

IKEA

Bringing 'home' to life

Inter IKEA Group Global Head of Insights Joel Renkema shares his perspectives on how IKEA is responding to changing consumer needs and preferences as it helps people create a better everyday life at home.

Creating spaces where people feel they belong

As a home furnishing business, IKEA is influenced by how people define "family" and how they live in today's world. "The definition of 'normal' is rapidly evolving," says Joel. "It has changed."

Today IKEA focuses on the myriad ways that people construct a home. "If you're living by yourself versus living with three children, then your needs for home furnishing radically change," says Joel. The differences can go further than that: for example, a single-person household might be a young student starting out, a recent divorced person, a single parent, or an older widow or widower. Renting or owning also shapes how people furnish their home. "It all has an impact on how you want to live and how you want to buy," says Joel. But he notes that most share the same fundamental sentiment: "It's my home and I want a place where I belong."

Local products and universal favorites

The diversity of what constitutes "home" around the world can make both product development and supply chains more complex for retailers like IKEA. "I think many businesses are trying to find this balance of relevance and scale, especially as the world becomes a lot more localized," says Renkema.

Market-specific products are an important part of IKEA's offerings. "The more localized you go, it does drive more appeal," though it adds complexity, says Joel. But IKEA has also found success in products designed to be multipurpose and appeal to many people and home styles—such as its famous BILLY bookcase. From a London flat to a Texas ranch house, "BILLY is relevant," says Joel.

Breaking with tradition

Consumers traditionally associate IKEA with "big blue box" destination stores and would happily drive to one for a fun experience. But those days may be on the wane.

The company has experimented with new store formats to bring IKEA to where people are, with pick-up points, smaller stores, locations in city centers, and more. "We've been on a massive trial and error journey," says Joel. "We've learned, we've opened, we've closed, we've opened, we've built. We're going through that process."



Joel Renkema,
Global Head of Insights,
IKEA

Collaborating to prosper

Global expansion is also driving IKEA to explore new ways of reaching consumers. In Asia, for example, this means putting IKEA products on third-party platforms as well as its own channels.

This openness to new ideas is important. “We need to always rethink ourselves,” says Joel. While IKEA’s culture, values, vision, and mission have stayed consistent for 80 years, how the company operates can change. “That’s where you need to be relevant,” he says. “It’s not why you exist or what you do, but how you do things [that] continues to evolve.”

Adopting artificial intelligence (AI) the IKEA way

IKEA is responding to AI’s rapid rise with open-mindedness and pragmatism, and both the company and Joel’s own Insights team are experimenting with AI. “There are areas where it makes you more efficient, makes you smarter, makes you more capable,” he says, but it’s important to consider the implications, ethics, and responsibilities that come with using the new technology.

IKEA doesn’t feel compelled to act for the sake of acting on AI, says Joel. The company and the Insights function are taking the time to ensure it uses AI wisely and well.



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