



THE TIMES 100

Edition 14

IKEA: SWOT analysis and sustainable business planning

Answer sheet

Questions

1. What does SWOT analysis mean?
Strength and Weaknesses are based on the business from within. Opportunities and Threats are factors that could affect the business externally.
2. Why is it important for someone like IKEA to do one?
So that they remain competitive, are aware of potential changes, legislation and competition.
3. Who should carry out the SWOT analysis in IKEA?
Every stakeholder of IKEA i.e. customers, employees, suppliers etc.
4. How has IKEA managed to achieve such rapid growth?
Franchising.
5. On average how many customers have been to each of the IKEA stores?
2.2 million customers.
6. What was the average spend per customer in each store?
11 billion divided by 253 stores.
7. What are IKEA's strengths?
Strengths: strong global brand; a strong concept; democratic design; cost.
8. What are IKEA's weaknesses?
Weaknesses: size and scale of business in terms of communication and control of quality.
9. What are IKEA's opportunities?
Opportunities: growing demand for greener products; developing social responsibility; growing demand for low priced products.
10. What are IKEA's threats?
Threats: social trends . the housing market slowing down due to recession; more competitors entering low priced household and furnishings market; less disposable income due to recession.



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11. How has IKEA put up the barriers to entry for smaller businesses?

By achieving economies of scale and therefore can reduce its prices for longer.

12. How has IKEA focused on sustainability?

Through using more recycled products and creating a culture within IKEA that considers ways of embracing sustainability.