



DIGITAL DISRUPTION IN THE RETAIL BUSINESS OF IKEA

- **MODULE CODE
AND TITLE:
BM565 DIGITAL
BUSINESS & NEW
TECHNOLOGIES
ASSIGNMENT NO.
AND TYPE:
PR1 15-MINUTE
GROUP
PRESENTATION
BUILT ON CW1**
- **Student Name:
Student ID:**

A conceptual illustration of a smartphone with a blue screen, set against a background of a world map and various business icons. The text "ONLINE ASO" is overlaid diagonally across the bottom right.

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- A conceptual illustration of a smartphone with a blue screen, set against a background of a world map and various business icons. The text "ONLINE ASO" is visible in the bottom right corner.

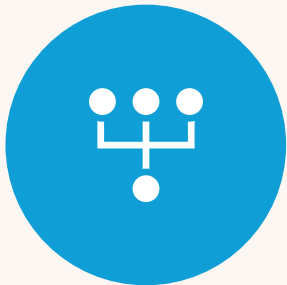
KEY FINDINGS FROM CW1



IoT development is the significant integration of cloud computing, 5G connections, and edge computing (Chander *et al.*, 2022).



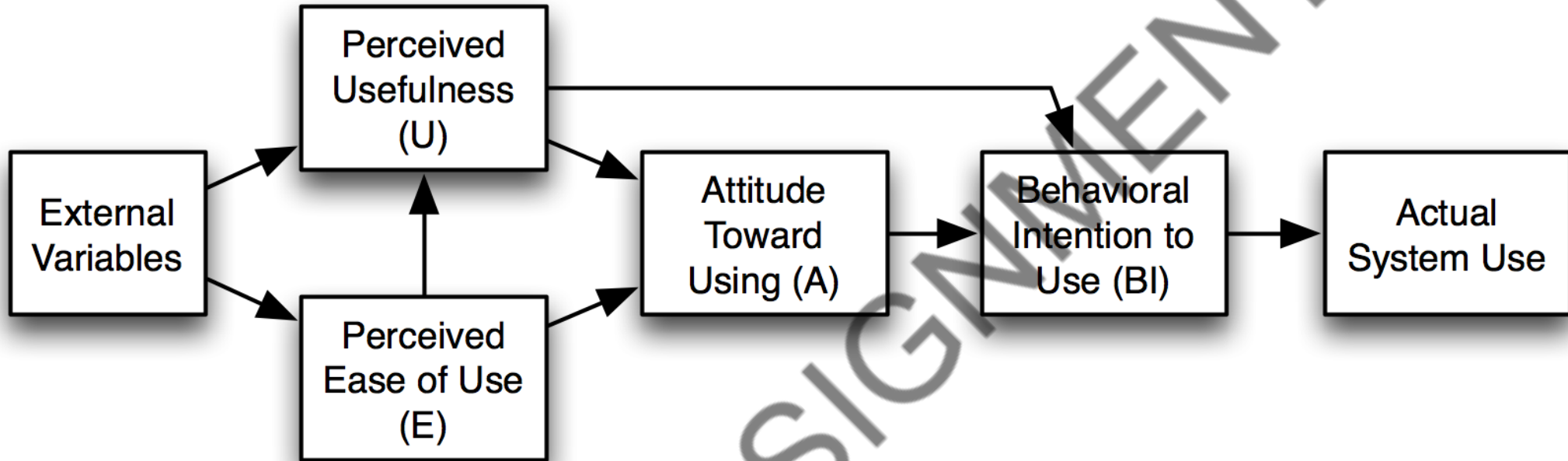
Three major IoT platforms are AWS IoT, Microsoft Azure IoT, and Google Cloud IoT (Daniel *et al.*, 2024).



The levels of technology maturity differ according to the implementation phase and the type of store.



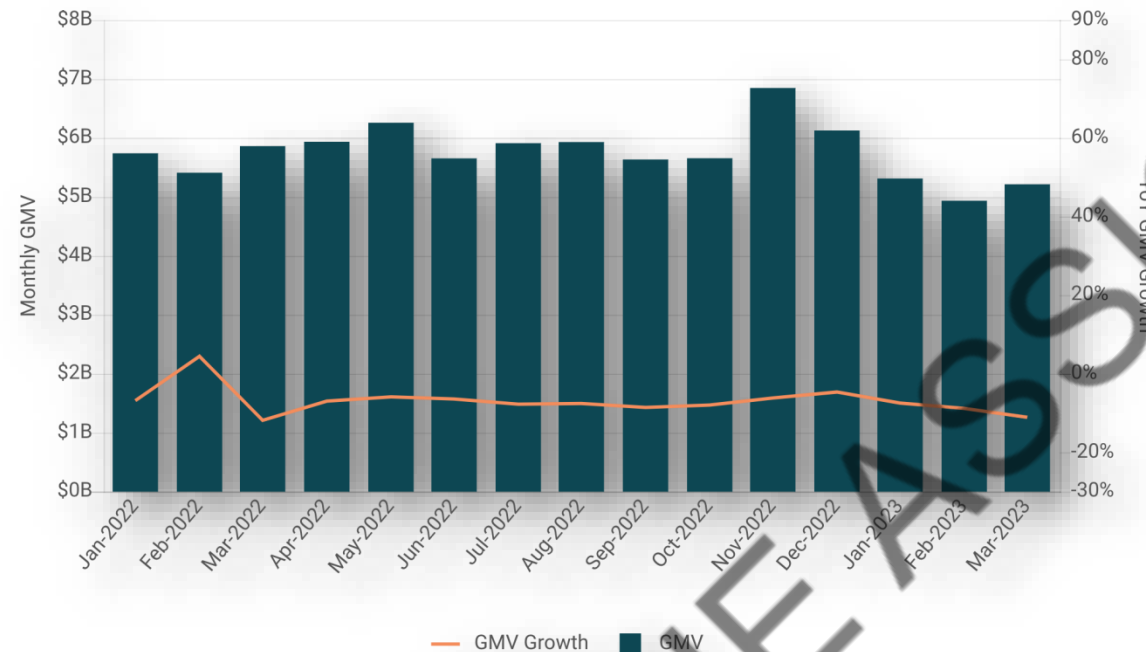
Smart shelves and RFID tags hold the capability to track the inventory in real-time.



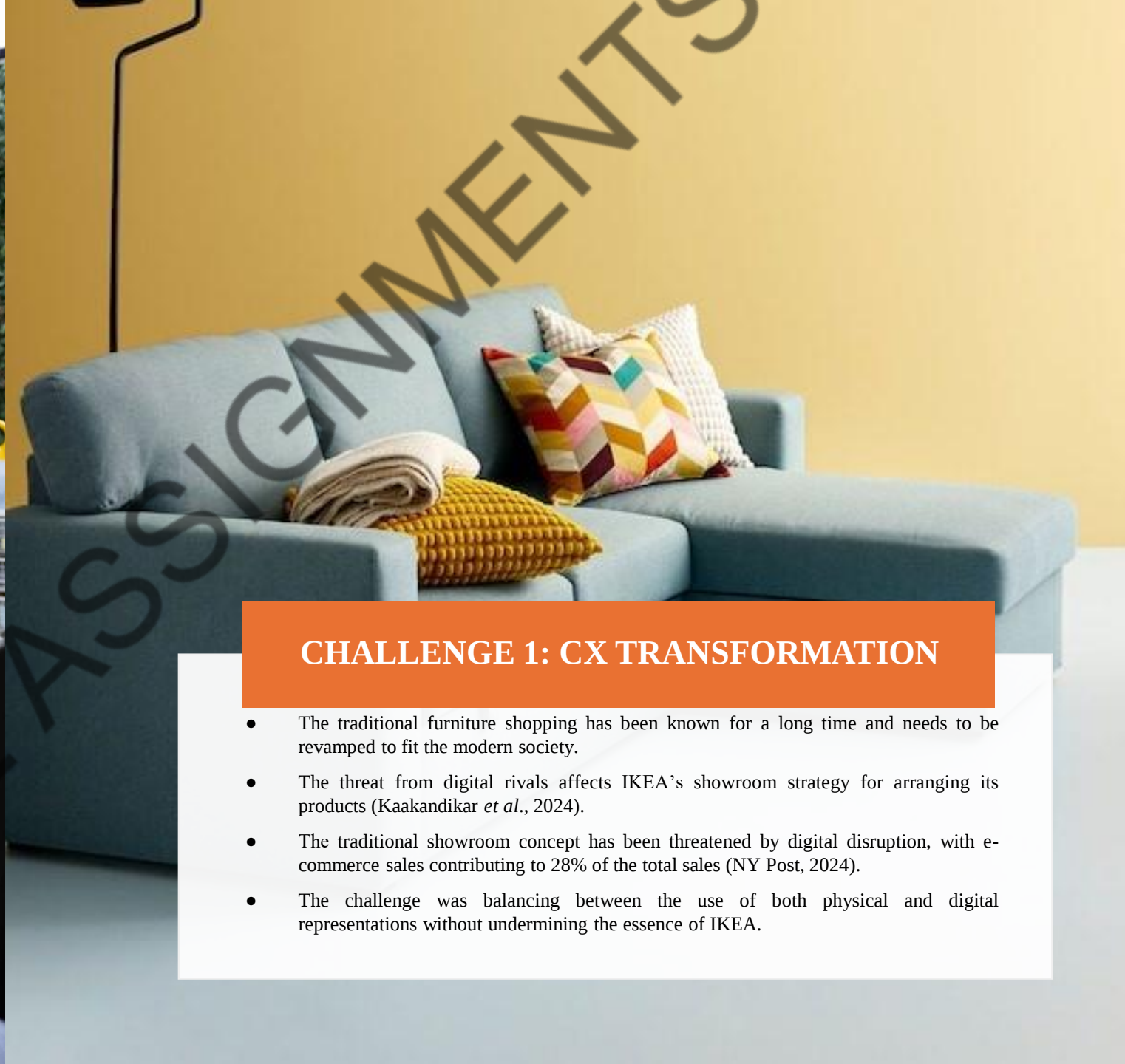
CONTD..

- Beacon technology is used in promoting products, targeted sales, and suggestions for customers.
- Self-checkout systems help organisations to do away with queues and enhance buyers' convenience.
- Success: One of the prime aspects of Amazon Go stores is its 'just walk out technology' for shopping convenience (Aws.amazon.com, 2025).
- Walmart's Smart Shelf project failed due to the excessive costs, which included technical issues and poor implementation.
- Amazon Go is in the growth stage of the Tech Life Cycle, as cashier-less shopping is increasingly common for consumers.
- According to the TAM, it is easy to understand why the public adopted Amazon Go by finding it helpful (Iseal *et al.*, 2023).

IKEA OVERVIEW



- IKEA follows innovative and digital strategies that are centred on the needs of the people.
- In FY2025, IKEA has obtained more than 45.1 billion euros of revenue from the global market (Ikea.com, 2025)
- Caters to more than 900 million consumers in its stores and 4.6 billion visits in its online platforms (Statista.com, 2025)
- Some of the existing uses of IoT are in smart lighting and wireless charging products.
- Wing Tang encompasses digital change through considering value instead of technologies (Youtube.com, 2025).

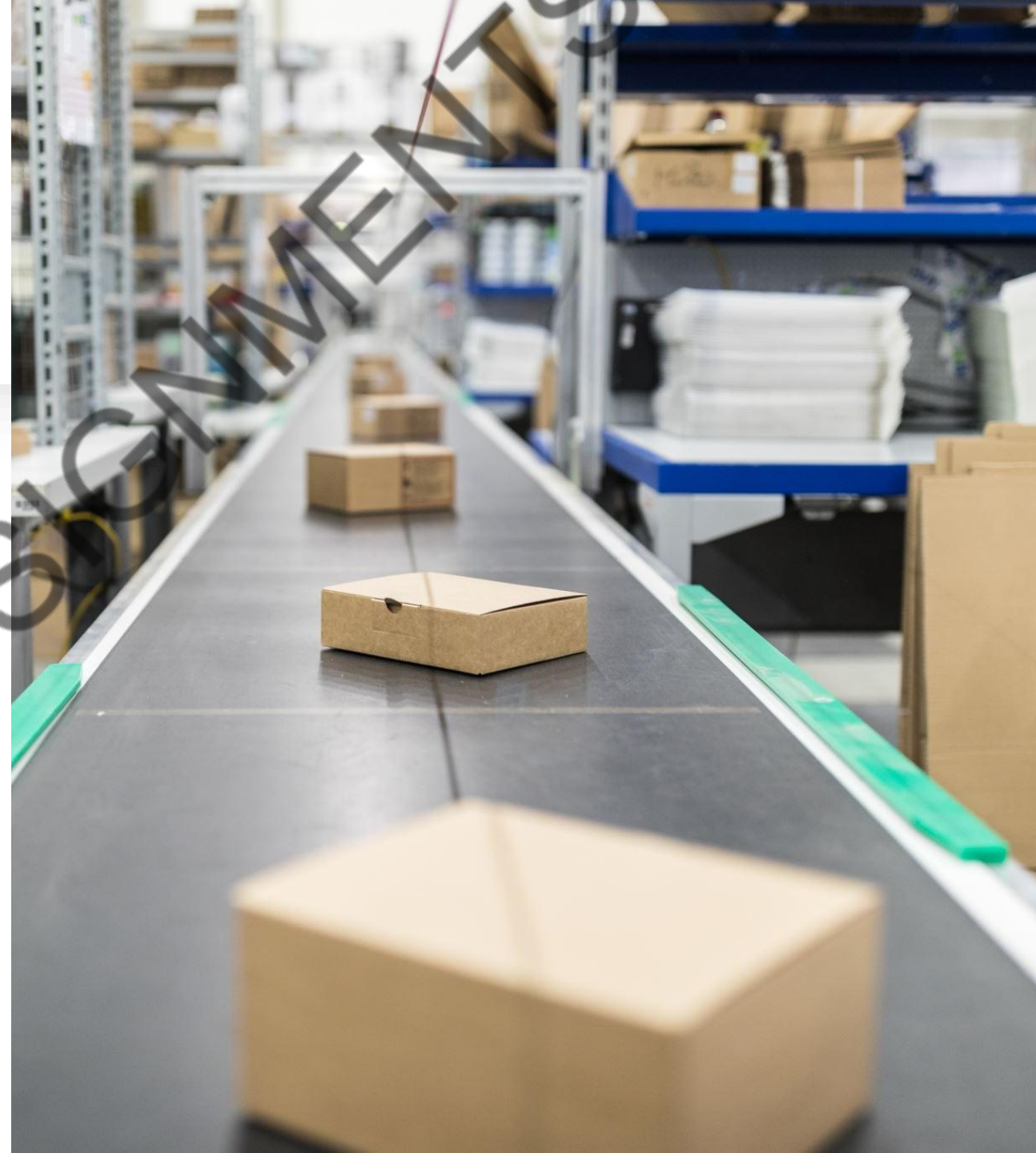


CHALLENGE 1: CX TRANSFORMATION

- The traditional furniture shopping has been known for a long time and needs to be revamped to fit the modern society.
- The threat from digital rivals affects IKEA's showroom strategy for arranging its products (Kaakandikar *et al.*, 2024).
- The traditional showroom concept has been threatened by digital disruption, with e-commerce sales contributing to 28% of the total sales (NY Post, 2024).
- The challenge was balancing between the use of both physical and digital representations without undermining the essence of IKEA.

CHALLENGE 2: SUPPLY CHAIN

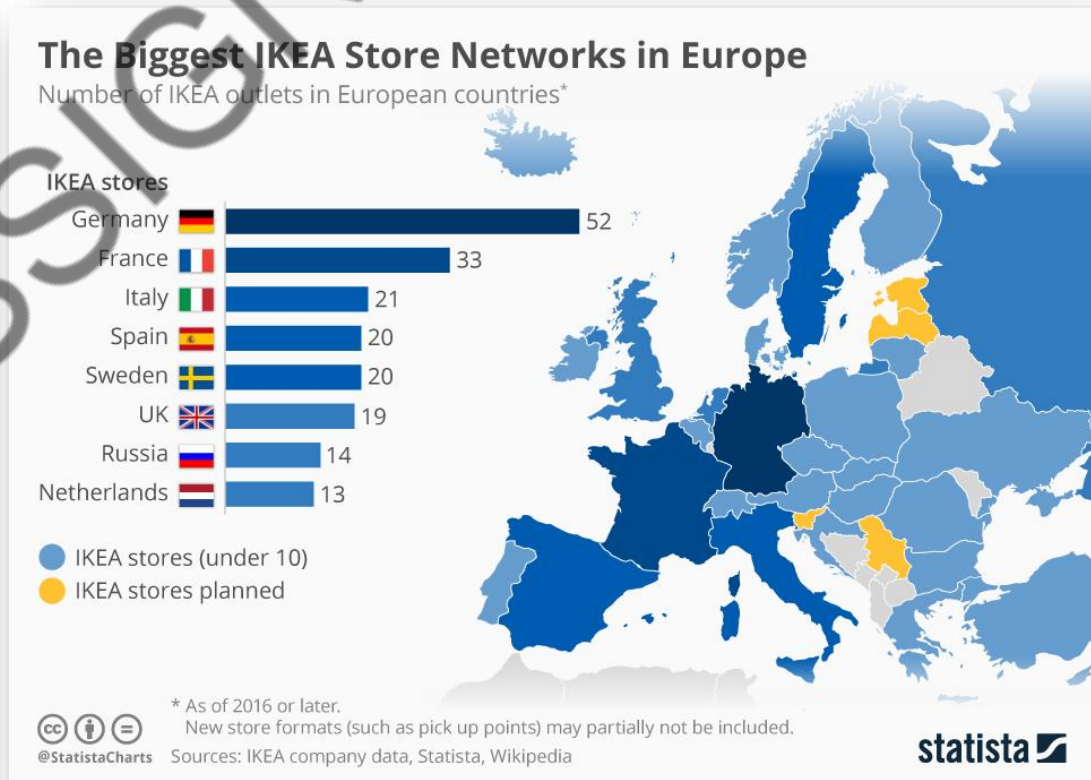
- Long together with the intricate supply chains need efficient visibility and tracing systems put in place (McGrath *et al.*, 2021).
- The issue with large inventories in multiple depots is that stock management becomes cumbersome.
- The need to cut wastage and enhance the sustainability of the flow of goods and services in supply chain networks.



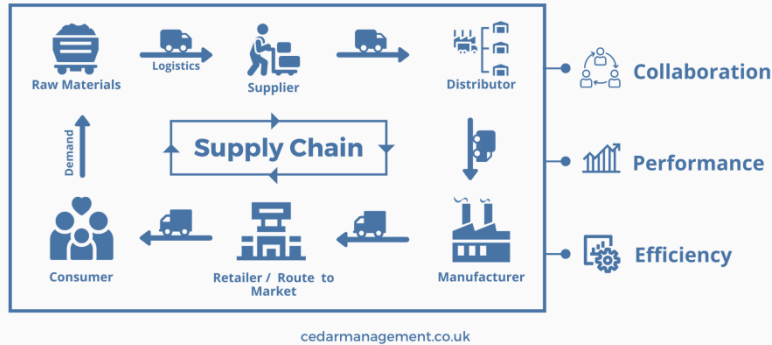
CHALLENGE 3: COMPETITION IN THE MARKET

- New generation furniture stores have easy buying and home delivery options (Amin and Kumar, 2022).
- E-commerce competitors employ IoT and AI for such solutions as targeted marketing and virtual modelling.
- IKEA has to compete with companies that have been founded on digital-first approaches.

 Top 10 UK Furniture Retailers BOSCO™ Index  askbosco.io					
Rank	Online Retailer	Index			
		June	July		
1.	 Ikea	↑	732	740	
2.	 DFS	↑	701	704	
3.	 Bensons for Beds	↑	689	699	
4.	 Carpetright	↑	676	699	
5.	 Furniture Village	↑	676	682	

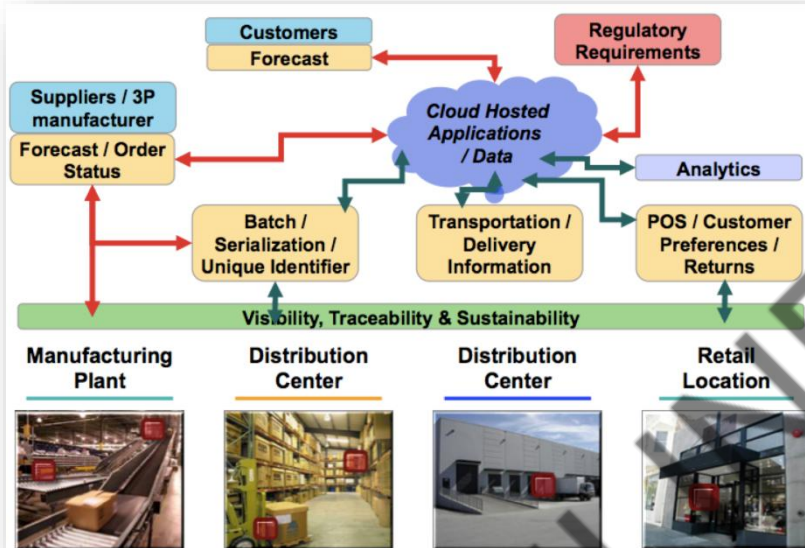


Supply Chain Integration



STRATEGIC RECOMMENDATION 1: SUPPLY CHAIN INTEGRATION

- The supply chain should have IoT sensors deployed at appropriate places for Supply Chain visibility and tracking (Khan *et al.*, 2022).
- Optimise inventory management and sales forecast by using proper tools and applications of predictive analytics.
- Introduce blockchain technologies for tackling the product authenticity and transparency of the supply chain.
- IoT, predictive analytics and blockchain have gained the ability to enhance sustainability through better inventory, minimisation of wastage and transparency of supply chains.



STRATEGIC RECOMMENDATION 2: OMNICHANNEL EXPERIENCE

- Integrate omnichannel together with the multichannel concepts that integrate both physical stores and digital shopping and applications for purchasing (Iglesias-Pradas and Acquila-Natale, 2023).
- Enhance the in-store shopping experience of customers through the development of IoT smart carts, followed by navigation tools.
- To enhance the value, it is crucial to employ beacon technology, which sends unique offers and recommendations via various platforms.



CONCLUSION

- IoT has already revolutionised retail through efficiency as well as the customer experience.
- Adaptation strategies guarantee sustainable innovation and growth of the organisation.
- IKEA needs to strengthen its digital potential while keeping the focus on the values of human-centricity.



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