



“Impact and Digital Transformation of Ikea on Retailers: A Case Study”

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ABSTRACT:

The evolution of Retail Industry is examined with the impact of IKEA’s Digital Transformation taken into consideration. By adopting AI-driven tools in supply chains, introduction of augmented and virtual reality, and an omnichannel approach, IKEA has redefined customer experiences and industry standards. Using a descriptive research approach and primary and secondary data analysis, the study highlights digitalization’s difficulties and benefits. The study provides insights into the evolving digital retail landscape and its strategic implications for the future of retail industry.

KEY WORDS: Digital Transformation, Retail evolution, E-commerce Growth, Omnichannel Retailing, Technological Advancements, IKEA Strategy

1. INTRODUCTION

The deep influence of digital technologies on the retail landscape is increasingly being acknowledged, and a critical study is required to examine how the transformative era has been navigated by leading retailers.

The innovative strategies for retail have not only been shaped by the adoption of digital technologies in the marketplace but have also been placed as a benchmark against which industry practices are compared. In this case study, some of the ways in which digital transformation initiatives were launched—such as the development of competent e-commerce platforms, the implementation of augmented and virtual realities, and the personalization of customer experiences through advanced data analytics—are examined to show how the competitive arena within the retail industry has been reshaped.

The impact of digital innovation on competitors’ strategies and operations is analyzed, demonstrating how responses were made to the increasing online presence through the further development of e-commerce offerings. A complete shopping experience has been created through the full integration of digital technologies with the customer’s journey. Lastly, the way in which the success of digital transformation has spurred further innovation and accelerated the adoption of digital technologies across the industry is explored.

2. SCOPE OF THE STUDY

The convergence of digital transformation across various retail industry functions has revolutionized operations as well as customer interactions significantly. It is a process of deep structural changes through technological innovations that are reengineering businesses as well as their interactions with customers. Emerging key technologies are being employed to make internet and mobile platforms more accessible and easy for global customers.

3. OBJECTIVES OF THE STUDY

- ANALYSE THE DIGITAL TRANSFORMATION OF IKEA
- ASSESS THE IMPACT OF IKEA ON RETAILERS

4. RESEARCH METHODOLOGY

INTRODUCTION

Research methodology is a way to systematically solve the research problems. It includes the overall research design, the sampling procedure, and data collection method.

RESEARCH DESIGN

A research design is the arrangement of condition for collection and analysis of data in a manner, which may result in an economy in procedure. It stands for advance planning for collection of the relevant data and the techniques to be used in analysis, keeping in view the objectives of the research and availability of time.

The research used here for the study is Descriptive research: It is a type of research that describes a population, situation, or phenomenon that is being studied.

Descriptive research design is a scientific method which involves observing and describing the behaviour of a subject without influencing it in any way.

SAMPLING METHOD USED

The sampling technique used is non random judgmental sampling.

- Non-random Sampling. Non-random sampling is one in which all the items of the universe do not have equal chances of being selected. Investigator selects samples on the basis of convenience or his judgment rather than on the basis of probability.
- Sample Size: The study includes a sample of 100 respondents.

DATA COLLECTION

Data collection is the process of gathering and measuring information on targeted variables in an established system, which then enables one to answer relevant questions and evaluate outcomes.

Data source: The data collected is obtained from primary and secondary data. Primary Data is the data collected through questionnaires. Secondary data refers to data that is collected by someone other than the user.

STATISTICAL TOOLS USED

Statistical methods involved in carrying out a study include planning, designing, collecting data, analyzing, drawing meaningful interpretation and reporting of the research findings.

The statistical analysis gives meaning to the meaningless numbers, thereby breathing life into a lifeless data.

The statistical tools used for the study are: Financial Ratios and F-tests.

PRESENTATION TOOLS

It refers to the way in which the data is presented in the study.

In this study the data is presented in form of tables, charts and pie diagrams.

5. REVIEWS OF LITERATURE

1. Thompson, R., & Jackson, K. (2024)

Title: "Digitalization Challenges in Retail: The IKEA Dilemma"

Thompson and Jackson, in this paper, took an examination of various issues which have cropped up as challenges with digital technologies to IKEA: whereas the advancement has come with increases in operational efficiencies, this increase also came to raise the workforce pressures that it is not always able to maintain good online service standards from its consumer. In a more detailed understanding, staff has not undergone training programs relating to new procedures with the digitized format that leads to lost employee morale with performances.

2. Jernberg, J. & Stenman, M. (2023)

Title: "Digital Transformation and the IKEA Experience: How to Engage More Customers"

This study examined how the digitalization strategy adopted by IKEA has enhanced customer interaction, especially in e-commerce. Introduction of AR tools in the IKEA app has allowed customers to witness how certain furniture would look in their homes before actually purchasing those, hence making the experience more enjoyable. The study observed direct relation of digital inclusion with increase in online sales, therefore better global reach and customer loyalty.

6. HYPOTHESIS

H01 – There is no significant difference between demographic attributes and digital transformation

H01 – There is no significant difference between demographic attributes and consumer accessibility.

7. DATA INTERPRETATION AND ANALYSIS

DIGITAL TRANSFORMATION

category	N	f-value	p-value	result
age	100	4.62622	0.1202	ACCEPT
gender		2.22081	0.25597	ACCEPT
education		3.21942	0.01813	ACCEPT
occupation		3.07698	0.19139	ACCEPT

SOURCE: COMPUTATION FROM PRIMARY DATA

INTERPRETATION

From the data collected by a number of 100 respondents about impact of digital transformation of IKEA, it was recorded that keeping age as the demographic attribute gave us an f-value of 4.62622 and p-value of 0.1202 in F-test. Since the P-value (0.1202) is greater than the commonly used significance level of 0.05, we fail to reject the null hypothesis. This indicates that there is no statistically significant difference in consumer awareness across different age groups.

As for the gender, a value of 2.22081 as f-value and 0.25597 as p-value was derived, which again fails to reject the null hypothesis as the p-value is greater than the commonly used significance level of 0.05. This indicates that there is no statistically significant difference in consumer awareness across different gender groups.

The f-test of variables education and accessibility shows f-value of 3.21942 and p-value of 0.01813. Since the p-value is greater than the significance level of 0.05, we fail to reject the null hypothesis. This indicates that there is no statistically significant difference in consumer awareness across different education groups.

Lastly, with occupation, we get 3.07698 as f-value and 0.19139 as p-value. Since the P-value (0.19139) is greater than the commonly used significance level of 0.05, we fail to reject the null hypothesis. This indicates that there is no statistically significant difference in consumer awareness across different occupational groups.

ACCESSIBILITY

Category	N	f-value	p-value	Result
Age	100	6.84	0.07431	ACCEPT
gender		3.28353	0.1756	ACCEPT
education		4.76	0.01162	REJECT
occupation		4.54941	0.1218	ACCEPT

SOURCE: COMPUTATION FROM PRIMARY DATA

INTERPRETATION

From the data collected by a number of 100 respondents about accessibility of IKEA, it was recorded that keeping age as the demographic attribute gave us an f-value of 6.83 and p-value of 0.07431 in F-test. Since the P-value (0.07431) is greater than the commonly used significance level of 0.05, we fail to reject the null hypothesis. This indicates that there is no statistically significant difference in consumer awareness across different age groups.

As for the gender, a value of 3.28353 as f-value and 0.1756 as p-value was derived, which again fails to reject the null hypothesis as the p-value is greater than the commonly used significance level of 0.05. This indicates that there is no statistically significant difference in consumer awareness across different gender groups.

The f-test of variables education and accessibility shows f-value of 4.76 and p-value of 0.01162. since the p-value is less than the significance level of 0.05, we reject the null hypothesis. This indicates that there is a statistically significant difference in consumer awareness across different education groups.

Lastly, with occupation, we get 4.54941 as f-value and 0.1218 as p-value. Since the P-value (0.1218) is greater than the commonly used significance level of 0.05, we fail to reject the null hypothesis. This indicates that there is no statistically significant difference in consumer awareness across different occupational groups.

8. CONCLUSION

The study on the Impact and Digital Transformation of IKEA on Retailers: A Case Study highlights significant changes in India's retail landscape driven by IKEA's entry. The research findings indicate that the evolution of retail marts in India has shifted from traditional kirana stores to organized retail and digital-first strategies, fueled by changing consumer preferences and foreign investments.

IKEA's digital transformation has played a crucial role in reshaping the furniture retail sector. With AI-driven supply chains, augmented reality (AR) applications, and an omnichannel presence, IKEA has successfully integrated technology to enhance customer experience and streamline operations. These innovations have not only helped the brand capture a large customer base but have also set new industry standards for digital retailing in India.

9. REFERENCES

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