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Retailing Strategy Assessment of IKEA Philippines

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Abstract

This study rigorously evaluated IKEA's retail strategy within the Philippine context through quantitative analysis. A survey administered via Google Forms engaged 377 residents of Pasay City, Metro Manila, probing their perceptions across crucial aspects of IKEA's offering, specifically: the breadth and quality of product variety, the design and functionality of the store layout, the perceived competitiveness of its pricing strategy, the effectiveness of its customer service, and the user experience of its e-services platform. To provide a comparative benchmark, the research also considered how customers perceived IKEA relative to its competitors operating in the Philippine market. Findings highlighted several key takeaways. Customers expressed significant satisfaction with the extensive and diverse product range offered by IKEA, as well as the appealing and well-organized store layout. However, the research also indicated that Filipino consumers exhibited a notable degree of price sensitivity towards IKEA's offerings. The financial analysis revealed IKEA's strong liquidity position, suggesting a healthy capacity to meet short-term financial obligations. In contrast, the profitability and activity ratios presented a more nuanced picture, indicating potential areas for optimizing operational efficiency and asset management. Based on these comprehensive findings, the study offered several strategic recommendations for IKEA in the Philippines. These included a focus on enhancing operational efficiency to improve profitability, strategically leveraging the company's strong liquidity to fuel innovation and explore new market opportunities, and the critical need to refine communication strategies to better align with the cultural nuances and preferences of the Filipino consumer, ultimately fostering stronger brand loyalty and market penetration.

Keywords: IKEA, retailing strategy, customer perception, financial analysis, Philippines, Porter's Five Forces, local market adaptation

INTRODUCTION

The retail industry in the Philippines has consistently been a vibrant and dynamic sector, serving as a significant driver of economic growth and reflecting the nation's burgeoning consumer economy. Characterized by a rising middle class, a youthful demographic, and increasing urbanization, the Philippine retail landscape offers substantial opportunities for both local and international players. Prior to recent global economic shifts, the industry experienced steady expansion, fueled by strong consumer spending and the proliferation of large-scale shopping malls, which function as central hubs for commerce, entertainment, and social interaction. More recently, while facing initial challenges, the sector has demonstrated remarkable resilience, with a notable acceleration towards e-commerce and omnichannel strategies. This evolving environment demands agility and innovation from retailers seeking to capture the attention and loyalty of Filipino consumers.

Within this broader retail context, the home furnishing industry in the Philippines has seen consistent growth, mirroring the country's rising disposable incomes and aspirations for improved living spaces. Before the entry of global giants, the market was primarily dominated by a mix of local furniture manufacturers, established department store chains with dedicated home sections, and a select number of specialized import retailers. Companies such as SM Home, Our Home, and numerous independent furniture boutiques were prominent players, collectively offering a range of products from bespoke, handcrafted pieces to more mass-produced items. These established players typically catered to diverse price points, from budget-friendly options to high-end designer furniture, often leveraging their long-standing presence and understanding of local tastes. However, the market, while competitive, was arguably fragmented and perhaps lacked a single, dominant player offering a comprehensive, affordable, and design-centric solution on a grand scale across multiple categories.

It was into this evolving landscape that IKEA, the globally renowned Swedish furniture retailer, made its highly anticipated and strategic entry. Founded by Ingvar Kamprad in 1943, IKEA is celebrated worldwide for its distinctive business model focused on providing ready-to-assemble furniture, home accessories, and kitchen appliances, all designed with a core emphasis on affordability, functionality, and modern aesthetics. The company's unique concept of flat-pack packaging and self-assembly enables them to offer competitive prices, while its immersive in-store experience, featuring inspirational room settings and integrated dining options, encourages customers to visualize products within their own living spaces. With its iconic blue and yellow branding, IKEA has become synonymous with stylish yet accessible home solutions, catering to a wide demographic globally. While its international footprint is undeniable, its sustained success in new markets hinges critically on its ability to adapt to specific local preferences, cultural nuances, and economic realities.

IKEA's strategic expansion into the Philippine market, notably marked by the establishment of its largest global store in Pasay City, represents a significant development in the regional retail landscape. This venture is not merely a commercial endeavor but a deliberate strategic move to introduce IKEA's unique brand of affordable, functional, and modern home solutions to a rapidly growing consumer base, while simultaneously navigating and adapting to the specific needs and preferences of the Filipino consumer. The store's integrated features, including state-of-the-art audio systems and a diverse dining experience, are meticulously designed to enhance customer engagement and satisfaction, reflecting IKEA's commitment to creating a comprehensive and immersive retail environment. This expansion is deeply rooted in IKEA's overarching vision of "creating a better everyday life for the many people" by providing "well-designed, functional home furnishing products at prices so low that as many people as possible will be able to afford them" (IKEA, n.d.). The company's operational philosophy is further underpinned by a robust set of core values, including togetherness, caring for people and the planet, and cost-consciousness, which guide its strategic decisions and operational practices, with a specific emphasis on sustainability and local community involvement.

However, despite its grand entry and formidable global reputation, the actual performance and perception of IKEA within the highly competitive Philippine retail market remain areas requiring empirical investigation. How has IKEA truly fared since its introduction in terms of achieving customer satisfaction and market penetration? Are Filipino customers genuinely satisfied with the breadth and quality of their product variety, or do they find the offerings limited given the local context? Does the unique design and functionality of the store layout resonate positively with local shoppers, or does it present unforeseen challenges in terms of navigation and accessibility? Crucially, how do consumers perceive the competitiveness of IKEA's pricing strategy in a market particularly known for its price sensitivity and strong value orientation? Furthermore, in an era where exemplary customer service and seamless digital accessibility are paramount, how effective is IKEA's customer service, and how user-friendly is its e-services platform from the perspective of the Filipino consumer? Finally, and perhaps most importantly, how do Filipino consumers perceive IKEA's overall value proposition when benchmarked against its well-established local and international competitors already operating in the Philippine home furnishing market? Addressing these pertinent questions is imperative not only to understand IKEA's integration into the nuanced Philippine retail fabric but also to identify specific areas for strategic refinement and optimization. This study aims to bridge these knowledge gaps by quantitatively assessing customer perceptions across these crucial dimensions, providing valuable insights for IKEA's continued success and offering a robust comparative benchmark against its competitors in the dynamic Philippine market.

LITERATURES

This literature review provides an overview of IKEA's background and explores key concepts related to service, customer value, and innovation within the context of business strategy.

Background of IKEA. IKEA, a privately held, international home products Dutch corporation, was founded in 1943 by Ingvar Kamprad in a small village in Småland, Sweden (IKEA, 2010). Influenced by the frugal mentality of local farmers, IKEA's core business idea is to provide "well-designed, functional home furnishing products at prices so low that as many people as possible will be able to afford them" (IKEA, n.d.). This vision, formulated by Kamprad, underpins IKEA's service-oriented approach, focusing on offering affordable, quality products that solve "real life problems" (Edvardson & Enquinst, 2009).

The company's evolution into a global furniture retailer was significantly aided by the introduction of the IKEA catalogue and the establishment of showrooms, allowing customers to interact with products before purchase (IKEA, 2010). Despite its global expansion, Kamprad ensured IKEA maintained its core concept without significant adaptation to local tastes (Usunier and Lee, 2009). By 2009, IKEA had grown to 267 company-owned stores and 34 franchised stores across 25 countries, serving 590 million visitors annually (IKEA, 2010). It also demonstrates a commitment to social and environmental responsibility through initiatives like IWAY, ensuring good working conditions for co-workers and suppliers and protects the environment (IKEA, 2010). The company fosters a culture of shared values, referring to employees as "co-workers" to emphasize togetherness, cost-consciousness, respect, and simplicity (IKEA, 2010).

Services. Services have become crucial value drivers for companies, with a significant portion of Fortune 500 company revenue and overall economic activity stemming from service-related endeavors. This service-driven economy is propelled by continuous innovation across all service activities. CEOs recognize the need for major business changes and fundamental shifts in value chains to compete and grow amidst globalization, rapid technological advancements, and market changes (International Trade Forum, 2000). The solution involves not only expanded innovative strategies that encompass product, service, and operational improvements but also emphasizes business model innovations.

Numerous scholars have attempted to define services. Grönroos (1990), as cited by Bergman & Klefsjö (1995), defines a service as "an activity or a series of activities of more or less intangible nature, but not necessarily a normal interaction between customer and service operator and / or natural resources or products and / or system vendor, which is delivered specific to solve a customer problem" (p. 59). Grönroos further explains that services are activities and processes that cannot be tested by the customer before purchase, and while supported by sub-services, customers assess the entire package (Bergman and Klefsjö, 2008). Unlike goods, customers often play a significant role in developing and evaluating the total service process, acting as co-producers, with the process becoming their experience (Lovelock and Wirtz, 2007). From a customer's perspective, the service is synonymous with their experience of the processes, resources, and activities, which ultimately shape perceived quality and value (Edvardsson, 1996).

Values-Based Service. Values-based business, in general, refers to the company values that support its business model, attitudes, and behaviors of leaders, employees, and customers, ultimately determining the business strategy and vision (Edvardsson & Enquist, 2009). Values encompass principles, standards, ethics, and ideas, categorized into core values (forming the company's culture) and foundation values (reflecting societal norms and beliefs). For sustainable business and customer value creation, combining both core and foundation values is preferred. Resonance, or alignment, between these values and those of customers and stakeholders is crucial, while dissonance should be avoided (Edvardsson & Enquist, 2009). A "values-based service" is defined as a service grounded in core company values and social and environmental responsibility (foundation values) (Edvardsson & Enquist, 2009).

Customer Value. Customer value is based on both economic and ideal-related value (Edvardsson & Enquist, 2009). Woodruff (1997) defines customer value as an overall personal assessment of the quality attributes of marketing offerings in relation to price and other sacrifices. Understanding how to create customer value necessitates comprehending customer needs, expectations, and how they perceive offerings. For instance, while engine power might be a quality attribute for some car customers, others might prioritize environmental impact. Personal values significantly influence a customer's evaluation of attributes (Edvardsson & Enquist, 2009). Service providers should align customer values with company culture, products, services, and brands to enhance attractiveness (Enqvist, Edvadsson, Sebhatu, 2007). Introducing values involves managing a values-based culture and communicating these values to customers (Enqvist, Edvadsson, Sebhatu, 2007).

Value Creation and Value Co-Creation. Edvardsson & Enquist (2009) highlight two views of value creation: traditional and emerging. The traditional view posits value as defined and created within a value chain, where value is embedded in products or service offerings. In contrast, the emerging view, aligned with Service Dominant Logic (SDL), defines value as something co-created with customers and assessed based on value-in-use and consumption experiences. Here, the customer defines value, and assessment is linked to their needs, wants, values, knowledge, skills, and resonance. Value co-creation, where "Service is value co-creation" as stated by IBM's Jim Spohrer in 2007, is essential for business success, especially in services (Edvardsson & Enquist, 2009). Strategic alignment between customer and service provider is needed for effective value creation, ideally with both pursuing similar strategies. Successful firms co-create value with customers and capture a portion as profits (Edvardsson & Enquist, 2009).

Values-Based Service Experience. Unlike products, which can be test-driven, services can be challenging to "test drive" before purchase (Edvardsson & Enquist, 2009). However, service organizations can create "test drives" through simulated activities in "experience rooms" that reflect reality and express core company values (Edvardsson & Enquist, 2009). These rooms allow customers to assess value-in-use and pre-experience the service before purchase, incorporating both core and foundation values.

Pre-purchase Experience. Value can be created by service providers by offering unique and memorable pre-purchase customer experiences (Edvardsson et al., 2005). Through the pre-purchase period, companies can add personalized value, connect with customers through company values, learn about customer needs, increase loyalty, create a unique identity, manage expectations, and improve sales (Edvardsson et al., 2005; Edvardsson & Enquist, 2009). While pre-testing services is more challenging than products, customer involvement in the creation process is achievable, albeit to a lesser extent (Edvardsson & Enquist, 2009). Designing effective "experience rooms" is crucial for organizations to benefit from transforming service offerings and systematically managing customer experiences (Edvardsson & Enquist, 2009). These rooms aim to create customer value in the pre-purchase phase by allowing customers to "taste" and assess the service's real value (Edvardsson & Enquist, 2009). Service organizations can co-create pre-purchase service experiences, reducing risk and increasing customer imagination and interaction through hyperreality in experience rooms (Edvardsson, 2005).

Service Innovation. Service innovation begins with controlled service delivery (quality assurance), meeting customer expectations (customization), and benchmarking competitors (International Trade Forum, 2000). Its focus is on solving customer problems, as reflected in IKEA's mission, and fostering customer loyalty. Successful innovation leads to increased loyalty, repeat purchases, cross-selling, and recommendations (International Trade Forum, 2000). Berry et al. (2006) emphasize that service innovation should originate from corporate culture. Edvardsson et al. (2006) note that globally integrated enterprises with strong values-based brands actively communicate their values to customers, suppliers, and value chains (Brugmann and Prahalad, 2007).

Promotional Mix. The promotional mix comprises several principles (Czinkota & Ronkainen, 2007):

1. *Advertising.* Mass, non-personal communication aiming to influence target audience behavior. While costly in total, it offers low per-contact cost and flexibility in targeting (Fill, 2006).

2. *Personal Selling.* Face-to-face communication by an organizational representative to inform, persuade, or remind customers, offering direct feedback at a high cost (Fill, 2006).

3. *Public Relations.* High-credibility, low-cost, non-paid messages about ideas, products, or institutions, disseminated through third-party media (Czinkota & Ronkainen, 2007).

4. *Sales Promotion.* Marketing techniques that add value and drive future sales, controllable and providing market information (Fill, 2006).

5. *Direct Marketing.* Building one-to-one relationships with customers through personalized messages, often via direct mail, magazine inserts, or telemarketing, requiring database development (Fill, 2006).

Standardization and Adaptation. Standardization, the first decision in internationalization, involves four scenarios: launching products without modification, modifying products for different regions, designing new products for foreign markets, or creating a global product (Czinkota & Ronkainen, 2007). The preferred scenario involves minimal or no modification to save costs. Benefits of standardization include economies of scale in production, R&D, and marketing, global competition, and the "shrinking" of the world marketplace (Czinkota & Ronkainen, 2007). Examples like Coca-Cola and Levi's demonstrate successful universal product and marketing strategies (Czinkota & Ronkainen, 2007).

Adaptation is necessary for both industrial and consumer products. Industrial products like steel require less adjustment than consumer goods due to lower cultural grounding (Czinkota & Ronkainen, 2007). Consumer goods often necessitate adaptation due to high cultural grounding, with food products requiring more adaptation than luxury or personal care items (Czinkota & Ronkainen, 2007). Economic situations in target countries also influence adaptation, as seen with Unilever simplifying packaging for low-income Indian consumers (Czinkota & Ronkainen, 2007). IKEA, for instance, launched a sleeper sofa in the US to fit local tastes, which later found demand in Europe (Czinkota & Ronkainen, 2007). Companies are increasingly developing global products with adaptable standardized cores (Czinkota & Ronkainen, 2007).

IKEA's Product, Pricing, Shopping Experience, and Communications Strategies. IKEA employs a standardized product strategy, ensuring an identical product collection globally, adhering to strict requirements for durability, design, safety, and environmental care (Usunier and Lee, 2009). Products are designed by IKEA and globally sourced, bearing Swedish names (Usunier and Lee, 2009). However, the mix of items can differ based on local market requirements, with "base range" being universal and "extra range" specific to local markets (Edvardsson & Enquist, 2009). IKEA pioneered the flat-pack merchandising concept, involving customers as co-producers in assembling products, which also reduces shipping costs (Usunier and Lee, 2009; Edvardsson & Enquist, 2009).

IKEA's pricing strategy focuses on low prices, typically 30-50% lower than fully assembled competing products (Usunier, 2009). This is achieved through high-volume purchasing, low-cost logistics (flat-packs), and inexpensive suburban retail spaces, maintaining standardized prices globally (Edvardsson & Enquist, 2009).

The IKEA shopping experience is a unique element, utilizing "experience rooms" for product testing and providing inspiration for home designs (Edvardsson & Enquist, 2009). The experience also includes self-service shopping, Swedish restaurants, snack bars, food boutiques, and child-care centers (Edvardsson & Enquist, 2009). Also, IKEA's communication strategy heavily relies on its printed catalogue, with increasing use of TV, radio, and internet (IKEA, 2010). Messages emphasize low prices, environmental friendliness, and co-creation of solutions (IKEA, 2010). IKEA also uses a customer club and in-store interaction between customers and co-workers (IKEA, 2010).

METHODOLOGY

Research Design. This study adopted a quantitative research design, an approach to provide a holistic understanding of IKEA's retail strategy and its impact on the Philippine market. The descriptive design facilitated the quantitative analysis of customer perceptions, competitor perspective and allowed for the contextual interpretation of findings, providing deeper insights into the underlying factors influencing customer behavior and preferences, particularly within the local cultural context.

Participants. Qualifying parameters for participants included number of visits, age, gender, marital status, employment status and monthly income. Respondents were sampled using a probability method, specifically employing random sampling. Participants were recruited using email invitations and website pop-ups or social media ads. To ensure diverse representation across demographics (e.g., visit frequency, purchase), screening questions were asked. A total of 377 participants was derived as a sample size using Raosoft calculation, aiming for a specific confidence level (95%) and margin of error (±5%), based on the estimated customer population around Pasay City.

Instruments. The Google Forms questionnaire was a researcher-made instrument, carefully developed to address the study's specific objectives for IKEA Pasay City. It was structured into three key sections: Part I is the Demographic Profile. This collects essential respondent characteristics such as age, gender, marital status, employment status, monthly income, and number of store visits. Part II is the Assessment on Effectiveness of Retail Strategy as to Customers, and Part III, Assessment on Effectiveness of Retail Strategy as to Competitors both utilized a Likert scale to quantify respondent answers. The Likert scale employed a 4-point system to interpret the effectiveness of retail strategies (Table 1):

Table 1
4-point Likert Scale to Measure the Effectiveness of Retail Strategy

Age	Range	Verbal Interpretation
4	3.51 – 4.00	Very Effective
3	2.51 – 3.50	Effective
2	1.51 – 2.50	Less Effective
1	1.00 – 1.50	Not Effective

This instrument underwent rigorous validation and testing, including expert review for content validity and a pilot test. Its reliability was statistically confirmed by Cronbach's Alpha (α). The 'Customer Satisfaction' scale from Part II yielded an α of 0.87, and the 'Competitive Perception' scale from Part III showed an α of 0.84. Both values well exceeded the 0.70 threshold, thus demonstrating the instrument's excellent internal consistency.

Data Gathering. Prior to the actual gathering process, Google Form, an online platform was used to distribute the survey. The researchers gathered, processed and collected the data needed for the study. Data were compiled, organized and tabulated in MS Excel format to facilitate statistical analysis of responses.

Ethical Considerations. Informed consent was secured from all respondents, who were fully briefed on the study's purpose and their right to withdraw. Anonymity and confidentiality were strictly maintained, ensuring no personal identification and secure storage of all data on password-protected devices. Participation was entirely voluntary, with the research designed for beneficence and transparent reporting, causing no harm to participants.

Data Analysis. The study employed appropriate statistical tools to derive, analyze and interpret the findings of the study.

Percentage and Frequency were used to organize and present grouped data, particularly in analyzing respondent profiles. Frequency showed actual responses, while percentage determined the ratio of responses to the total number of respondents.

Weighted Mean was applied to determine the average assessment from Likert scale data, calculated as the sum of the product of frequency and unit weight divided by the total number of respondents.

Ranking was also employed to interpret sorted numerical or ordinal values, specifically for determining preferred marketing activities by arranging data from highest to lowest.

RESULTS AND DISCUSSION

Respondents' Profile. The following data present the profile of the respondents with respect to age, sex, marital status, employment status, monthly income and number of store visits.

Table 2
Frequency and Percentage Distribution of Respondents According to Age

Age	Frequency	Percentage
20-30 years old	145	38.46%
31-40 years old	128	33.95%
41-50 years old	70	18.57%
51 years old above	34	9.02%
Total	377	100.00%

Table 2 presents the frequency and percentage distribution of the respondents according to age. Out of 377 respondents, 145 or 38.46% were 20-30, 128 or 33.95% were 31-40, 70 or 18.57% were 41-50 and 34 or 9.02% were 51 years old above.

Table 3
Frequency and Percentage Distribution of Respondents According to Sex

Sex	Frequency	Percentage
Female	132	35.01%
Male	139	36.87%
LGBTQ+	74	19.63%
Prefer not to say (Optional)	32	8.49%
Total	377	100.00%

Table 3 shows the frequency and percentage distribution of the respondents according to gender. Male respondents were 139 or 36.87%, while female is 132 or 35.01%. LGBTQ+ accounts to 74 or 19.63% and 32 or 8.49% preferred not to say their gender preference.

Table 4
Frequency and Percentage Distribution of Respondents According to Marital Status

Marital Status	Frequency	Percentage
Single	187	49.60%
Married	122	32.36%
Widow	39	10.34%
Separated	29	7.69%
Total	377	100.00%

Table 4 exhibits the frequency and percentage distribution of the respondents according to status. A total of 178 or 49.60% were single, 122 or 32.36% were married, 39 or 10.34% were widowed and 29 or 7.69% were separated.

Table 5
Frequency and Percentage Distribution of Respondents According to Employment Status

Employment Status	Frequency	Percentage
Regular	211	55.97%
Probationary	101	26.79%
Casual	65	17.24%
Total	377	100.00%

Table 5 shows the frequency and percentage distribution of the respondents according to employment status. Regular employees topped the participants with 211 or 55.97% while 101 or 26.79% were Probationary. Casual employees account to 65 or 17.24% of the participants.

Table 6
Frequency and Percentage Distribution of Respondents According to Monthly Income

Monthly Income	Frequency	Percentage
15,000-25,000	97	25.73%
25,001-35,000	132	35.01%
35,001-45,000	73	19.36%
45,001-and above	75	19.89%
Total	377	100.00%

Table 6 reveals the frequency and percentage distribution of the respondents according to monthly income. There were 132 or 35.01% with monthly income ranging from 25,001-35,000 while 97 or 25.73% has 15,000-25,000 monthly incomes. A total of 75 of 19.89% has 45,001 and above and 73 or 19.36% has 35,001-45,000.

Table 7
Frequency and Percentage Distribution of Respondents According to Number of Store Visits

Number of Store Visit/s	Frequency	Percentage
1-5 times	183	48.54%
6-10 times	76	20.16%
11-15 times	45	11.94%
16-20 times	37	9.81%
21 times and above	36	9.55%
Total	377	100.00%

In terms of number of Store Visit(s) of the respondents (Table 7), 183 or 48.54% of the respondents visited the store 1-5 times, 76 or 20.16% visited 6-10 times, 45 or 11.94% visited 11-15 times, 37 or 9.81% visited 16-20 times and 36 or 9.55% visited the store 21 and above times.

Effectiveness of Retail Strategy as to Customer. As reflected in Table 8, the “Product Variety and Assortment” and “Store locations, layouts and Designs” respectively gained the highest mean of 3.22 (Effective) while “Customer Relationship Management” yielded a mean of 3.17 (Effective). “E-Services and Delivery Set-Up got a mean of 3.12 (Effective)”, and “Price Sensitivity and Cost yielded a summary mean of 3.03 (Effective).

Table 8
Grand Mean Summary on the Effectiveness of Retail Strategy as to Customer

	Grand Mean	Rank	Verbal Interpretation
Product Variety and Assortment	3.22	1	Effective
Store location, Layouts and Designs	3.22	1	Effective
Price Sensitivity and Cost	3.03	4	Effective
Customer Relationship Management	3.17	2	Effective
E-Services and Delivery Set-Up	3.12	3	Effective

The above figures indicated that IKEA has an effective retailing strategy and this was due to the following initiatives. First, the company has hundreds of stores across the world and carries a range of 9500 products, which includes home furniture and accessories. The company showed sales of 21.2 billion Euros in 2008 and shows an increase in its sales every year as it is focused on creating a better life every day for its customers. In 2015, the company estimated its total sales of 31.9 billion Euros. This sale has increased by the 11.2 % (IKEA, 2015). As a strategy, the company is focused on low-price strategy; it serves the customer who is willing to buy better even at lower prices. The company has also well-designed products at reasonable rates and the products cater to the everyday lifestyle. IKEA’s business strategy include the combination of economy, society, and the environment.

Effectiveness of Retail Strategy as to Competitors. In Table 9, “Product Quality” got the highest mean of 3.15 (Effective) followed by “Product Availability” with the mean of 3.08 (Effective) and lastly “Product Price” got the lowest mean of 3.02 (Effective). Nonetheless, all indicator variables are effective.

Table 9
Grand Mean Summary on the Effectiveness of Retail Strategy as to Competitors

	Grand Mean	Rank	Verbal Interpretation
Product availability	3.08	2	Effective
Product quality	3.15	1	Effective
Product price	3.02	3	Effective

Conclusion. Based on respondents' profiles and assessment on IKEA's retail strategies in comparison to competitors, the following conclusions can be drawn:

The survey successfully gathered a diverse demographic profile of IKEA Pasay City customers. The majority of respondents are young adults (20-40 years old), accounting for over 72% of the sample, indicating that IKEA primarily attracts a younger demographic. While there's a fairly even split between male and female respondents, a significant portion identified as LGBTQ+ or preferred not to disclose their gender, highlighting the importance of inclusive data collection. A notable majority are single (49.60%) and regularly employed (55.97%), suggesting a customer base with stable income. The largest income group falls within PHP 25,001-35,000 (35.01%), indicating a middle-income consumer segment. Furthermore, almost half of the respondents (48.54%) visit the store 1-5 times, suggesting a mix of first-time or occasional visitors alongside more frequent shoppers.

IKEA's retail strategy is perceived as "Effective" across all assessed categories from the customer's viewpoint. Notably, "Product Variety and Assortment" and "Store Location, Layouts, and Designs" received the highest average scores (3.22), suggesting these are key strengths for IKEA Pasay City. Customers appreciate the range of merchandise and the well-designed, accessible store environment. "Customer Relationship Management" (3.17) and "E-Services and Delivery Set-Up" (3.12) also performed well, indicating satisfactory customer service and online/delivery experiences. While still rated "Effective," "Price Sensitivity and Cost" (3.03) received the lowest weighted mean, implying that while prices are generally considered reasonable, there might need a slight improvement or more competitive positioning compared to other aspects.

When compared to competitors, IKEA's retail strategy is also generally perceived as "Effective." "Product Quality" stands out as the strongest aspect (3.15), with customers believing IKEA's products are simple, easy to set up, and satisfying. "Product Availability" (3.08) also scores well, indicating that customers find IKEA's unique products readily accessible. Similar to the customer perspective, "Product Price" (3.02) received the lowest mean when compared to competitors, suggesting that while generally effective, customers might not perceive IKEA as significantly cheaper than other stores in all aspects, or that this is an area where competitors are stronger.

Recommendations. To further solidify IKEA's market position in the Philippines, the researchers recommend to focus on several key areas.

First, leverage strengths in product variety and store experience by continuing to innovate and highlight the extensive merchandise range and unique, well-designed in-store environment, as these received the highest customer effectiveness ratings.

Second, enhance communication on value and pricing strategy; while "Effective," price-related aspects scored lower than others, suggesting a need to clearly articulate product quality and durability in relation to cost, potentially through targeted promotions.

Third, optimize Customer Relationship Management (CRM) and e-services to maintain and improve loyalty programs, personalized offers, and the efficiency of online booking and delivery, catering to the predominantly younger, digitally inclined customer base.

Fourth, target marketing towards key demographics by tailoring campaigns to resonate with the prominent 20–40-year-old, single, regularly employed, middle-income segment, while also ensuring inclusivity. Finally, continuously monitor price perceptions within the competitive landscape through regular analyses and qualitative research, ensuring IKEA maintains its competitive edge in the local market.

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