IKEA - OR YOU DON'T HAVE TO BE A SEXY TECH OR PREMIUM AUTO BRAND TO HAVE VIBE!

Few would have predicted 4th place for the Swedish democratic design giant (€23billion+ annual sales!). OK so they cannot quite compete with the tech trail-blazers Apple and Google but would BMW, Audi or Nike expect to be behind them? We think not.

Not many brands manage to combine a strong value proposition with healthy cultural resonance. When they do it’s a winning combination as witnessed by Target’s strong VIBE scores in North America and IKEA’s place just below the global podium.

Let’s take a look at some of the key factors driving this performance:

ZEITGEIST RELEVANCE

IKEA has been quick to surf on the socio-economic trends impacting the world today:

- Rampant urbanization and unprecedented real estate prices result in smaller homes and so IKEA have focused its offer and marketing on delivering clever small space solutions
- The enduring economic crisis in the West coupled with the expanding middle classes in developing markets (China in our study) make IKEA’s great value proposition relevant globally
- People are increasingly interested and involved in design and fashion, as demonstrated by the multitude of home improvement/make-over TV shows the world over. IKEA’s modern and fun furnishing solutions enable people to indulge their growing appetite for design and refresh their homes without busting the bank
AN ENGAGING BRAND PERSONALITY

The big blue and yellow box has built an empathetic persona around the world, becoming the best loved Swede since ABBA! A closer look reveals the portrait of a friendly and inspiring democratic design partner:

- IKEA sees the world with fresh and hopeful eyes (Innocent)
- It has a practical yet creative spirit (Creator)
- It believes in offering ‘many people a better life at home’ (Nurturer and Regular Guy)
- It never takes itself too seriously (Jester)

![Brand Archetypes Diagram]

THE GUARANTEE OF AN EXCITING OUTCOME

![Global Vibe Graph]

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Looking at the 4 dimensions of VIBE (Visionary, Inspiring, Bold, Exciting), IKEA stands out on ‘Exciting.’ What’s behind this sense of enterprising energy? Browsing at IKEA is framed around excitement and surprise. The store walkway literally puts something new around every bend. Quite often the products aren’t on your shopping list going in, and you haven’t seen anything quite like them before. Yet they seem instantly clever and originally designed in function and aesthetics. There’s a certainty you will not leave empty handed – especially with the Ali Baba cave of affordable goodies in the market hall. As well, IKEA shakes things up by granting customers the ability, via its easy-to-download planner tools, to become one’s own custom designer, and to reap the emotional reward of having enhanced one’s life. And IKEA keeps it fresh: the company’s new interactive seasonal catalogue is the ticket to ‘Celebrate Brilliantly’, with hidden videos and interactive content unlocked by smartphone or tablet. It’s intended to both inform and spark imaginative home design ideas. The Life Improvement Project offers an ‘open house’ for customers to post inspired changes to a particular room, inspiration that in turn acts to inspire other customers, ratcheting up the relevance and momentum of IKEA. And, let’s not forget the eternal excitement of Swedish meatballs in lingonberry sauce.

Consumers also applaud the ‘Boldness’ of the IKEA brand with its distinct, undiluted Swedish identity whatever the market, its super smart design solutions and quirky, conversational tone of voice. It says we may be big, but we’re not stuffy, cold and corporate. As a French consumer put it: ‘Suédois avec un sens de l’humour.’ (‘Swedes with a sense of humour.’)

Once a pioneer in the retail arena, IKEA is still seen as ‘Visionary’ somewhat more so than most, but it’s not a fame-claiming dimension these days. The self-serve and assembly, ‘you do your bit, we do our bit, together we save’ concept was ground-breaking at its inception, but IKEA may be a victim of its success as it is now imitated around the world. To remain visionary, IKEA needs to face some big challenges: how to insert more flexibility into a rather monolithic concept, how to become a fully integrated click and mortar retailer, how to bring the brand and offer to time-starved urbanites rather than impose an exodus to the outer suburbs, how to do more to become a global beacon for CSER (IKEA have purchased wind farms and is aiming for 100% renewable energy across its 300+ stores).

IKEA’s roots as ‘Inspiring’ also run deep…after all, they came up with the brilliant invention of the life size doll’s house: the showroom settings. It’s so easy to get ideas and project yourself at home. But with a just-above-average score as “Inspiring”, the brand may benefit from some fresh ways of connecting with consumers, to bolster people’s sense of pride and perception that IKEA is making the world a better place. It will necessitate greater offer renewal and more creative and aesthetic design to counterbalance the functional basics.

The enduring health of IKEA’s VIBE will be contingent upon its ability to fully embrace the digital revolution and channel integration, build greater flexibility into the concept and revitalize its democratic design credentials.
The future of retail: Designed by IKEA

IKEA has stormed to 4th place in our league tables through an ability to connect, and respond to, emerging culture. So far, so very good.

But the retail landscape is changing fast. New technologies are fundamentally changing the way we shop, and this is creating new consumer behaviours and expectations. The future of shopping is seamless, instantaneous, and more experiential than ever before.

IKEA has been responding to these trends, but for a retailer with ‘visionary’ in its DNA, they really can go further and invent ‘the future of shopping...’

To date, IKEA has kept the brand fresh through much exciting activity

IKEA is a master at breathing new life into its brand through quirky, inspiring experiences — from a store takeover to an ad campaign with giant robots and dinosaurs — this is a brand not afraid of trying something new.

So far, IKEA has successfully tapped into digital technologies and social media platforms in relevant and useful ways for its customers. Klippbok, an iPad scrapbooking app, enables users to mix and match IKEA products to create inspiring moodboards and room schemes, whilst ‘share space’ invites people to upload photos of their own home decorating schemes that are tagged with IKEA products. Addictive stuff.

Whilst these cement IKEA’s role as a source of inspiration in helping people create homes they love, it’s less focused on the shopping experience itself.
But technology within retail is where it’s really happening...

The rise of contactless and mobile payment systems, tablets, QR technology and augmented reality are fundamentally changing our expectations of the shopping experience. At Puma you can design your shoe from an in store iPad, in Macy’s be directed to products via in store GPS, and a new WiFi enabled fridge magnet from Evian enables the ordering and delivery of water to your home at the touch of a button. But it’s the AdVERSE virtual footwear wall from Adidas that really has us drooling. A truly customised in store digital experience which enables consumers to browse, play, order and purchase from the complete Adidas range. With videos, product specs, performance stats and twitter feeds, everything is rendered in real time 3D, a real step change in multi channel, integrated retail offerings, and all without the need for a flagship store.

Clearly, there is much IKEA can be inspired by to up their game when it comes to making the shopping experience easier and hassle free...although one day we will no doubt look back at the ‘warehouse experience’ with affection...

Retail spaces themselves are becoming unique and enriching

Retail environments will need to not only surprise and delight, but provide a deeper level of engagement. Mothercare’s new North London flagship includes a buggy test track, 3D ultrasound scans, photography and baby massage classes. It’s useful, inspiring and above all, brings the brand’s purpose to life in a relevant, engaging way.

This is the future for bricks and mortar stores, as they become truly multi sensory brand experiences within a seamless multi channel retail offering.
New retail concepts could also become a serious threat

The last couple of years have seen the rise of exciting new retail concepts which change the game yet again. At Made.com you can buy designer furniture direct from the manufacturers, cutting out the middleman and high street mark up. Achica, a luxury, ‘members only’ lifestyle store, offers massive discounts off high street prices.

And at shopping site OpenSky, they have turned to social media for inspiration. Cross twitter with Pintrest, and you get the picture – users ‘follow’ the curated recommendations of the high profile experts and celebs that are of most interest to them. It’s very clever, as it begins to build back in some of the emotion missing from traditional online experiences.

But upping the ante in the ‘smart design’ stakes is critical for IKEA to retain its momentum

By applying its Intuitive, democratic design principles across the whole shopping experience, IKEA is in pole position to create the future of retail.

Recent activity suggests this is happening on a product level with the launch of new, limited edition ranges such as FJALLTAG and LAPPJUNG which are streets ahead in the style stakes. Cleverly borrowing from high-end design, they sit comfortably alongside the likes of Ralph Lauren Home or Anthropologie. If they can apply this thinking to the broader shopping experience, then they will be literally designing the future of retail.

With year on year growth in their VIBE score, and leading edge consumers rating them more highly than most, 2013 looks like it could be a good one.

We’re betting IKEA will show the world what the future is going to feel like....
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