledge, labor, and property capabilities, or create issues through over dependence and conduct, data or quality risk. The Uppsala model's liability of outsidership demonstrates why networks and trust can counter foreign disadvantages (Johanson and Vahlne, 2009). Therefore, the partnership is only feasible if the partner is transparent, capable, auditable and aligned with IKEA standards.

2.4 Economic, infrastructure, and financial conditions

Brazil's market is commercially lucrative. IBGE forecast 212.6 million people in 2025 and high density in major cities and urban areas, including São Paulo and Rio de Janeiro (IBGE, 2025). This supports a Metro first sequence. However, population does not represent actual sales forecast. Income, housing, credit, product fit, and category confidence determines proper conversion.

The macro outlook is less positive. The world bank reports 3.4% growth in 2024 and forecasts moderation to 2.3% in 2025 and 1.6% in 2026, due to higher inflation rates, weak external demand, reduced consumption, fiscal rigidity, and debt pressure (World Bank, 2026). These issues may prevent customers from discretionary furniture purchases or may force the customers to choose local alternatives with lower delivery and assembly cost. For the same reason, a high fixed cost store might seem less attractive at the beginning of the entry.

The financial question is landed affordability. European imports carry various additional charges including customs, tax, storage, exchange-rate and last mile costs. Brazil's import regulations highlight registration, Siscomex, licensing, and documentation requirements (U.S. Department of Commerce, 2025b). Long lead times can significantly increase working capital and frequent stock-outs.

IKEA should conduct tests on a limited scope in the strongest urban pools, compare import and domestic-sourcing scenarios, and analyze contribution after delivery, assembly, returns, damage, and service.. A low product price point can be disrupted by various factors, such as failed delivery, missing parts, difficult assembly, or high returns. Gates should cover delivered price, fulfillment time, damage rate, conversion, repeat purchase, and cash tied in inventory.

The Economic review is somewhat balanced. Brazil offers scale and metropolitan concentration. On the other hand, recent furniture market volatility and decelerating macro economic conditions create a significant impediment to immediate national rollout strategy. A pilot holds the ability to expand with the improvement of the evidence and also can limit sunk cost if the price-service equation fails. This logic aligns with the real-options approach to entry- mode strategy, which considers staged commitment as a method to learn under uncertainty (Brouthers, Brouthers and Werner, 2008).

The logistics system must consider the physical nature of the category. Bulky flat-pack products require proper warehouse space, stock visibility, safe handling, delivery appointments, and a viable assembly remedy. A metropolitan pilot should compare imported products with local demand before a flagship store adopts fixed demand expectations.

2.5 Legal, regulatory, tax, and data conditions

Localization is a part of the product under Brazilian consumer law. The consumer protection code dictates, clear regulations on characteristics, price guarantee, validity, origin, and risks, and sets durable-goods remedy and advertising rules (Government of Brazil, 2016). IKEA would be required to provide Portuguese descriptions, measurements, safety instructions, prices, warranties, assembly guidance, and return information before a product launch.

Inmetro is a regulatory body which monitors products and services for safety, health, environmental protection, and prevention of fraudulent commerce, while Brazilian standards form part of the conformity environment (Inmetro, 2026; U.S. Department of Commerce, 2025c). Different categories of products may carry different obligations. The pilot must possess a category-level register, which will cover testing, labeling, instructions and remedy responsibility. Federal Revenue regulations lays out 2026 CBS and IBS transition arrangements and related invoicing and reporting obligations (Brazilian Federal Revenue Service, 2026). A store, import route, and local sourcing can play a vital role in generating different outcomes across products, states, and channels. IKEA should model the transition, validate systems, and resolve price, invoice, credit, and return treatment before exercising any property and inventory commitment.

Digital operations involve data regulations and obligations. ANPD reserves sole authority on implementing and enforcing Brazil's data protection framework. Online orders, planning, payments, delivery, after service and returns would use personal data. The model must outline roles, lawful bases, security, retention, supplier access, incidents, and customer rights. A franchisee does not have any rights over customer data without clear governance.

These regulations provide support for internalizing brand, data rules, training, safety, audit, and remedy. Although legal obligations are mandatory to follow, compliance is an operating capability rather than a final checklist.

2.6 Cultural, consumer, and digital conditions

Furniture is an important set of objects in every household. IKEA's market entry strategy emphasizes on people's living standard, aspirations, local culture and legal barriers (IKEA Global, 2025a). An imported store strategy should consider housing patterns, transport, access, assembly, confidence, or service expectations that cannot be transferred. Urban households lean more towards modular products. Conducting tests across different income, groups and locations is pertinent for this strategy.

Prior research on Brazilian furniture focuses on accessible design for a new middle class and consumers who purchase without any expert advice (Curcio and Santos, 2017). The direct IKEA Brazil study recorded by DOAJ also emphasizes on middle class development, Internet usage, spending habits and environmental awareness, but predates the current economy, tax and retail context (Ito et al., 2015). These sources are beneficial for questionnaires, but cannot determine current demand. A strategic and responsible pilot would test the acceptance of IKEA's design, price, and sustainability across the Brazilian customer base.

The central bank reports a significant rise in digital payment activity, including Pix, in the first half of 2025 (Central Bank of Brazil, 2025). IKEA could take advantage of local payments, Portuguese mobile content, delivery, visibility and partner pick up. Digital access cannot replace the need for physical exposure. Dimensions, advice, delivery and assembly are pertinent in this business strategy, IKEA's retail model deals with a combination of physical stores, online shopping, home delivery and services (IKEA Global, 2025c). Therefore Brazil should be regarded as an omnichannel problem rather than a digital shortcut.

National culture frameworks can provide assistance in communication and coordination. But they should not forecast Brazilian customer behavior. Kogut and Singh (1988) link cultural distance to entry-mode strategy, while McSweeney (2002) argues why country scores can exaggerate uniformity within a state. The pragmatic approach is to use local research, test Portuguese language and imagery. The partner on the other hand, should be responsible for evidence backed adaptation within clear brand limits.

2.7 Dunning OLI synthesis

Dunning's (1988) eclectic paradigm raises the question whether ownership, location and internalization edges together benefit international activity. IKEA has an ownership advantage upon its concept, brand, range development, design-for-cost capability, retail routines, and franchise governance (Inter IKEA Holding B.V., 2025). Their adaptation capability with local price, service compliance will determine their value.

Dunning (2000) warns that OLI should be used as a tool for complementary, economic and business explanations rather than as a mechanical scorecard. The report integrates OLI with entry-mode network and real-options reasoning.

Brazil's location advantages are ambivalent. On one side of the spectrum, substantial population scale, urban concentration, digital payments, a furniture ecosystem and no formal IKEA store network can offer potential opportunities while on the other hand, slow economic growth, furniture, market weaknesses, legal complexities, text transition and local competition can create substantial obstacles. Internalization can play a vital role in the case of concept, data, safety, training, sustainability and audit. Whereas, partner activity is pertinent when it comes to market knowledge, property, labor, delivery, language, and suppliers.

OLI therefore prefers a controlled partnership and staged arrangement rather than an immediate national rollout. The ownership advantages justify learning in Brazil, there are promising location advantages though are not yet proven, and internalization must be selective. These factors will help to move forward from market assessment to formal entry.

This synthesis also establishes a limit for adaptation. Local responsiveness should be responsible to change the customer experience maintaining the integrity of the

constraints that make IKEA recognizable. The partner should not misuse the brand name by becoming an independent retailer. The operation should be monitored within a shared system.

Table 2. Dunning OLI synthesis

OLI element	IKEA evidence	Brazil test	Decision implication
Ownership	Concept, brand, range, sourcing, design-for-cost, franchise routines (Inter IKEA Holding B.V., 2025)	Can these assets deliver value after Brazilian tax, delivery, assembly, and remedy costs?	Retain centrally
Location	Population, cities, payments, furniture ecosystem, no formal store network	Is demand sufficient and reachable at an acceptable delivered price?	Test through pilot
Internalisation	Brand, safety, data, training, quality, audit, sustainability	Which activities would lose value if delegated?	Internalise control; partner for local execution

3. Entry-mode strategy and strategic synthesis

3.1 IKEA's dominant mode and the choice problem

The suggestion is based upon the organizational and market evidence, not from IKEA's historical system alone. IKEA's International system revolves around franchising. Inter IKEA systems b.V.reserves the rights of the IKEA concert and provides franchise rights whereas franchisee groups operate local businesses and implement the concept (Inter IKEA Holding B.V., 2025; Inter IKEA Systems B.V., 2024). This strategy can establish the concept with local capital and knowledge while preserving an essential brand. This is suitable in Brazil as IKEA currently lacks a physical store network and would need to develop local capability as soon as possible.

The model cannot strive on its own. Quinn and Doherty(2000) argue that international retail franchising can give rise to power and control issues. . Picot-Coupey (2007) promulgates that retail operation-mode choice depends on market, network, marketing, and firm factors. Morschett, Schramm-Klein and Swoboda (2010) in a similar manner, links system decisions to country risk, legal conditions, market size, and growth.

3.2 Entry-mode comparison

Table 3. Entry-mode comparison

Option	Control over brand and data	Commitment and exposure	Brazil fit at first entry	Decision
Wholly owned greenfield stores and distribution	High	Highest property, inventory, tax, labour, and demand exposure	Too rigid before demand and cost are proven	Defer
Acquisition of a local chain	Medium to high	Integration, valuation, liability, culture, and brand-repair exposure	Could add networks but introduces inherited problems	Reserve option
Master franchise or qualified local operating partner	Shared and contractually bounded	Lower initial capital, but partner and governance dependence	Best balance if controls and gates are strong	Recommend
Digital/import pilot only	Low to medium	Low fixed commitment but limited learning and service reach	Useful as a test, not a final operating model	Phase 0

Anderson and Gatignon's (1986) transaction-cost analysis backs matching control to uncertainty and the expense of governing transactions. An entry with full ownership provides control but is also responsible for the full cost of learning. A franchise

decreases capital exposure but increases the need for surveillance operations. Brouthers and Hennart (2007) warn against maintaining one theory as adequate because entry boundaries also include institutional and resource conditions. In consequence, the recommended system must be a portfolio of commitments rather than one rigid announcement.

3.3 Recommended staged entry

The first phase should consist of a six part feasibility gate. Brazilian legal and tax regulation; product and consumer compliance mapping; comparison between landed cost and internal sourcing; demand and price testing and partner's due diligence. The partner should be evaluated on the basis of property, retail, logistics, assembly, digital, compliance, and customer-service capability. A brand name alone does not suffice for the evidence of fitness.

Phase 1 should try out a limited Portuguese online offer and customer- experience activity in a limited number of urban areas. The offer should examine a small range of highly demandable products rather than attempting to introduce the full global catalogue. International supply can be used only where the combination of customs, landed price, delivery time, product documentation is economically feasible for the customer. The motivation is to understand, conversion, price elasticity, product fit, delivery, assembly, returns and service.

Phase 2 should focus on building a local operating partnership and creating a scalable customer-meeting format, assisted by local delivery and assembly capability. The above-mentioned format might explore a combination of a smaller urban experience point, planning services, digital ordering, and home delivery before moving forward with a large suburban store. Handful of domestic sourcing should be introduced only if it satisfies supplier quality, cost, traceability, and sustainability gates. IKEA should retain control over global range while allowing local evidence to contribute to product mix and services.

Phase 3 will only start when the pilot meets agreed measure, such as contribution after fulfillment and returns, delivered price against local alternatives, stock availability, reliable delivery, damaged and missing -part rates, customer satisfaction, customer retention, tax and invoice accuracy, and partner-audit results. The contract should cover brand and product rights, data governance, audit access, safety, responsibilities,

customer remedy, sustainability claims, performance thresholds, and exit rights. These measures resolve the power problem identified by Quinn and Doherty(2000).

Table 4. Pilot expansion gates

Gate	Minimum evidence before expansion	If the gate fails
Commercial	Conversion, delivered price, contribution, repeat purchase	Change range, price, or pause
Fulfilment	Stock accuracy, delivery reliability, damage, missing parts, assembly completion	Repair the operating model before scaling
Compliance	Product files, Portuguese information, tax invoices, consumer remedies, data controls	Hold launch or remove affected products
Partner	Audit results, training, service quality, financial and conduct checks	Remediate, replace, or exit partner

3.4 Strategic synthesis and recommendations

This analysis leads towards five recommendations all in all. Firstly, consider Brazil only as a gated opportunity, not an unconditional national rollout. Second, choose a partner for handling operations and local networks not merely based upon capital or reputation. Thirdly, keep IKEA's asset ownership internalized while localizing customer-interactive execution. Fourth, prepare tax, regulatory, delivery, and after sales design before marketing for a large retail store launch. Lastly, examine pilot data to make a decision on whether to expand, pause, change the mix or exit.

This recommendation coincides with the evidence quality. Public data can be used for a feasibility test, but not for a forecast of national market demand. Hence, the entry mode must also produce information as well as sales. Partners can play a role in reducing outsidership and execution cost while IKEA retains control over the information that determines brand, safety and customer risk. The pilot can be used as a learning mechanism. Each phase requires an explicit decision rule and poor results should invoke adaptation or exit (Brouthers, Brouthers and Werner, 2008; Quinn and Doherty, 2000).

Partner entry reduces exposure and outsidership but limits control. A bounded franchise is appropriate because Brazil is promising yet uncertain, while IKEA retains central concept control and localises operation.

4. Reflective account using Gibbs' cycle

I have utilized Gibbs'(1988) cycle to contemplate on what I learned from researching IKEA's possible entry into Brazil. I can personally relate with this topic as I am a Bangladesh student who migrated to the United Kingdom to study for an MBA. Migrating to another country has made me realize that familiar business outlook do not always travel well. I combined international business theory with my experience and tried to figure out how a global company must deal with local institutions, consumers, and business relationships.

4.1 Description

At first, I considered IKEA as a multinational business rather than a simple furniture retailer. I tracked the relationship between inter-IKEA systems, the global concept, supply activities and franchises and product range. After that, I analyzed Brazil's population, furniture sector, economic outlook, import rules and regulations, consumer protection, data rules, and digital payments. I ran a comparison between IKEA's global system, Tok&Stok and Leroy Merlin. The primary question was whether formal entry was feasible and, if so, in what form should we proceed. This provided the research with a strategic direction..

4.2 Feelings

At the inception, I was confident about the research topic because IKEA is a familiar global brand. There are many examples of how international brands appear consistent across countries. My initial opinion was that IKEA's concept would transfer smoothly to Brazil but as I delved deep into the research, my opinion shifted. Brazil is not just a large country with a substantial population scale waiting for a famous retailer. This country contains established furniture businesses, a wide range of consumer expectations, complex, administrative regulations, and various economic pressures which affect discretionary purchases. Shifting from Bangladesh to the UK, I can finally fathom that a market can look attractive from outside while various realities are difficult to understand. This made me question my first assumption.

4.3 Evaluation

Researching the IKEA franchise system made me realize that this company does not operate in the same system in every country. For instance, some countries do not have any physical IKEA store. Bartlett and Ghoshal helped me build a connection between the global IKEA concept and local responsiveness. Brazilian evidence proved that we cannot make a recommendation based only on brand value. Population and online payment growth indicated opportunity. On the other hand, furniture market weakness, slow economic growth, import complexities, tax changes raised significant caution.

The research is not free from any issues. I was not able to interview Brazilian customers, IKEA managers, franchises or possible operating partners. There was some consumer evidence which was not up-to-date. Few commercial information was retrieved only in summary form. Public source materials could provide IKEA's business structure, but cannot reveal any confidential plans or future profitability. As a result, the suggestion remains a stage feasibility proposal rather than a sales prediction.

4.4 Analysis

The most significant learning from this research was that a framework is only beneficial when it can change the question being asked. Bartlett and Ghoshal assisted me see IKEA as a transnational system. There must be a combination between the concept, product logic, brand and standards. Apart from that, local understanding is mandatory when it comes to customer experience, services, language, payment methods and supplier relationships. Dunning's OLI framework is crucial in this research work. IKEA has ownership privileges, Brazil can offer location advantages and calculated internalization can protect brand and customer experience. However, OLI cannot be utilized automatically. Entry-mode literature was required to analyze control, commitment, uncertainty, learning, and gradual expansion.

I became more cautious of confirmation bias. The global recognition of IKEA can turn population into a property demand, digital payments into guaranteed sales and absence of stores into an unchallenged opportunity. However, the evidence does not support these shortcuts. Furniture sales have been weakening, the economic outlook was less positive and there was significant competition from local Brazilian furniture retailers. As a result, I changed my judgment from recommending immediate large

stores to suggesting partner-led pilot testing price, delivery, compliance, customer satisfaction before expansion.

The cultural perspective was very meaningful to me as an international student. As I have lived in Bangladesh and then migrated to the United Kingdom, I became aware that language, family, life, service expectations, and value system influence responses to organizations. McSweeney's (2002) criticism reinforced this point. I realize culture falls under the category of local evidence rather than a score. Besides, a local partner should provide its existing knowledge while being accountable to IKEA's safety, quality and brand requirements.

The research also developed my idea of evidence quality. An official document can explain state structure, but cannot provide independent performance assessment. The current page can demonstrate public position without providing confidential plans or future possibilities. A peer reviewed study can be valuable methodologically, but proves to be old for a current forecast. These constraints made my conclusion more measured. For instance, critical analysis demands a decision on how much confidence each source deserves.

4.5 Conclusion

This research experience had a great impact on my perspective on international business. My initial assumption was that I was dealing with a recognizable brand and a market filled with potential. As I started digging deep into the study, I had a proper view of global capability meeting local constraints. Although IKEA has ownership privileges and Brazil has an untapped potential, an immediate national rollout proved to be a poor strategic decision. The most sophisticated approach was a stage and partner led system, which allows learning experience while protecting IKEA's resources and reputation.

4.6 Action plan

In future research work on international business, I will filter my assumptions before deciding if a market is suitable or not. I will accumulate primary perspectives from customers, managers, suppliers and regulators. I will compare between national evidence and city evidence, check source currency and suitability. I will put more

emphasis on tax, logistics, delivery, returns and service analysis. My experience as a Bangladeshi student in the UK has changed by outlook on cultural differences as a reason for curiosity and testing, not assumption.

Conclusion

The response to the question in the report is dependent on some conditions. First of all, the company, IKEA, should attempt to expand to Brazil, but beginning by rolling out nationwide would be a wrong decision. The nation can offer a number of benefits, including a high level of digital payments, urbanisation, population scale and a furniture trade network. IKEA can incorporate and utilise these advantages into its global concept. The recent downfall in furniture sales, slowing economic growth, and complicated import and tax regimes may pose problems. In addition, the duties of consumer law and local competition can adversely affect the business model.

Considering all the findings, the implementation of a partner-based system while maintaining controlled visibility became the suitable method for this business model. A qualified local partner is extremely crucial for this approach. A complete store network should be established only when it can be demonstrated that there is sufficient demand, compliance, partner performance, fulfilment and customer satisfaction. The pilot should develop a systematic evidence cycle. It should be scrutinised not by interest in initial orders alone, but by whether delivered value, reliable fulfilment and compliant service can support repeatable contribution. This learning logic can counteract confirmation bias. Delivered economics, service reliability and compliant repeatability should be taken into account when assessing demand signals before making any commitments.

Expansion should be based on evidence, not brand recognition or the presence of a large population. In this manner, IKEA's ownership advantages will be protected while recognising that local knowledge and execution are relevant. Brazil should be seen as a gated strategic option that is sufficiently attractive to test but not yet proven enough to justify irreversible national investment. The conclusion establishes the same argument as the introduction: gain local knowledge first, retain strategic control, and only scale up if the evidence allows.

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