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1. Introduction:

Digital marketing is currently one of the most well-liked forms of advertising, according to a journal article published by the International Journal of Advanced Research (IJAR) (2019). While younger generations find it to be quite popular, middle and elderly generations also use it. Today's marketers use digital marketing as a conduit to advertise their products and services. Digital marketing is the practise of electronic client and customer engagement. As a result of technology advancements, the use of digital marketing, social media marketing, and search engine marketing is rapidly expanding.

Digital marketing includes using mobile devices, social media marketing, display advertising, search engine marketing, and other digital media platforms.

International Journal of Advanced Research (IJAR)
(2019)



Ikea Digital Strategy

Mercedes Salisbury



In 1943, Ingvar Kamprad founded IKEA. The international furniture and home goods business is renowned for its top-notch materials, aggressive costs, and innovative designs. IKEA has 313 locations around the world, with most of them being in Europe, North America, Asia, and Australia. The largest furniture retailer in the world is IKEA, which specialises in chic and moderately priced furniture. IKEA offers excellent supply chain management and state-of-the-art IT infrastructure. Published by Business Bliss Consultants (2015)

Globalization is the process by which nations interact with one another to advance their economies.

The phrase "globalisation" now refers to the way that multinational firms and the trade they frequently regulate tend to manage and dominate the global economy. India conference on globalisation in Bangalore (no date)



Source: Ikea digital graph - Bing images

IKEA's plans for global expansion and its entry into the Chinese furniture market. the Japanese market as well. Ikea's global approach is based mostly on the premise that one design fits all. IKEA provides the global market for home furnishings with close to 1200 products. It offered a wide variety of goods, such as kitchens, bathrooms, and furniture accessories.

These various furniture product kinds, IKEA expanded its presence throughout the world. across Asia, Australia, and Europe. Meaning that IKEA joined the largest market in the chosen countries, and in 2003, IKEA was ranked 43rd out of 100. And since its foundation in Japan in 2006, Ikea Funabashi has successfully established itself there. They are aware that they do not fit in with required cultural features, but they still think they can standardise their products and keep their sense of uniqueness, which they refer to as "swedishness." And I think that the fact that they do not have any direct opponents is another factor in their success in Japan. But in order to stay a powerful and forward-thinking business, IKEA should prioritise marketing and public relations more. These might represent the biggest edge over other possible market competitors Published by Business Bliss Consultants (2015).



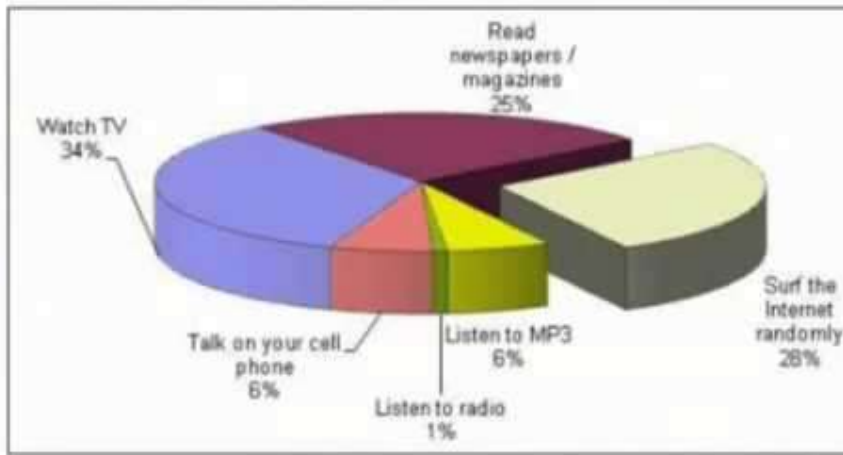
International business



Source: Ikea digital graph - Bing images

IKEA has achieved success in many different markets with its one design fits all worldwide expansion approach.

TARGET AUDIENCE MEDIA HABITS



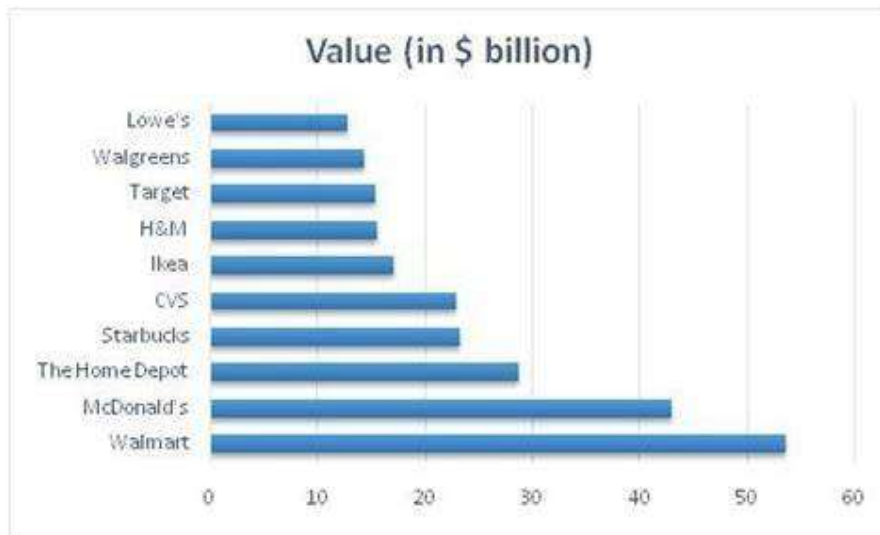
Source: ikea digital marketing ROI - Bing images

Ikea has a strategy and goal for the business and its workers that includes assisting customers, employees, and community members to live better lives. And if IKEA helps its employees in their personal life, I believe that this will increase their commitment to the company's overall performance, if the company just attends to their wishes and requirements (Published by Business Bliss Consultants, 1st Jan 2015).

2. Analysis of IKEA Retail businesses.

Ikea is now ranked 46th globally by Forbes based on brand value. It is currently worth \$11.9 billion. The top 10 retail locations worldwide are depicted in the graph below by brand value. In the top 10 companies in the

retail industry, Ikea is ranked sixth. Hitesh Bhasin, Digital Marketer and an Entrepreneur (no date)



PESTLE Analysis:

POLITICAL: -

IKEA's global strategy had to be modified in order to compete in the multiethnic Chinese market.

IKEA's culture, organisation, and strategy are interconnected with its ability to adapt to the demands of regional markets, and this relationship is underlined.

ukessays, Marketing (2015)

ECONOMIC: -

constructing a model of the OGLA chair exclusively from waste post-consumer plastic.

extending the array of products to include a variety of air-inflatable furniture pieces. These items can be carried for 15% less weight and volume than traditional

furniture since they require fewer raw materials for fabrication and stuffing.

using wood from forests that are responsibly managed to encourage regrowth and protect ecological diversity

using "pure" (unmixed) materials for packaging and just recyclable materials for flat packaging to encourage recycling. ukessays, Marketing (2015)

SOCIOLOGICAL: -

IKEA provided funding for a UNICEF community education project.

The IKEA Social Initiative is dedicated to supporting children's rights to a safe, healthy upbringing and access to a high-quality education.

IKEA places a strong emphasis on advancing women's economic and social empowerment as well as children's rights to participation, protection, development, and education in the region of the carpet belt. ukessays, Marketing (2015)

TECHNOLOGICAL: -

IKEA places a high priority on affordable prices, acceptable quality, appealing designs, and suitable product functioning. These objectives drive the business to support ongoing product and technological development. ukessays, Marketing (2015)

LEGAL

Companies should view corruption less as a cultural issue and more as a situational one.

Over the past few months, Facebook has been inundated with these bogus gift card pages created by mostly dubious online marketers looking to make money by driving visitors to their websites. ukessays, Marketing (2015)

ENVIRONMENTAL: -

When creating the product, it should be remembered that IKEA products' quality and safety must never be compromised in the name of low prices.

Undoubtedly, the company uses wood from healthy forests. ukessays, Marketing (2015)

Digital Transformation of IKEA:



Source: Digital Transformation of IKEA - Bing images

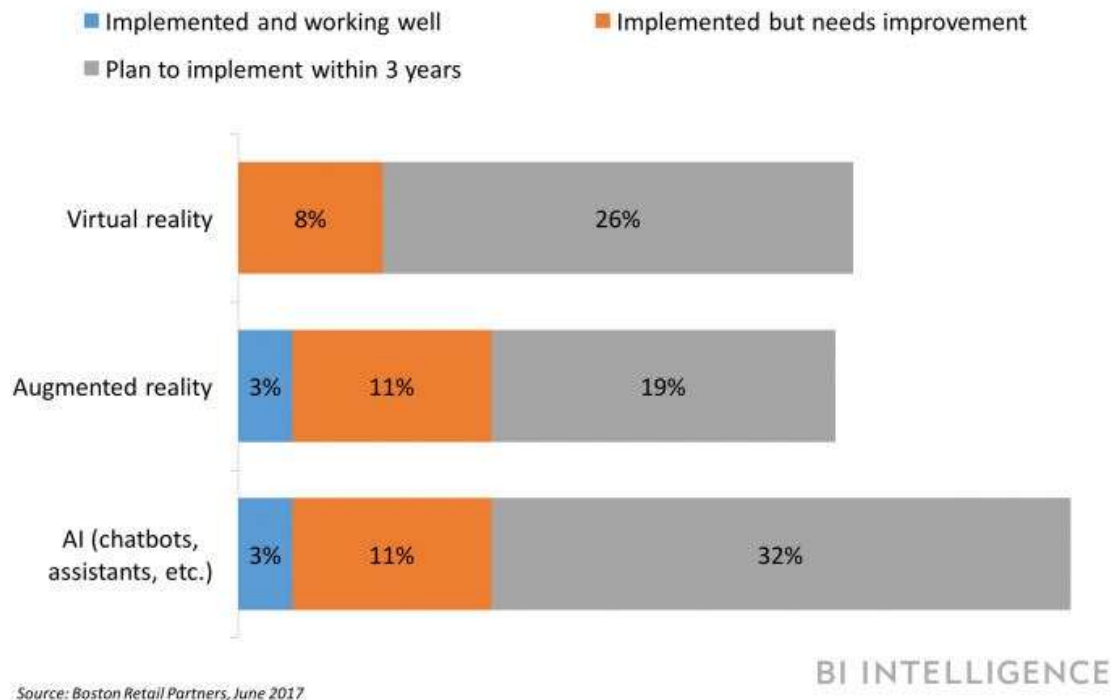
IKEA increased and stepped up its speed even further as customers turned to the internet and digital solutions as a result of the pandemic and the closing of over 75% of IKEA locations. Things that would have taken weeks or months to do were completed in a few days. The store's layout, supply chain, and product flow all required changes. Andrew Voronko (2022)

IKEA was not changing their business with digital transformation, instead, they were investigating potential

new consumer offers and innovative ways to reach customers and run their operations. Even yet, the organisation must include digital transformation into every aspect of its operations for it to be effective. Andrew Voronko (2022)

Retailer Adoption And Investment In AI, AR, And VR

500 retailers in North America



Source: Digital Transformation of IKEA - Bing images

This process is currently comparable to an iceberg. IKEA has redesigned everything related to customer connection and new buying experiences, and they have made significant changes to their business and operational model below the surface. At the top of the iceberg are the consumer requirements and adaptability.

The resulting structure underneath the surface is significantly larger than what is visible from the outside. Andrew Voronko (2022)

IKEA is modernising both online and offline consumer interactions. For instance, a consumer can begin designing their own kitchen on a website before coming in person to the store to finish. Another illustration is the mobile app's "Shop & Go" feature, which enables users to use their smartphones to scan things and automatically pay for them, allowing them to bypass the checkout line. To achieve a seamless customer experience, the entire value chain of technology and the tech environment needed to be completely modernised and reengineered. There needs to be a multi-year plan because these changes are happening at various levels inside the business. Andrew Voronko (2022)

The strategy's application has expanded significantly over time, with e-commerce going from 7% of sales to 31% in just three years. To ensure that the original IKEA concept would not be altered by digital transformation, all the adjustments were prepared in this manner. They preserved their identity and, in some ways, remained fundamentally the same business. Andrew Voronko (2022)

IKEA's Digital Marketing Strategy within the media and wider social sphere:

IKEA's presence on social media

Facebook: There are a minimum of 1.5 lakh fans on each of IKEA's country pages. The USA page has the highest following measuring about 3,411,985. The retailer's social teams pose questions, links to photo albums, and post **YouTube** clips to increase engagement.

Twitter: IKEA has separate twitter feeds for all its country-specific twitter pages. The US page alone has 2, 22,000 followers while IKEA Canada page has 6, 66,000 followers. Ikea makes these pages engaging by fascinating its followers to indulge in campaigns such as celebrating the 'Bring your Own Friends Day (BYOF).

Pinterest: This is an obvious choice for a retailer which deals in home furnishings, as this claims to be the official 'visual discovery tool'. Making best use of Pinterest, IKEA visually presents its merchandise to local markets in the UK, USA, Canada and other countries.

Outdoor Campaigns: While promotion of its catalogue through online mode constitutes almost 70 percent of its annual marketing spend, IKEA also makes judicious use of OOH (Out of home) by creating high engagement outdoor campaigns – one being in Paris (around the Gare Saint Lazare) where the furnishing retailer, based on the fact that half of the French people live in places with bathrooms smaller than 8sqm, installed a life sized bathroom on one side and a laundry room on the other. To add interaction to the 3D panel, IKEA deployed two actors (at peak commuting times in the morning and the evening) to stand on the panel pretending to perform everyday bathroom activities such as showering or shaving.



Source: How IKEA uses social media to emerge a marketing success, Retail News, ET Retail (indiatimes.com)

Indoor Garden, London: Besides outdoor bathrooms in Paris, IKEA also created indoor gardens in London. IKEA with the help of the JCCaux (world's largest outdoor advertising agency) took to the indoor environments of Waterloo and Liverpool rail stations in the UK, to show to commuters that they could 'make more of their outdoor spaces' – a.k.a their gardens. A pop-up shop invited commuters to sit down and observe the wide range of outdoor solutions available in the IKEA store that could help them transform their outdoor space.



Source: How IKEA uses social media to emerge a marketing success, Retail News, ET Retail (indiatimes.com)

Billboard-fitted wardrobes, Vienna: IKEA advertised the advantages of its particular flexible wardrobe by “dressing” a Gewista (Austria's leading company in the field of outdoor advertising) billboard with a PAX door that passers-by could slide open in order to discover IKEA's solutions that help fit anything into a wardrobe.



Source: How IKEA uses social media to emerge a marketing success, Retail News, ET Retail (indiatimes.com)

Ikea's digital Marketing Tactics:

SEO (Search Engine Optimization): This is the practise of improving a website so that it "ranks" better in search engines improving the volume of organic (or free) traffic that Ikea website receives. results pages.

Sites like blogs, infographics, and websites all benefit from SEO. Dr. Mrs. Vaibhava Desai, Assistant Professor (no date)

Social Media Marketing: The channels Ikea can use in social media marketing include Face book, Twitter, LinkedIn, Instagram, Snap chat, Pinterest, and Google+. Dr. Mrs. Vaibhava Desai, Assistant Professor (no date)

Content Marketing: Ikea creates content marketing plan that can use a variety of channels, such as blog posts, e-books, and whitepaper for marketing. Dr. Mrs. Vaibhava Desai, Assistant Professor (no date)

Affiliate Marketing: Examples of affiliate marketing channels include hosting video advertisements through the YouTube Partner Program and publishing affiliate links from your social media profiles. Dr. Mrs. Vaibhava Desai, Assistant Professor (no date)

Inbound marketing is the "full-funnel" strategy for drawing in, holding the attention of, and pleasing customers who use online content. Each digital marketing tactic that can be used throughout an inbound marketing strategy can be used by Ikea. Dr. Mrs. Vaibhava Desai, Assistant Professor (no date)

Online PR: Online PR is the activity of obtaining legitimate online press coverage through blogs, content-based websites, and other digital publishers. Like traditional PR, only it takes place online. Ikea can use the following platforms to maximise the PR efforts: Social

media outreach to journalists interacting with internet reviews of Ikea business, Comments that are interesting on Ikea personal website or blog. Dr. Mrs. Vaibhava Desai, Assistant Professor (no date)

3. Critical Analysis of technologies, tools, media, different trends/Techniques of Internet Markets:

Making good use of social media:

IKEA makes good use of social media. With regards to sales, giveaways, news, and events, they post updates on Facebook, Instagram, Twitter, and Pinterest. They react quickly to customer concerns and are open to support from their audience. IKEA's "Square Metre Challenge" advertisement is a prime example of how adeptly the business utilises social media. The business supports increasing the practicality and use of tiny homes. Gulsen Erkilic (2019)

Augmented Reality:

IKEA stays current with technology advancements. There is augmented reality in it (AR). Using augmented reality technology, a user's perception of the real world is composited with a computer-generated image. The brand has a full view thanks to this technology and the IKEA Place app, which was published in 2017. From the customer's standpoint, it is quite helpful because they

can picture how the furniture would look and fit in their homes just by looking at the catalogue.

Users of the IKEA Place app can also erect a Christmas tree. IKEA and 72andSunny Amsterdam worked together to create the "Placeatreeonit" marketing campaign, which includes GIFs and influencer involvement. Gulsen Erkilic (2019)

Virtual Reality:

Virtual reality (VR) technology is already used in the production of video games and other forms of entertainment. Customers are taken on an unforgettable journey by IKEA's unique virtual experiences. Virtual reality technology allows customers to prepare meals in a kitchen before making a purchase! Such virtual encounters spark a lot of curiosity and conversation about the company. IKEA makes use of virtual reality (VR) technology to better understand its customers and earn their loyalty. Gulsen Erkilic (2019)

Keeping it fresh and new:

IKEA frequently introduces new products from its collection as well as fresh selections to its website. New reasons are offered to current customers to look into new options and products, and new customers are drawn to the brand. IKEA successfully keeps people's

attention through its events, marketing, and community involvement programmes. They also urge consumers to discuss fresh content on social media. Gulsen Erkilic (2019)

Content marketing:

Content marketing is a top priority for IKEA's digital marketing plan. Since catalogues are insufficient in the digital age, even the biggest furniture retailer in the world must invest in content marketing. If I may say so, IKEA is a genius at producing online entertainment that viewers desire to watch. Their inspirational Pinterest boards and Home Tour Series videos are also excellent examples of their effective content marketing. Gulsen Erkilic (2019)

Get to Know Your Audience:

These days, interacting with your customers on social media is a great way to find out what's on their minds. But it is insufficient. Consumer habits are changing swiftly. IKEA uses client feedback to improve its internet marketing strategies. They also modified their marketing strategy and made innovations in their products to improve the quality of life for residents. Gulsen Erkilic (2019).

First: 59 is an excellent example of clever digital marketing by IKEA. To create the campaign, they polled

their customers about their morning habits and how they affected the rest of their days. Throughout the campaign, IKEA offers suggestions and advice to its customers. Gulsen Erkilic (2019)

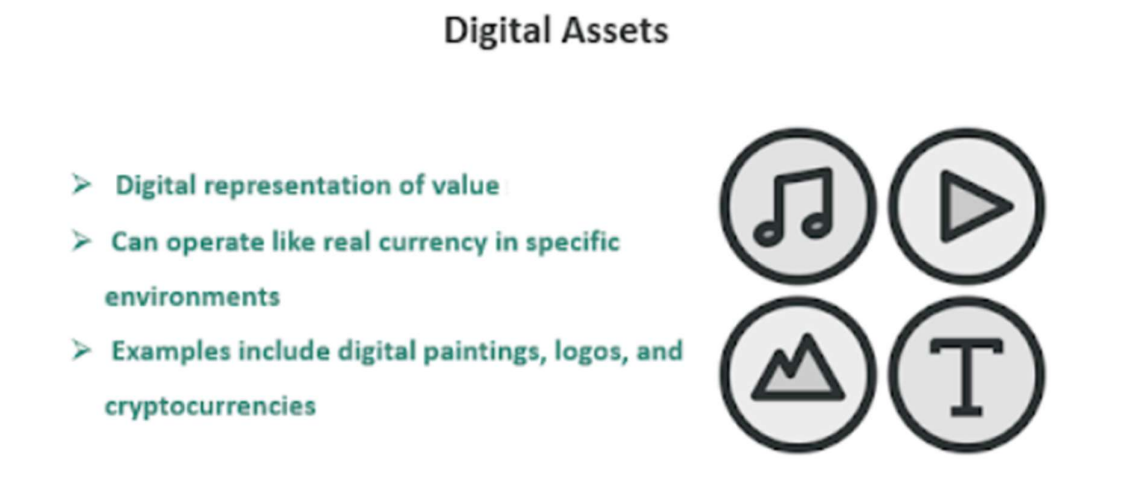
Innovative banner usage:

The innovative internet banner idea from IKEA exceeds the usual brand restriction of five products per banner box. They feature more than 2.800 products on their 300 by 251-pixel banner. This shows customers that IKEA's furnishings are always creative solutions for small living spaces. (Gulsen Erkilic (2019)).

Easy payment methods:

For their online transactions, customers today often prefer quick and convenient payment options. IKEA accepts PayPal in addition to credit and debit cards to enhance the online purchasing process. Thanks to IKEA's virtual online store, customers can now see the newest products and use every innovation. Customers can use PayPal to buy IKEA products without needing cash or a credit card. Shopping is made simpler by PayPal's ease of use, which also helps company. Gulsen Erkilic (2019)

4. Analysis of Digital assets:



Source: Digital Assets - Meaning, Explained, Types, Examples, Taxation Ikea's Newsroom, wallstreetmojo.com (no date)

The Value of Digital Images: The appropriate digital visuals may convey meaning more quickly than words or ad content ever could and are remembered. Ikea's Newsroom, wallstreetmojo.com. Ikea's Newsroom, wallstreetmojo.com (no date)

The Value of Video and Audio: Two digital forms, audio and video, have shown to be successful in marketing initiatives for a variety of enterprises. Ikea's Newsroom, wallstreetmojo.com (no date)

Common Formats of Digital Assets:

- JPEG - Joint Photographic Experts Group
- PNG - Portable Network Graphics

- PDF - Portable Document Format
- AI - Adobe Illustrator File
- TIFF - Tagged Image File Format
- QTFF - MOV or QuickTime File Format

According to the Article published by IKEA, VIM Group, 300,000 digital assets utilised for all collateral materials, including IKEA catalogues, website photos, presentations, brochures, point of sale materials, and billboards, VIM Group helped create and operate the Digital Asset Management (DAM). Ikea's Newsroom, wallstreetmojo.com (no date)

Ecommerce Websites:

Online shopping is becoming more and more popular. Ikea online store has widely expanded. They embraced the change in 2016, and their store has changed since (Ikea's Newsroom, wallstreetmojo.com (no date))



How IKEA Uses E-Commerce?

Business-to-business (B2B) IKEA is likely to focus their digital marketing efforts on generating online leads with the intention of speaking with them. Sharon Lee (2022)

Business-to-consumer (B2C) Digital Marketing Depending on the pricing point of the items, digital marketing efforts for business-to-consumer (B2C) companies aim to draw visitors to the website and convert them into customers without ever having to engage with a salesperson. Because of this, there is probably less likely to concentrate on "leads" in the conventional sense and more likely to concentrate on creating an accelerated buyer's journey that runs from the time a visitor lands on the IKEA's website to the time they make a purchase. Dr. Mrs. Vaibhava Desai, Assistant Professor (no date).

Business-to-Government: IKEA and the effects of government on business IKEA, which was founded in Sweden and now has more than 365 locations worldwide, is affected not just by the Swedish government but also by governments of other nations where IKEA is present for favourable regulations, tax etc. essaysacademic (2020)

Website Traffic Using digital analytics software, like Hub Spot, Ikea can see the precise number of visitors who have visited the homepage of Ikeas website in real time. Based on the quantity of visitors those marketing channels are bringing to your website, this knowledge enables you to decide which marketing channels to spend more or less time on. Dr. Mrs. Vaibhava Desai, Assistant Professor (no date)

Content Performance and Lead Generation: Ikea Considers sending out a product brochure through people's letterboxes, while offline, this brochure is still a type of content. The issue is that you have no idea how many people looked at your brochure or how many just dumped it in the garbage. Dr. Mrs. Vaibhava Desai, Assistant Professor (no date)

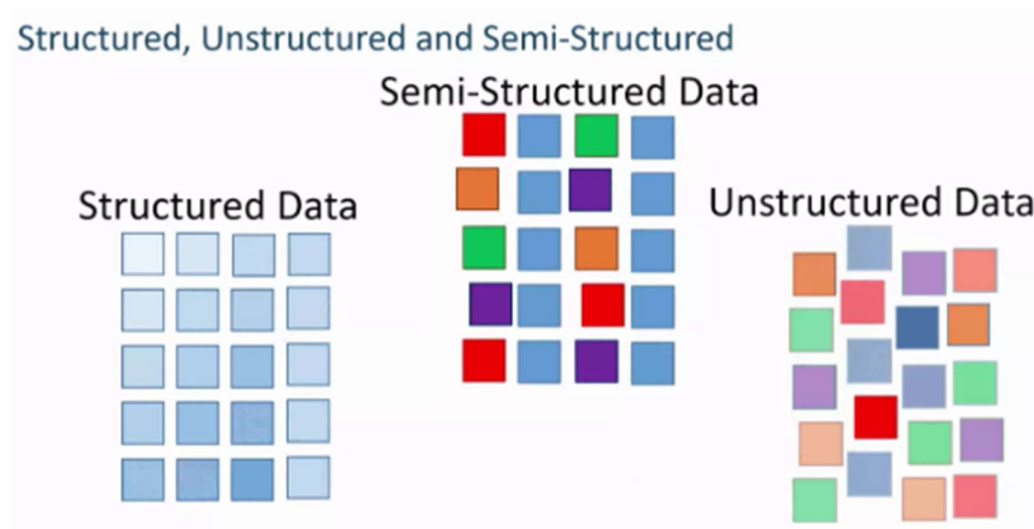
Attribution Modelling: It enables Ikea to spot trends in consumer product research and purchase behaviour, empowering Ikea to make better informed choices about which aspects of your marketing plan require

further focus and which phases of sales cycle require improvement. Dr. Mrs. Vaibhava Desai, Assistant Professor (no date)

Ease of access: It establishes several communication channels using digital communications so that anyone can rapidly and without respect to their identity share content around the world. Dr. Mrs. Vaibhava Desai, Assistant Professor (no date)

Ikea Chatbot – 24 hr services - The IKEA chatbot is available 24 hours a day to help with any questions customers may have. Dr. Mrs. Vaibhava Desai, Assistant Professor (no date)

Structured, Semi-Structured and Unstructured data:



Structured Data vs. Semi-Structured Data vs. Unstructured Data
(Source: The Data Wiki)

Unstructured data is described as information that is present in its purest form. Due to its intricate

organisation and structure, this material is challenging to process. The data wiki (no date)

Structured data is well-organized, relying on relational databases or schemas, less adaptable, and challenging to grow. The data wiki (no date)

Semi-structured data when compared to structured data, semi-structured data is more adaptable and easier to grow. The data wiki (no date)

IKEA: Big Data Analysis: IKEA's Market Intelligence Director Mary Lunghi discussed how data affects the customer experience with AMA Tampa Bay members on April 21. Anyone who has been to IKEA knows that it is not your normal furniture store. Data are a big part of the reason, and Lunghi is in charge of IKEA's data gathering and analysis. The data wiki (no date)

Like the majority of businesses, IKEA employs demographic and quantitative data, but one trait that distinguishes it from rivals is its consistent utilisation of both qualitative and psychographic data. IKEA can better understand its customers and create a more satisfying shopping experience than its rivals thanks to qualitative and psychographic data. The data wiki (no date)

5. Investigation on Internal and External Communication Structural flows of Ikea:

IKEA Internal Factor Analysis:

Strengths:

IKEA's dedication to its staff served as the foundation for its creative ideas.

Strong global brand recognition exists for IKEA.

Create and buy products with little production and transportation expenses.

the "showroom-warehouse" idea, which decreased the cost of retailing.

At IKEA, waste was viewed as a mortal sin since workers were continuously urged to conserve electricity, which lowers production costs.

Cost effectiveness is always a top priority.

IKEA and its suppliers have remained partners for a very long time. This guarantees that the business has access to premium resources at fair costs. ukessays - Marketing (2015).

Weaknesses:

With 82% of its stores in Europe, it is incredibly dependable there, but it struggles to meet customers' expectations for both pricing and service.

The business learned that Americans disliked its products, particularly mattresses, kitchen cabinets, bedding, and other items.

IKEA has a small assortment of styles.

The customers were supposed to assemble the furniture themselves.

It was challenging to distinguish its goods from those of competitors in terms of high quality and affordable price. ukessays - Marketing (2015).

IKEA must maintain open lines of communication regarding its environmental initiatives with its customers and other stakeholders.

Since IKEA is a multinational corporation, it may be challenging to uphold product standards. ukessays - Marketing (2015).

IKEA External Environment Analysis of Factors:

Opportunities:

The creation of e-commerce websites in each nation can boost sales while enhancing customer service and reducing the need for physical locations.

IKEA's suppliers would be given information about the proposed product's specs and target price, and they would be urged to bid for the production package.

Product managers might quickly spot market potential by placing the company's current product offerings on the grid and scanning for empty spots.

Both cheaper and greener products are in greater demand.

IKEA can further benefit from the "green" movement and its consumers' desire to have a smaller environmental effect. ukessays - Marketing (2015).

Threats:

The threat of a potential oversaturation of the market is being driven by the additional advancements, which is being exacerbated by the fact that competitors are following suit by releasing identical product ranges at low costs. ukessays - Marketing (2015).

More businesses are entering the low-cost home and furniture marketplaces. In order to compete, IKEA must emphasise its distinctive traits. ukessays - Marketing (2015).

Consumer buying patterns are slowed down by the recession, and disposable income is decreased.

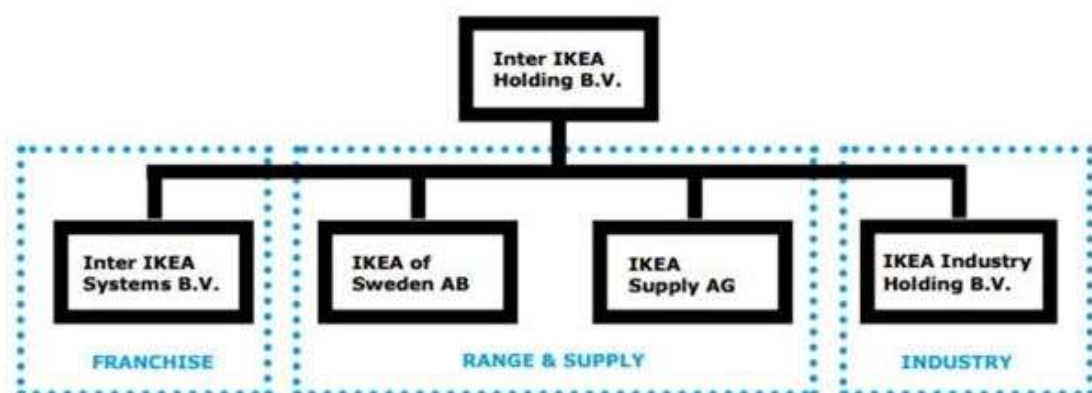
Global legal regimes differ, which can have an impact on how IKEA conducts business and how much its

products cost, particularly when it comes to the utilisation of natural resources. ukessays - Marketing (2015).

6. Information Architecture and effective structure including promotions for the products and services:

IKEA has a unique organisational structure. More specifically, "many businesses throughout the world use the IKEA trademarks. No IKEA franchisees are impacted by the Inter IKEA Group. A substantial number of franchisees are owned and operated by the INGKA Group. Despite having the same founder, common history, and shared heritage, the International IKEA Group and the INGKA Group have had different owners and management since the 1980s.

Figure 1 below illustrates the essence of IKEA organizational structure:



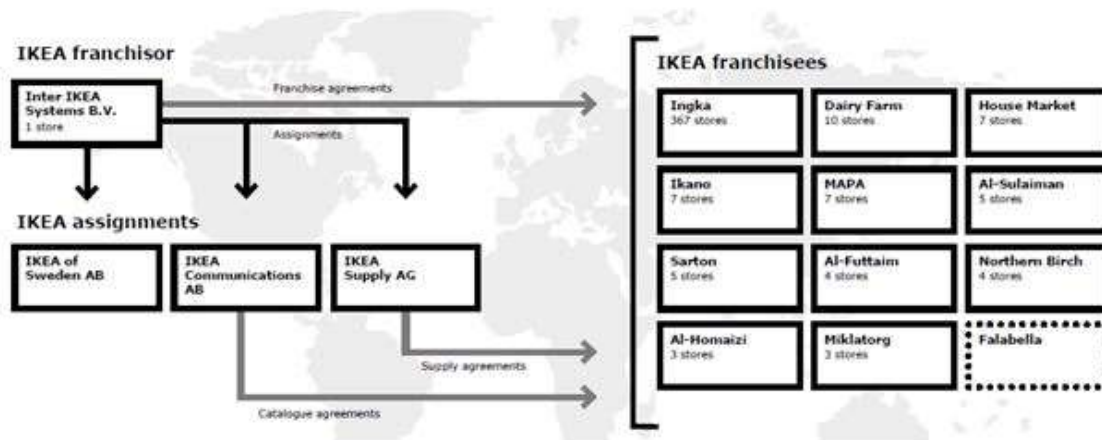
Source: IKEA Organizational Structure - overview - Research-Methodology

The Inter IKEA Group integrates several enterprises. The group establishes the strategic direction for the entire company and brings together all IKEA franchisees. The three primary businesses that make up the group are depicted in Figure 1 above:

1. Inter IKEA Systems B.V. is the franchisor of the global furniture industry. Additionally, 11 franchisees who own more than 500 stores are handled by this division's franchise agreements.
2. IKEA Range & Supply manufactures and distributes products for the home improvement and furnishings industry.
3. Roughly 10–12% of the complete line of home furnishings are produced by IKEA Industry.

The organisation of IKEA as it is today, as depicted in Figure 1 above, is the outcome of a large reorganisation initiative that was started in 2016. To improve the franchising structure and clarify roles, IKEA range, supply, and production activities were transferred to the new Inter IKEA Group, headed by Inter IKEA Holding B.V. Currently, Jon Abrahamsson Ring serves as the CEO of Inter IKEA Holding B.V.

The Figure 2 below illustrates the overview of the franchise system.



Source: IKEA Organizational Structure - overview - Research-Methodology

To strengthen the business's flexibility and its ability to respond to developments in the external global marketplace, the IKEA Group specifically sold key businesses for EUR 5.2 billion. As "new low-margin market entrants and internet firms like Amazon.com are making life harder for everyone in retail," IKEA management believes that this move is urgently necessary.

Ikea Products and services:

Ikea offers Ready-to-assemble furniture, Food products and Homewares.

The below listed are 12 Services provided by Ikea

1. HOME DELIVERY - Same day and Next day delivery
2. COLLECTION - Pickup and Delivery
3. HIRE A VAN - Drive your new furnishing home by yourself

4. FURNITURE REUSAGE - Recycling has been thought of
5. FLATPACK ASSEMBLY - Montage done for the customer
6. PLANNING - Build the set of your dreams
7. INSTALLATIONS - Trust professional assemblers
8. ALTERATION - Curtain making and alteration service
9. FINANCES - Ikea helps
10. ROOF RACKS - Charming and efficient
11. RECYCLING - Recycling of electrical and electronic equipment
12. IKEA BAGS - Take goods home today

Promotions for the products and services:

1. The brand's product names, and colour scheme all adhere to a recognisable, consistent notion.
2. A range of items are offered to satisfy the needs and preferences of each customer.
3. Products offer mass market affordability and reusable durability.
4. Sponsored content from creative partners increases the brand's exposure to new demographics.
5. The descriptions of each item are written to capture the customer's imagination.
6. IKEA promotes people's use of their ideas because it is a participatory organisation.

7. The company employs cutting edge technology to deliver experiences that are authentic to its brand.

7. CONCLUSION

In closing, I would like to share my opinion that Ikea's rivals around the globe each have distinctive traits that set them apart from one another and that one should consider. However, we believe that a business must strike a balance between the suitability of its products for various markets and the knowledge that its customers will pay the best price for what it offers. And we ought to be able to preserve our distinctiveness to keep a competitive advantage over rivals in many markets where the culture is diverse.

The company's near-term priorities appear to be a gradual growth of the Ikea retail division rather than aggressive expansion into new markets, with an emphasis on building and expanding in existing markets. However, some changes may be observed due to the growth of e-commerce, which over time may have a negative impact on the sales of Ikea's physical stores but a positive impact on the company's overall turnover. This is the primary illustration of how the company is positioning itself to counteract the main threat to its traditional stores.

Although the weak external consumer market means that sales growth over the coming years should remain relatively moderate, Ikea has also chosen an aggressive expansion-based strategy in recent years.

Ikea's sales may benefit from the growth of e-commerce, which makes shopping there more convenient, but no progress has been seen in this area recently, and as a result, Ikea has been quite cautious about its profit margins. However, due to the company's development into current and new emerging regions, where they will face high startup costs, low consumer spending power, as well as other external challenges in developing nations, profit margins may decline in the short term.

1. Recommendations:

Ikea may reach out to its customers by using email marketing. Email marketing is widely used to promote sales, events, and content, as well as to direct customers to a company's website.

Some of the kinds of emails Ikea can send during an email marketing campaign include blog subscription newsletters, follow-up emails to website visitors who downloaded something, customer welcome emails, holiday promotions to loyalty programme members, and tips or similar series emails for customer nurturing.

IKEA should have the intention of enhancing its standing and prosperity. IKEA should strive to set a notable example in growing a sustainable business if it wants to establish a well-known brand in Ireland. For its customers, this will create a better quality of life overall. By establishing a plan to deal with the challenges, particularly by deploying creative ideas, and concentrating on the business's advantages, IKEA can maintain its market value in Ireland.

IKEA's pricing strategy is geared toward customers with limited financial means, but it should also produce goods for upper-class customers by offering premium designs and unique styles. IKEA has also discovered a new business reality in which acting responsibly and sustainably is not just excellent for customers and the environment but also very advantageous for the company itself. As a result, the business should never overlook this fact and should keep offering customers practical and cutting-edge fashions and products in order to grow its market share.

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Module Code : LCMB7010

Assignment Title : Digital Marketing – Part B

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2	Machine Learning
3	Artificial Intelligence
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5	Applications of Machine Learning in digital marketing to Maximize ROI
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1. Introduction:

This project will discuss the topic of machine learning, including its significance and position in respect to Ikea. IKEA benefits from machine learning since it is a crucial part of artificial intelligence because it aids in consumer segmentation, marketing intelligence, and forecasting judgements.

In this assignment, I went into detail about how to use machine learning in digital marketing to maximise ROI for the company, namely Ikea.

At the end of the project, I also wrote down my findings and suggestions while outlining Ikea's current position in digital marketing.

2. Machine Learning:

Daily, almost everyone interacts with machine learning. Machine learning's function in marketing is to enable you to take prompt, big-data-based judgements. In short, machine learning enables marketers to greatly improve their decision-making through the analysis of enormous data sets and the production of detailed insights about the market, industry, societal trends, and customer profiles.



Source: Machine Learning in Marketing: Things to Know - Machine Learning Pro

Machine Learning in Online Marketing:

Marketers can spot patterns in user activity on a website by using machine learning. They can predict users' future behaviour and immediately optimise advertising offers as a result.

IKEA Machine learning:



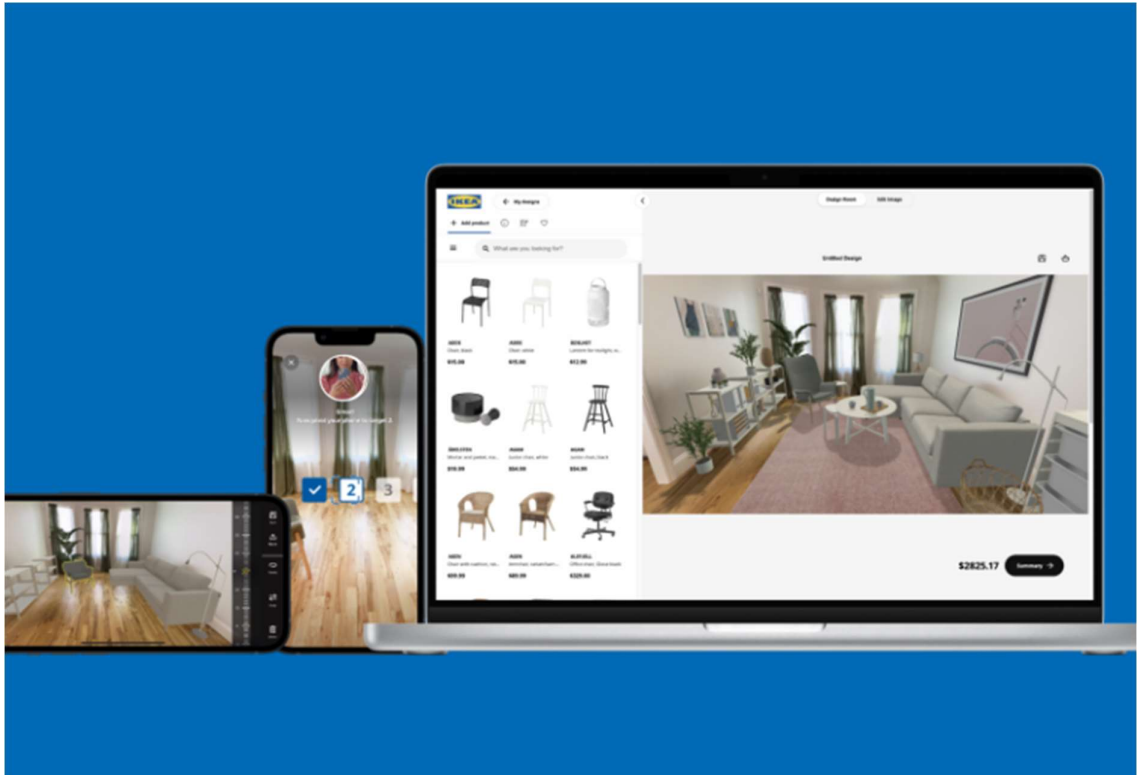
Source: machine learning ikea - Bing images

Assistant Professor Pham asserts, "For a robot, assembling an IKEA chair with such accuracy is more difficult than it appears. The task of assembly, which may come effortlessly to humans, must be broken down into several processes, such as locating the various chair parts, determining the amount of force needed to grasp the parts, and ensuring the robotic arms work independently of one another. Ikea created algorithms through extensive engineering work that will allow the robot to complete the tasks required to assemble the chair by itself. Ministry of Education, NTU's innovation and enterprise arm NTUitive, and the Singapore-MIT Alliance for Research & Technology (no date)

3. Artificial intelligence:

Artificial intelligence uses robots and computers to simulate how the human mind makes decisions and solves problems:

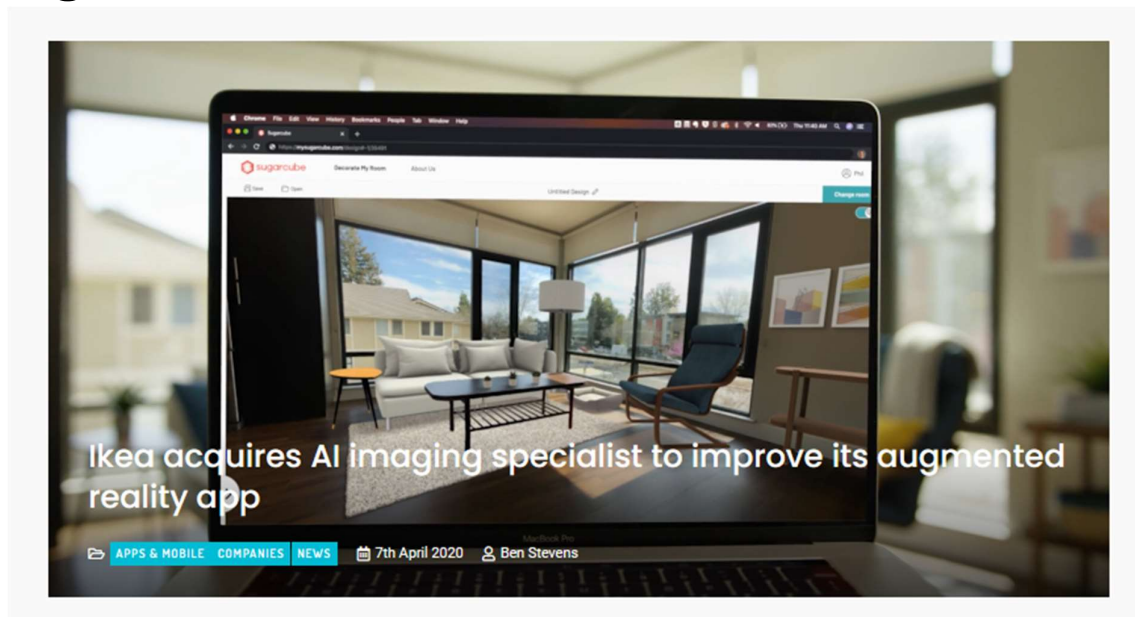
IKEA Artificial Intelligence:



Source: machine learning ikea - Bing images

IKEA has developed a sophisticated method that can significantly improve the accuracy of its demand forecasts. The application combines artificial intelligence with both historical and current data to produce exceptionally accurate forecast insights. The tool is now being used in Norway. to out more about the new technology and how it enhances demand and supply forecasting at IKEA. Peter Grimvall, (2021)

4. Ikea - from marketing intelligence and customer segmentation to forecasting decisions:



Ikea: Companies can't grasp the demand, what has to be delivered, to whom, and when, without a proper and accurate prediction. If it is too much, it raises our expenses and, in turn, our pricing to clients; if it is too little, we won't be able to give them the correct product. This might significantly affect how we conduct business and provide for our clients. Peter Grimvall, Supply Chain Development Area Manager (no date)

Ikea has Retail's Chief Digital Officer Barbara Martin Coppola said that the firm was acquired because its technology was "extraordinary and ground-breaking" even though Ikea had already released software that allowed customers to do the same thing with its own line of furniture. Peter Grimvall, Supply Chain Development Area Manager (no date)

Meanwhile, Geomagical Labs claimed that Ikea will make sure that its technology would be used rather than absorbed by a larger development team. Peter Grimvall, Supply Chain Development Area Manager (no date)

Using artificial intelligence for smarter demand forecasting:

The task of demand forecasting is to estimate the entire quantity of goods that more than 450 IKEA stores and its online store in 54 markets will need over the course of the year. These figures can refer to a few billion products. Furthermore, if forecasting is inaccurate, there might not be enough inventory in IKEA stores, which might lead to longer customer wait times or an overstock. Peter Grimvall, Supply Chain Development Area Manager (no date)

Demand Sensing – the new tool

IKEA has been using a forecasting system that bases its projections on historical sales data. Examples of these might include historical sales and demand trends. Peter Grimvall, Supply Chain Development Area Manager (no date)

Smart forecasting – lower cost

A precise forecast guarantees that IKEA stores will get pertinent merchandise at the appropriate moment. As a result, customers will have better access to products both in-store and online, which will help the brand please customers anywhere they interact with it. Peter Grimvall, Supply Chain Development Area Manager (no date)

The company's supply chain will save money thanks to fewer errors and human overrides, and its logistics will be more effectively optimised. Peter Grimvall, Supply Chain Development Area Manager (no date)

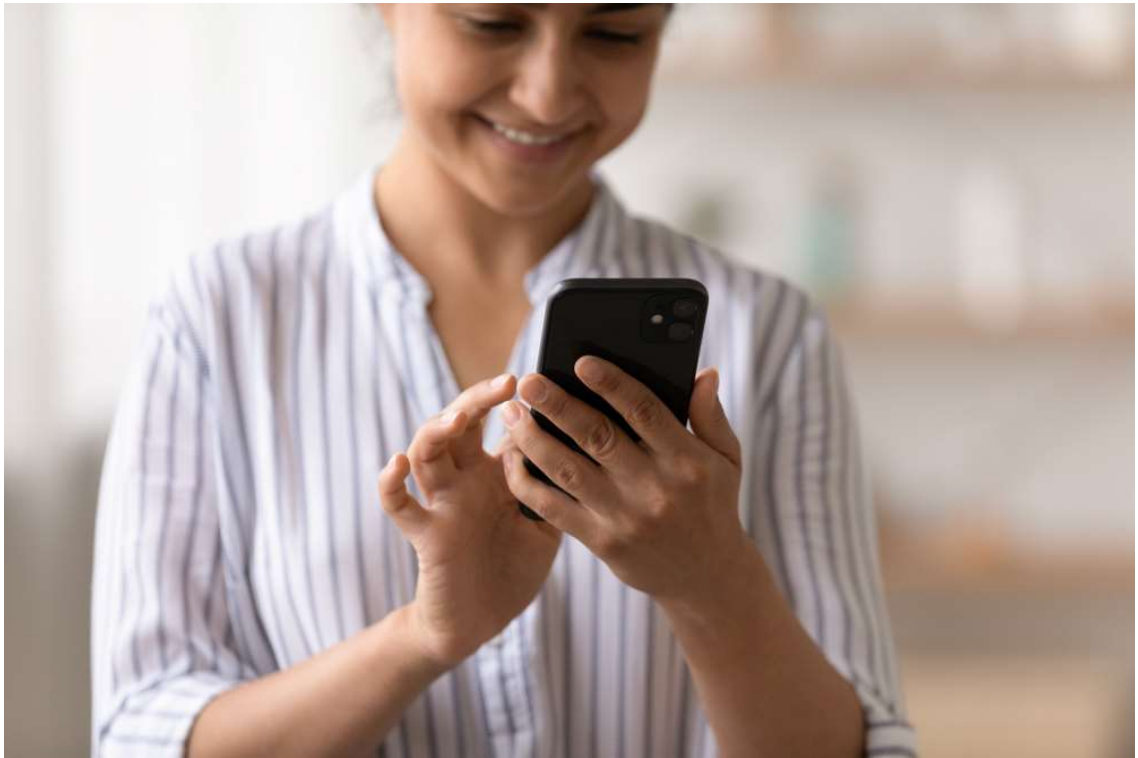
IKEA in terms of AI and innovation for supply chain management:

The second topic has to do with supply chain planning, which consists of two steps: planning and problem-solving. We are not now capturing the solutions to the problems we are always trying to tackle. We are therefore working to create a corporate memory that can record the issues we encountered and how we resolved them. We shall introduce automation with the help of this corporate memory. Making decisions digitally is what we refer to as. This is a significant issue that we are currently researching. Peter Grimvall, Supply Chain Development Area Manager (no date)

5. Applications of Machine Learning in digital marketing to Maximize ROI:

The most effective marketing techniques have utilised machine learning for some time. Using behavioural data and the application of newly acquired knowledge to optimise digital experiences, it helps marketers and businesses in a variety of ways. This enables us to continuously iterate and improve on how our customers interact with our brands. Additionally, it might help to simplify the production and content management

procedures (Corey Brown, Content Marketing Manager, Published in Marketing, and Strategy).



Source: Using Machine Learning In Digital Marketing - Altis (altis-dxp.com)

a. Pay per click campaigns:

The main purpose of machine learning is to provide a quicker and more dependable substitute for the sophisticated, but sluggish and expensive, human decision-making process. Pay-per-click (PPC) digital advertising strategies require sorting through a lot of data in order to decide the best course of action. Ikea can use this application of Machine Learning in digital marketing to Maximize ROI as by saving time and avoiding the usual guessing, machine learning enables advertisers to quickly go through ad performance data, find top-performing ads, and automatically optimise a campaign in real-time, saving

businesses astronomical amounts of money in ad spend (Corey Brown, Content Marketing Manager, Published in Marketing, and Strategy).

b. Personalisation and Contextual Content:

The modern digital marketer's toolkit includes personalization as a mainstay that is becoming more and more crucial. Ikea can use this function that is central to digital experience platforms, which strive to enhance customer experiences found online.

By analysing which material visitors interact with most favourably and automatically tailoring content for each type of user, machine learning enhances the customer experiences we provide and gives us suggestions for new content ideas. Corey Brown, Content Marketing Manager, Published in Marketing, and Strategy (no date)

c. Content Production

Working with these algorithms assists content marketers by accelerating editorial decision-making and streamlining the creation of content.

In addition, Ikea can use these algorithms, as an algorithm might recommend keywords and tags for their postings based on content analysis as it learns the preferences and patterns from previous choices. Corey Brown, Content Marketing Manager, Published in Marketing, and Strategy (no date)

d. Image recognition and SEO

Deep learning, a relatively new branch of machine learning, is what powers image recognition technology,

which identifies objects in photos or other images. While this is typically a simple task for people to do, machines still have difficulty categorising items and performing basic visual recognition. When working with bigger media libraries, manually tagging photos and adding alt text—a crucial part of SEO, accessibility, and CMS file management becomes time-consuming and expensive. This task is carried out by computers with astounding accuracy thanks to deep learning. Tools like Altis, which make use of machine learning and deep learning technology, automatically tag all files published to a CMS with intelligent images. This satisfies typical SEO standards in a clear, repeatable, and scalable manner. Corey Brown, Content Marketing Manager, Published in Marketing, and Strategy (no date)

6. Conclusions and Recommendations:

Conclusions:

IKEA is researching the use of artificial intelligence, and the company's largest retailer, Ingka Group, has just launched IKEA Kreativ, a brand-new digital design platform powered by AI.

Thanks to the user-friendly new experience, customers now have a realistic, entirely integrated way to construct and visualise their own living surroundings from computers and smartphones.

Years of IKEA expertise are combined with cutting-edge developments in 3D mixed reality, machine learning, and spatial computing in IKEA Kreativ.

IKEA Kreativ offers clients the confidence, ability, and control they need to design and decorate beautiful and useful homes swiftly and easily.

Customers who use IKEA Kreativ have the opportunity to: Explore IKEA products in inspirational 3D showrooms; design their own spaces; and visualise better living at home, wherever they may be.

IKEA Kreativ analyses clients' homes using cutting-edge AI and computer vision technology, much like self-driving cars do. These include computational photography algorithms to provide expansive photos, stereo vision algorithms to view in three dimensions, and mixed reality 3D graphics for realism.

AI neural networks have been specially taught to recognise the items and geometry of indoor settings. In order to help clients, reimagine their environments, IKEA Kreativ can also use AI algorithms to remove part or all the existing furniture from the scene.

IKEA Kreativ will be made available to Android users soon after starting to roll out for iOS and laptop users in the United States in FY23. By visiting IKEA Kreativ or downloading the IKEA app from the Apple App Store, US customers can get the full room design experience for free.

Recommendations:

Ikea can forecast a variety of supply chain events using different prediction models, such as how long the lead time should be and how much a new product would sell for. Consequently, one key use of AI will be in the prediction of planning parameters.

The second topic has to do with supply chain planning, which consists of two steps: planning and problem-solving. Ikea is now not capturing the solutions to the problems we are always trying to tackle. Therefore, it is recommended to work to create a corporate memory that can record the issues they encounter and how are they resolved.

It is recommended for Ikea to introduce automation with the help of this corporate memory. Making decisions digitally is what they refer to as. Thus, this is a significant issue that Ikea is also currently researching.

Ikea can use the above-mentioned applications and tool of Machine Learning in digital marketing to Maximize its ROI by advertising and enhancing the customer experience digitally.

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THANK YOU !

