

Critical evaluation of IKEA's marketing activities

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Introduction

Marketing is an important part of any company's success. IKEA has managed to stay at the top of the furniture industry through its strategic marketing plan. To understand more about IKEA's marketing strategy, one needs to analyze many factors that can affect a company's success. IKEA is a well-known, leading furniture retailer. It is one of the few companies that has remained successful over the past years. IKEA competes in a very competitive industry, which makes it even more challenging to maintain its current position in this market (Spinoglio, 2020). The company has worked hard and achieved great success with its global expansion strategy. For the company to succeed, IKEA must create an image through effective marketing strategies and advertising campaigns that resonate with people from many cultural environments and regions worldwide. Marketing is an important part of IKEA's overall strategy and is influential in the company's success. By maintaining a solid marketing plan, IKEA has grown to be a global furniture retailer with over 400 stores worldwide (Edvardsson and Enquist, 2011). Hence based on this, marketing is defined as the "process of creating, promoting and communicating products or services," and it can influence the company's success. In this research paper, I will evaluate IKEA's marketing strategy concerning its current position in the furniture industry, its strategies for future growth, and the role of marketing in IKEA's success.

Factors that determine marketing campaigns

Many factors determine the outcome of a marketing campaign, including product similarities and differences, target audience segmentation, and media targeting technology such as e-mail blast campaigns and social media advertisements. Product similarities are important because they interest consumers by making the brand more familiar or unique (Reynoso, 2009). However, when the same product is promoted at different locations, it can create confusion

among customers that may lead to a decline in sales. On the other hand, when two products are different, customers will recognize the differences in quality and appearance. They will feel comfortable with the product and thus are more inclined to purchase it. Target segmentation plays a major role in a successful marketing campaign, as it determines how the marketer will communicate with those who fit their target group (Burt, Johansson, and Thelander, 2011). For IKEA, this strategy is vital because it helps focus its marketing efforts on reaching different groups of people with additional needs. Thus through this strategy, IKEA can maintain its effectiveness in creating a brand value that appeals to customers from different cultures worldwide.

IKEA's overall objective is simple: "Our vision at IKEA is to create a better everyday life for many people" (IKEA Group, 2015). The company recognizes that a business's success depends on meeting its customer's needs and understanding the broader context in which its customers live. Therefore IKEA is committed to making affordable home furnishing solutions available to the largest range of people. By providing products and services of high design quality, affordable prices, and a distinctively convenient shopping experience, IKEA aims to reach as many people as possible to improve their everyday lives. To achieve this vision, they need to develop a well-organized marketing strategy that will help them meet the needs of their customers no matter where they are located around the globe. This will allow them to succeed in the furniture industry. The company has invested various resources into its marketing strategy to provide its customers with a unique shopping experience at an IKEA store. They have brilliant marketing strategy planning coupled with effective marketing strategies and campaigns. The company also has an easy-to-use online store, allowing its customers to shop anytime and anywhere (Tarnovskaya and de Chernatony, 2011). All of this is done to gain more market share worldwide. These resources include investing in

technology and innovation and maintaining a high management level. The new technology is very important in marketing as it allows the company to reach its customers faster and easier.

IKEA's marketing activities have been closely scrutinized, and the company is evaluated on how it stimulates consumers to purchase its products. IKEA's marketing practices are predominantly customer-centric, and the company and the customer determine customer-centricity. In other words, even though the company's decisions are driven first and foremost by customer needs, the customer is always in charge of what they consider important (Dejnaka, 2017). IKEA puts its best efforts into understanding how its customers work on marketing their products strategically. It takes strategic steps such as researching the demographics of its previous customers and analyzing those who live in different regions worldwide to find out what is most important to them. The company uses the information from these researches to create a unique marketing plan that will appeal most to consumers.

Target audience selection

The marketing strategy of the company is target oriented. IKEA has been evaluated as highly target-segmented because it has a distinct marketing plan designed to reach specific people with different needs and wants. They develop a specialized marketing plan based on the products they offer to the market and the target audience segment they wish to reach. This way, they can market their products with the best media that attracts customers more than other companies in their industry. The target audience for the products of IKEA is not only made up of consumers but also interior designers and architects as well. IKEA is committed to its customers and thus provides them with an opportunity to make their wishes known. The company allows its customers to send suggestions and feedback, which would help them improve their products and develop a better marketing campaign (Piatyko and Pronin, 2020). This makes IKEA's target market much larger than its competitors in the furniture industry.

Individual customers may have specific preferences depending on their personal needs, but they can easily find an item that matches their style or taste at IKEA stores. In addition, the company's stores sell different home accessories like lamps, cushions, and many other small decorative items. The selection of the target audience is done through a well-planned segmentation strategy. IKEA has a diversified approach to marketing its products. The company's target market includes people of different ages, races, and genders. It allows them to choose from a broad range of products or items they like the most. Besides, IKEA markets its products toward different target groups to reach its customers better. It has been observed that these target groups are necessary for the company's growth in the furniture industry based on the factors influencing customers' purchasing decisions (Moiseeva et al., 2020.).

Despite the company selling their products at a cheap price, there is a need to target a consumer base that can afford these products, hence targeting consumers from the middle social class who are willing to pay for these items. The major factor influencing customers' decision-making is their financial capacity, and IKEA targets customers with purchasing power in the middle social class. IKEA has also been able to target high-income and low-income markets in terms of its home furnishing products by differentiating between the needs, wants, and desires of each market segment. The company's marketing plan also gives them a competitive advantage over its competitors as they differentiate itself through its marketing strategy. The company emphasizes two main sources of profit; product sales and non-product-related services (Tyler et al., 2011). The main product is the main asset of an organization, but the non-product related services are also very important in their corporate structure and marketing strategy. As a result, IKEA has realized that a well-planned marketing strategy contributes to furthering and commercializing every aspect of its business. The company's target audience has been observed to be above 23 years old with a gender-balanced distribution.

The marketing segmentation includes regions like Europe, America, Asia, and the Middle East. IKEA markets its products in these regions through direct marketing, such as producing and displaying in-store poster advertisements and TV commercials, and representing its products through other marketing methods, such as promotional events and event-related promotions. The company also invests in investment promotion, electronic media communication, field promotion, product demonstrations, and press and media advertising, highlighting its innovative ideas to move its products a step ahead into the global market (Ernala et al., 2021). IKEA's products are designed based on consumer and market demand, where they understand the needs of their customers through research.

Marketing mix

The company uses different marketing communication tools to better understand its products in its target customers' minds. Its marketing mix is made up of the following:

Product:

IKEA offers different products for different household and individual needs. Their variety of products catered to the various aspects of life gives them a competitive advantage over other furniture players in the market. For example, they sell home accessories in addition to kitchenware and furniture; hence, the market is much broader than those offered by other competitive brands in their industry (McDonald & Sirkin, 2010).

Promotion:

IKEA uses different promotional activities to create a better understanding of their product in the minds of their target customers. The company promotes its products through several non-product-related strategies.

Price:

IKEA's prices are quite competitive, especially their kitchenware and furniture. The prices are based on the quality of their products and not on the cost of raw materials used. For example, they sell high-quality items at cheap prices by keeping the costs low to compete with other furniture companies. They also maintain constant communication with their suppliers and keep them up to date regarding manufacturing partners, cost of raw materials, and quality standards (Constantinides, 2014).

Target:

IKEA identifies its target audience through market research, enabling them to reach out to different target groups to add more value to the marketing mix. The process includes deciding the target group, analyzing the target, and setting priorities for developing each marketing plan (Dominici, 2009).

Place:

IKEA has stores around the world that not only sell their products but also provide various services like repair services and product support. In addition, they also have an online catalog that provides a wide range of products that potential customers can view. These methods are used to improve the company's market share among different regions and countries worldwide.

Segmentation:

IKEA has identified its target market and established a strong brand identity through its focus on strategic marketing. The company places emphasis on specific parameters when it comes to target market management. They are segmented into different categories to target customers with specific needs and wants.

Key marketing channels

The main aim of Marcom tools is to create sustainable customer engagement through all stages of the marketing communication process, with five communication channels. The company uses the 3P formula to reach out to its target market and becomes more successful by increasing its communication complexity. Developing sustainable customer engagement is the main aim of IKEA's marketing communication tools. The company reaches out to its target market through different communication channels, including advertising, PR, PR events, and product demonstrations (Shimp and Andrews, 2013).

The company's channels include social media, TV commercials and posters, online invitations, press releases, radio advertisements, in-store advertising, and product demonstrations. With the help of the different communication channels, the company has been able to identify its target audience, and it has also been able to create awareness about its products in the minds of its customers (Batum and Ersoy, 2016). The company has also used other marketing tools, such as realtors meetings and shopper loyalty programs designed to find out more about its target market. The company has also developed a strong brand identity through its in-house creativity, enabling it to differentiate itself from others in the market. Social media has been one of the most successful tools for IKEA, especially through Facebook. This ensures that they can communicate with their target audience and learn more about the market demand, leading to specialized products for consumers. Social media marketing campaigns play a very important role in building a strong brand identity for the company in the minds of its target audience. Social media helps companies reach out to customers easily and provide them with relevant information about their products or services (Shin, 2013). The company has been able to identify its target market and establish a strong brand identity by focusing on strategic marketing. IKEA uses multiple communication channels to reach out to its target audience. It has also helped identify customers' needs, wants, and desires which the company can later fulfill. The company has shown clear signs of

growth with the help of social media. This is because social media enables them to communicate easily with millions of people worldwide (Evans, Bratton, and McKee, 2021).

The use of social media is appropriate given that technological development has made it possible for IKEA to reach out to its target customer quickly. They can easily reach millions of people in a very short period through this communication tool. The company uses social media, for instance, Facebook and Twitter, to find out what people say about their products. These tools enable them to create better customer engagement and improve customer service activities. In addition, these tools are used as customer relationship management tools, in which customers can give feedback about the quality of their products or services.

Measurement of success of marketing campaign

There is a need to determine the success of any marketing campaign; hence, it is necessary to evaluate the success of social media marketing through various approaches. The company has certain metrics that enable them to measure the level of engagement and interaction with its target customers. The company uses different metrics such as traffic on their websites, the number of participants and number of visitors on their social media websites, and the number of hits and reach to measure the success of their overall marketing campaign. The KPIs are used as benchmarks that can be measured to determine the level of customer engagement over some time. IKEA is also using several tools, including the Google analytics, web insights, and the Alexa web ranking, to evaluate the success of their social media campaign. Their website has had different improvements regarding certain features, such as ease of navigation, layout, and design (Alves, Fernandes, and Raposo, 2016). IKEA is also using Facebook to track all its purchase transactions which helps them identify any possible problems and improve its services. They also use different metrics such as averages per post,

thousands of page views, and average page dimensions to monitor their Facebook performance. (Hoffman and Fodor, 2010)

Shortcomings and recommendations

There are certain shortcomings of IKEA's marketing strategy which can be improved upon. There has been an increase in competition among different manufacturers in the furniture industry, so the company needs to go beyond its classical advertising methods. IKEA could explore newer ways by introducing innovative marketing strategies such as product placement and brand licensing, which could help them create new revenue streams. The company also needs to be innovative when it comes to using social media as a marketing tool to get a better understanding of its target audience. The company could use more data to identify its target audience better and then design its marketing communication strategies accordingly. The company should look at digital technologies such as QR codes, NFC, and even smartphones for better marketing solutions.

Conclusion

IKEA is an example of a successful case study in which the company has used social media marketing strategies to reach its target audience and establish a strong customer relationship. The company has also used social media to identify customers' needs, wants, and desires, improving its services. This case study clearly shows the company's effectiveness in using social media marketing strategies. The company targets consumers in urban settings with middle-level and above social classes (Spinoglio, 2020). The company has a very well-rounded approach towards marketing, using more than one marketing communication channel and employing newer technology to reach out to its target customers. The company follows a multi-channel approach to create awareness about the quality of its products. They have also shown consistent growth in their sales over the years.

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