

ANALYSE THE IMPACT OF INTELLIGENCE ON OPERATIONAL EFFICIENCY IN THE RETAIL INDUSTRY: A CASE STUDY OF IKEA CONCY JEYA RASANAYAGAM 2226962



Background & Aim

Artificial Intelligence (AI) has become a transformative force in the retail sector, enabling automation, real-time analytics, and more efficient operational processes. Major global retailers, including IKEA, are increasingly utilizing AI to enhance decision-making, reduce costs, and enhance the customer experience.

Research Aim

To evaluate how Artificial Intelligence contributes to improving operational efficiency in the retail sector, focusing on IKEA as a case study.

Research Questions

- How does AI enhance operational efficiency in the retail industry?
- How has IKEA incorporated AI technologies into its operations?
- What challenges and limitations arise in the implementation of AI?



Methodology

- Research Design:** Qualitative case study
- Data Collection:** Secondary data from academic journals, industry reports, and IKEA publications
- Sampling Frame:** Global retail industry with focus on IKEA's supply chain, inventory, and workforce systems
- Analysis Method:** Thematic analysis comparing industry findings with IKEA

IKEA Case Study Findings

Inventory Accuracy Order Fulfillment Time Forecast Accuracy Workforce efficiency	Moderate Longer and Manual Limited Manual Processes	High Automated and faster Machine Learning driven Smart-work automation	Stockouts reduces significantly Lead time reduced +30%forecast accuracy Higher productivity
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Conclusion
AI significantly enhances operational efficiency in retail through automation and data-driven decision-making. IKEA's adoption of AI technologies demonstrates measurable improvements in inventory systems, supply chain performance, and workforce productivity. Continued investment and responsible implementation will secure long-term strategic advantage.

Recommendations

- Strengthen employee AI training and digital capabilities.
- Adopt phased AI integration across retail operations.
- Expand predictive analytics for further logistics optimisation.
- Foster continuous innovation with responsible AI frameworks

References

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