

EXIT

IKEA

Elevating Every Experience

TKS X IKEA

Executive Summary

Problem

IKEA is challenged to redefine the shopping experience to meet future demands. Despite its strong family focus, the brand struggles to understand customer loyalty and address why some shoppers don't return. How can IKEA spark joy while overcoming these barriers?

Solution

- Our **solution** focuses on **enhancing** the **digital shopping experience** by introducing a **QR-code** for in-store shoppers, and a section in both the app and website of IKEA based with a **personalized welcome screen...**
- As well as an **interactive search bar** with **store navigation** and a **digital shopping list**.

Impact

This solution transforms the IKEA shopping journey into a seamless, engaging, and personalized experience, combining practicality with playful interactivity to drive customer satisfaction, loyalty, and excitement. Impacting the roughly 900 million IKEA shoppers of 2024 to embark on an improved and **purposeful** journey for 2025!

Issues In the Current IKEA Shopping Experience

1. Wasteful In-Store Tools

IKEA provides paper sheets and wooden pencils for customers to track items, but these tools are rarely used. This approach:

- Contradicts IKEA's sustainability focus by increasing paper and pencil waste.
- Results in unnecessary production and printing costs.
- Fails to engage tech-savvy shoppers who prefer digital tools.

2. Ineffective Use of In-Store Technology

- Customization kiosks (e.g., tablets) are either broken, hard to locate, or underused.
- These tools represent wasted investment in technology that doesn't improve the customer experience.
- Many shoppers are unaware these kiosks exist or how to use them, highlighting poor integration.

3. Customer Navigation Pain Points

IKEA's vast store layouts can be confusing and overwhelming for shoppers:

- Customers often struggle to locate items efficiently.
- There's no centralized system to track products, view details, or find real-time in-store navigation.

4. Boredom Among Younger Shoppers

IKEA's shopping experience is not designed with kids in mind, often leaving them bored or disengaged.

This can lead to a negative experience for families, as parents may feel rushed or stressed trying to keep kids entertained

5. Missed Opportunity for Digital Engagement:

The growing reliance on retail apps shows that customers want interactive, personalized, and fun shopping tools.

IKEA lacks an engaging mobile experience that bridges in-store shopping with digital innovation.

OBJECTIVE

**Sustainability &
Engagement**

**Personalized
Navigation**

Americans throw away **1.6 billion disposable pens annually**, contributing to significant plastic waste and microplastic pollution in waterways. Similarly, **82,000 trees are cut down every year to produce pencils**. This pencil/paper in-store application is what customers are meant to use in order to track/list the items they want to purchase; however, when visiting IKEA the **customer usage was NONE!!!** No customer had a paper/pencil in hand. . .

Effects of producing paper for retail tools involves:

- **Deforestation** for wood pulp.
- **High water usage in papermaking**, which can **deplete local water resources**.
- **Air and water pollution** from factory emissions and chemical waste, harming ecosystems and communities nearby.

IN-STORE factor we aim to REPLACE



Cost of Paper and Pencils:

- **Each pencil costs about \$0.90 to manufacture in the U.S.**
- **Paper production involves additional raw material and processing costs, making these tools a recurring expense for businesses.**

STATISTICS

74% of global shoppers use mobile apps in-store for features like price comparisons, loyalty rewards, and product details

50% of U.S. shoppers use them to find the best prices

46% use apps for loyalty rewards

34% for tailored coupons

26% for sales update

85.2% using smartphones in-store for price comparisons and product details

An IKEA app with product tracking, measurements, and navigation would meet these needs

Over 80% of shoppers use digital tools before or during a store visit, expecting a flawless omnichannel experience.

75.3% of shoppers prefer physical stores that offer apps or digital services, demonstrating demand for a seamless shopping experience

EVIDENCE

Quote from a 36- year old mom

“Some sort of smart shopping cart with navigation and product recommendations would be an amazing additional service for my shopping experience. Definitely something that is easy to manage, so when I go with my kids I can keep track of them and have all the guidance I need through my phone. Almost like a touch & go experience!”

Cust2Mate's Smart Shopping Cart Quotes:

“It’s a cart, it’s smart. It helps you do your shopping in a better way, in a faster way, with better ease, more value, less time being spent, less friction. ”

“ That’s from the point of the shopper, but it also helps the business of the retailer, both, and certainly because we help make their customers happier, and happier customers are more loyal customers, and more loyal customers eventually contribute to the top line and your bottom line over time, but also immediately, quite immediately. ”

“So we’ve learned from our own experience and from our customers, both the retailers and the end users, what needs to be remedied, what needs to be changed in order to improve the customer experience, and that led us eventually to the development and the introduction of our smart cart 3.0 generation, which is a game changer.”

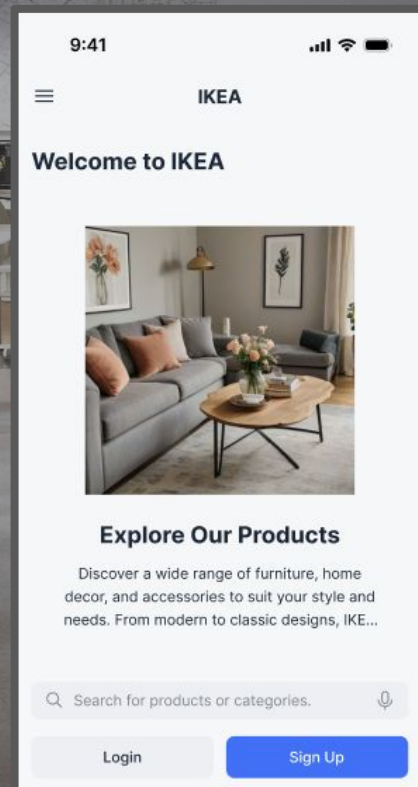
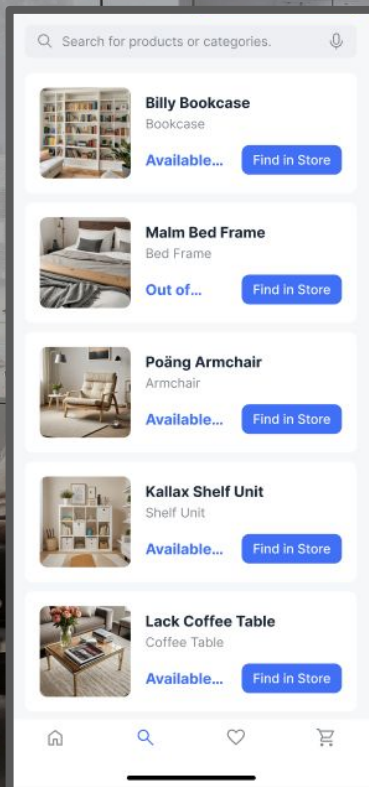
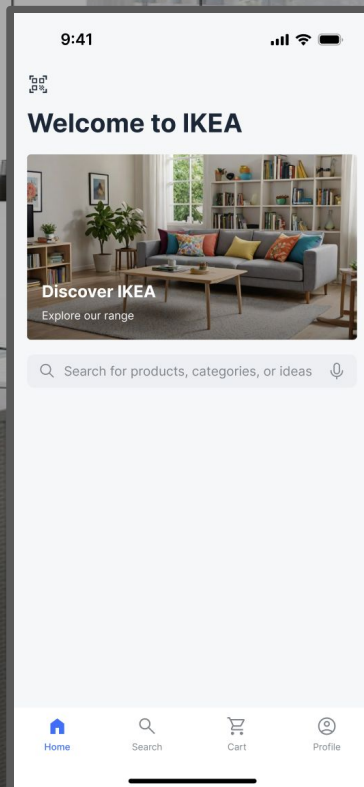
Quoted by Yaniv Zuckerman, the Chief Marketing Officer of Cust2Mate



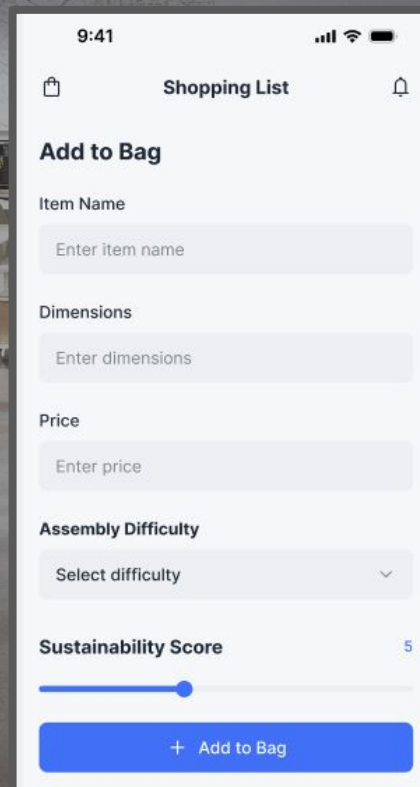
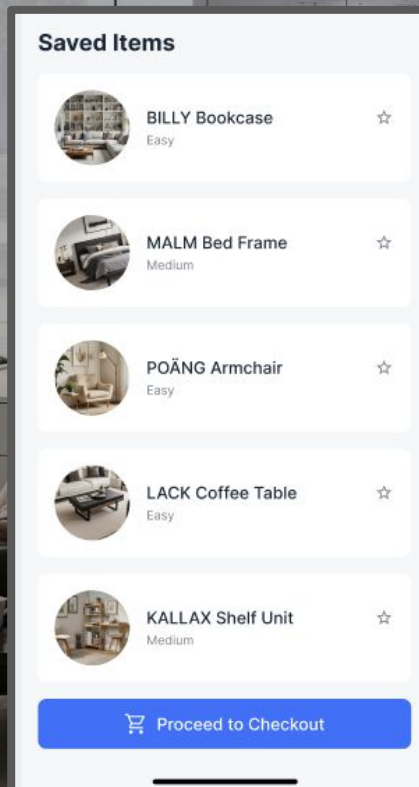
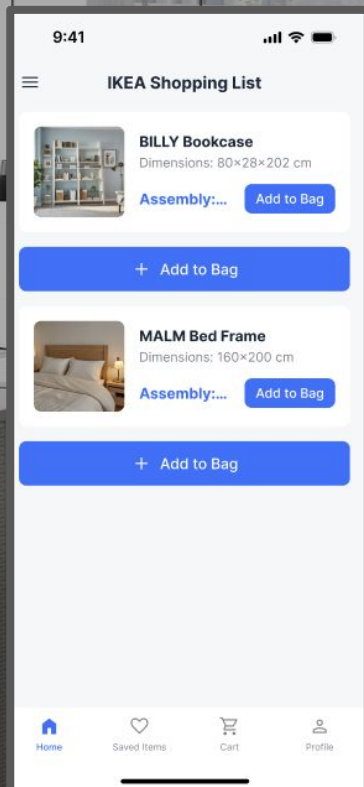
Introduction IKEAgO

Accessed through a QR-code in the in-store entrances; additionally, will be a separate section applied in both the digital app and website of IKEA. The main tool being a user-friendly search bar, where customers can quickly locate specific items, view a list of diverse options with images and classifications, and use a **direct online map to navigate to the item's location within the store**. This innovation reduces the common customer frustration of following the long-route, saves time, and enhances the overall shopping experience by making it more efficient and accessible, while also adding a modern, tech-driven element to IKEA's in-store journey.

The Prototype



The Prototype



Detailed Description of *IKEAgo*

Welcome Screen

- QR Code Access:
 - Customers scan a QR code located at in-store entrances.
 - Scanning leads directly to the IKEAgo platform, available on the app or website.
 - Offers a quick, contactless way to engage with the store's digital navigation system.
- Personalized Greeting:
 - Includes a warm welcome message tailored to the customer.
 - Provides a search bar prominently on the homepage for easy item lookup.

Search:

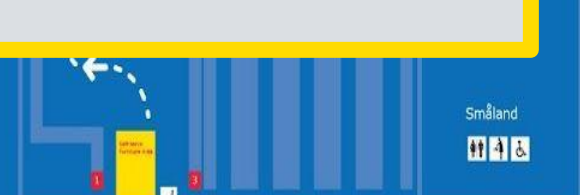
- **Interactive Search Bar:**
 - Customers can type in specific item names or categories.
 - Returns a list of results with detailed images, names, and brief descriptions.
 - Offers filtering options (e.g., price range, dimensions, sustainability rating) to refine results.

Find your way in the

Find your way in the

Store Navigation:

- Each search result includes a location pin (ex: "Find this item in Aisle 12").
- Map includes:
 - "You Are Here" markers to identify the customer's current position.
 - Step-by-step navigation to guide them to their chosen item.
 - Visual markers for special offers, clearance zones, or highlighted areas of the store.



Digital Shopping List

- "Add to Bag" Feature:
 - Enables customers to save items digitally as they browse.
 - Includes detailed item information:
 - Name and high-resolution image.
 - Dimensions (length, width, height).
 - Price with any applicable discounts.
 - Assembly difficulty level for convenience.
 - Sustainability score to promote eco-friendly choices.
- Real-Time Updates:
 - List syncs across devices for accessibility.
 - Allows for easy adjustments (adding/removing items).

Saved Items

- Quick Recap Before Checkout:
 - Provides a consolidated view of all saved items.
 - Includes total price calculations and estimated shipping fees (if applicable).
 - Highlights:
 - Items on sale or with limited stock.
 - Complementary product suggestions to enhance the shopping experience.
- Accessibility Features:
 - Easy-to-read layout for different screen sizes and devices.
 - Voice assistance compatibility for inclusive navigation.

INVESTMENT BREAKDOWNS and PROJECTED RETURNS

Costs

- 1. App Development & Maintenance: \$1.8M**
 - The app is streamlined to focus on scanning and navigation features, reducing complexity. However, it still ensures robust design, smooth onboarding, and scalability for in-app promotions.
- 1. QR Code Infrastructure: \$1M**
 - QR codes at entrances and across stores are inexpensive (\$0.05–\$0.20 each) and easy to implement. These enable seamless app access, replacing more expensive in-store tablets/kiosks while reducing dependency on staff for navigation queries.
- 2. Operational Savings: -\$700K/year**
 - By eliminating underused paper sheets, pencils, and in-store kiosks, IKEA achieves greater savings. The QR code app onboarding is cost-effective and eco-friendly, aligning with sustainability goals.
- 3. Marketing & Branding: \$2.5M**
 - This includes the cost of promoting the app both in-store and digitally. It will include signage, digital ads, and influencer partnerships to drive awareness and adoption of the app among shoppers.

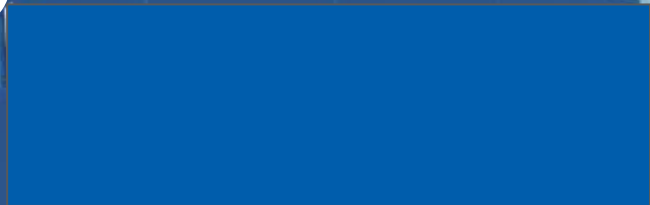
INVESTMENT BREAKDOWNS and PROJECTED RETURNS

Profits

- 1. Increased Customer Engagement: +\$4M/year**
 - Personalized greetings and store navigation through the app will enhance the shopping experience, encouraging customers to stay longer in-store and explore more products, which should increase overall sales.
- 2. Enhanced Navigation = Higher Conversion Rates: +\$3M/year**
 - Shoppers can track items and navigate seamlessly, reducing frustration and abandoned purchases. This leads to a significant increase in completed sales and additional impulse buys.
- 3. Revenue from In-App Features: +\$2M/year**
 - QR code integration creates a direct channel for targeted promotions and exclusive offers
- 4. Brand Loyalty & Eco-Friendly Image: Indirect Profit Growth**
 - A QR code-based app reflects IKEA's innovation and sustainability, attracting environmentally conscious consumers and reinforcing its global reputation.
- 5. Customer Retention & Lifetime Value: +\$2M/year**
 - By encouraging customers to engage with the app during their shopping journey, IKEA fosters greater loyalty. Customers who use the app more often tend to have a higher lifetime value, resulting in continued profits from repeat visits.

Let's make our solution real, and ready to...

IKEA go!





Valentina Diaz Miranda

Email: vdiaz28@baldwin-school.org



Yelizavieta Zakharova

Email: elbzakharova@gmail.com



Email: kondapallidiya@gmail.com



Email: bholadhruv10@gmail.com



Email: ks.ilakkiyan@gmail.com

On a more personal note...

Dear IKEA Team,

We are truly grateful for the opportunity to propose a solution aimed at enhancing the IKEA customer experience. As loyal supporters and admirers of IKEA's innovative approach to retail, we are excited about the potential positive impact this solution could have on your stores and digital platforms.

Throughout this journey, we have grown immensely by immersing ourselves in understanding IKEA's operations and challenges, researching customer needs, and collaborating to design a proposal that aligns with your vision of sparking joy for every shopper. This process has been a transformative and enriching experience for each member of our team.

If you have any questions about our proposal, please don't hesitate to reach out.

Thank you,

Valentina, Yelizaveta, Dhruv, Diya, and Ilakkiyan