

IKEA: ENHANCING CUSTOMER EXPERIENCE THROUGH DIGITAL TRANSFORMATION

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Article Info

Keywords: Digital Transformation; Customer Experience; IKEA; Augmented Reality

Article history:

Received 11 June 2024

Revised 30 June 2024

Accepted 15 July 2024

Available online 2 June 2025

DOI :

<https://doi.org/10.29100/jupi.v10i2.5814>

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ABSTRACT

Digital transformation has become a key driver for companies to remain relevant and competitive. IKEA, as one of the world's largest furniture retailers, has proactively embraced digital transformation as a core strategy to enhance customer experience. This research explores various digital initiatives by IKEA, including the development of the IKEA Place app using Augmented Reality (AR) technology and the enhancement of online platforms with advanced features. Additionally, IKEA has made strategic investments in digital technology in physical stores, such as interactive digital kiosks and mobile payment systems. This study utilizes a comprehensive literature review method, leveraging Google Scholar, Scopus, and company reports to ensure credible and up-to-date information. The findings indicate that IKEA's digital transformation has positively impacted customer satisfaction and loyalty. However, IKEA also faces various challenges in this transformation process. This research provides in-depth insights into IKEA's digital transformation journey, sustainability factors, Five Forces analysis, new business strategies, and recommendations for the future. In conclusion, IKEA's digital transformation has successfully significantly enhanced customer experience, albeit requiring ongoing adaptation and innovation.

I. INTRODUCTION

In the rapidly evolving retail landscape, digital transformation has become a key driver for companies to stay relevant and competitive. Digital transformation in business is the process of integrating digital technology into all areas of business operations, resulting in fundamental changes in how companies operate and deliver value to customers. Digital transformation encompasses various aspects, including business model innovation, strategic management, and the application of digital technologies across different industry sectors. For instance, digital technology facilitates business model innovation in the creative industries and enables companies to develop new business strategies that are more efficient and responsive to market needs [1], [2]. Digital transformation requires a methodical and organized approach to address the challenges and leverage the opportunities offered by digital technology [3]. Overall, digital transformation is a key factor for companies that aim to remain competitive and relevant in today's digital era.

Digital transformation involves the use of computer technology and digital solutions to fundamentally overhaul products, processes, and organizational strategies, aiming to enhance operational efficiency and customer experience. It also includes cultural changes within the organization to support continuous innovation and adaptation to rapidly changing market dynamics. IKEA is chosen as a case study in this research because it has successfully integrated digital technology into every aspect of its operations since 2018, such as adopting digital tools for product access, changing daily operations, aligning in-store and online experiences, and using virtual reality applications and digital customer service centers, which have kept IKEA competitive and relevant in today's digital age.

IKEA, as one of the largest furniture retailers in the world, has proactively embraced digital transformation as a core strategy to enhance customer experience. This initiative is driven by the shifting consumer behavior that increasingly relies on digital technology, and the need to create a more personalized, convenient, and connected shopping experience across all channels, both online and offline. This shift has driven IKEA to adopt digital technologies such as advanced e-commerce platforms, mobile applications, Augmented Reality (AR) for product visualization, and artificial intelligence (AI) for personalized product recommendations, as well as chatbots for

quick customer service. This digital transformation enables IKEA to deliver a shopping experience that meets the expectations of modern consumers. Customer experience plays a crucial role in digital transformation, particularly in enhancing overall business innovation. Digital transformation involves integrating digital technology into all areas of business, which can significantly impact how customers interact with and perceive a company. In today's market, the demand for real-time and adaptive experiences is a part of the new business reality. Therefore, many businesses are seeking customer experience innovations to drive differentiation and thrive in today's complex and rapidly changing environment [4]. Business transformation in the digital era heavily relies on comprehensive and sustainable improvements in customer experience. Successful businesses in this transformation focus on a deep understanding of customer desires and needs, building a culture of customer obsession, and implementing the right digital strategies to deliver consistent and satisfying experiences [5].

Founded in 1943 by Ingvar Kamprad, IKEA is a global furniture and home goods retail company headquartered in Sweden [6]. IKEA's vision is "to create a better everyday life for the many people" [7]. The company offers a wide range of products, from furniture to home accessories, with an emphasis on affordable and sustainable design [8]. IKEA's business model is based on cost efficiency, including leveraging economies of scale and innovation in production processes to keep prices low without sacrificing quality. According to [9], IKEA has undergone significant digital transformation, embracing technologies such as AR and virtual reality (VR) to enhance the customer experience. The company has also invested in e-commerce and multi-channel fulfillment, recognizing the importance of digital channels in the customer journey. Additionally, according to [10], IKEA strongly believes in the power of "the many people" and actively involves customers in the co-creation process. Initiatives like the Circular Hub allow customers to donate their used furniture for recycling or resale, and Innovation Hubs enable customers to participate in the development of new products. IKEA continues to innovate and adapt to the ever-changing retail landscape, focusing on sustainability, affordability, and customer experience.

IKEA has demonstrated a strong commitment to digital transformation to improve customer experience. One notable example is the development of the innovative IKEA Place app. This app leverages AR technology to allow customers to virtually visualize IKEA products in their own homes. As explained in the report [11], this app has become one of the main channels for customers to interact with IKEA. Additionally, a case study from [12] shows how IKEA is progressively developing its online platform, which not only serves as a product catalog but also offers advanced features to enhance customer experience. IKEA has also made strategic investments in digital technology to enhance customer experience in their physical stores. The use of interactive digital kiosks in-store allows customers to search for product information, receive design recommendations, and place orders independently [7]. Moreover, IKEA has implemented mobile payment systems to facilitate smoother transactions for customers [6]. All these initiatives reflect IKEA's efforts to create a more seamless, efficient, and enjoyable shopping experience for customers. The digital transformation focused on customer experience at IKEA is an ongoing journey. The company continues to innovate and adapt to the latest technological advancements.

IKEA is reflected through their global network of stores integrated with a robust e-commerce platform. Their innovative approach includes leveraging AR applications to enhance shopping interactivity, along with utilizing technology for supply chain efficiency and product personalization. Successfully transitioning from a traditional shopping model to digital, IKEA has not only adopted technology to improve internal operations and customer experience but also integrated data to inform marketing strategies and direct customer interactions. These initiatives have positioned IKEA as not only relevant but also innovative in meeting the challenges of today's global retail industry. This paper will further discuss various digital transformation initiatives undertaken by IKEA to enhance customer experience, their impact on customer satisfaction and loyalty, as well as the challenges and opportunities faced in this process. This research will discuss the implementation of AR technology at IKEA. This technology not only transforms how customers interact with products but also enhances the shopping experience by minimizing uncertainties regarding size, style, and furniture suitability within consumers' spaces, thereby increasing customer satisfaction.

This research aims to explore and analyze the digital transformation initiatives implemented by IKEA to enhance customer experience. Through this study, it is expected to uncover how digital technologies such as AR, AI, and advanced e-commerce platforms influence IKEA customers' satisfaction and loyalty. Additionally, this research seeks to identify the challenges faced by IKEA in the digital transformation process and how the company adapts to overcome these challenges.

The theoretical framework or analytical model used in this study will be based on Porter's Five Forces model and digital transformation theory. Porter's Five Forces model will be employed to analyze IKEA's competitive environment by evaluating the strength of five key factors: the threat of new entrants, the power of suppliers, the

power of buyers, the threat of substitute products, and the rivalry among existing competitors.

The results of this research are expected to provide significant contributions to the understanding of how digital transformation can be effectively applied in the retail context, offering insights into strategies that other retail companies can adopt to enhance customer experience through digital technologies. This research is also expected to provide recommendations for IKEA and other retail companies in developing sustainable and innovative digital transformation strategies, ensuring they remain relevant and competitive in the ever-evolving digital era.

II. METHODOLOGY

This research employs a comprehensive literature review method, utilizing various available sources. Google Scholar is used to search for scholarly works across different disciplines, providing broad and easy access to academic literature. Additionally, Scopus, a database rich in abstracts and citations related to scientific literature, is also used to obtain high-quality and relevant sources. Google Scholar and Scopus are chosen as the primary sources for literature because each has specific advantages that are highly useful in the context of research on digital transformation. Google Scholar offers wide and free accessibility, allowing researchers to access various types of publications. On the other hand, Scopus offers extensive coverage with strict indexing, ensuring that only journals and conferences meeting certain quality standards are indexed. This ensures that the literature found comes from reputable and verified sources. Thus, the combination of using Google Scholar and Scopus provides comprehensive and in-depth literature coverage, supporting researchers in developing a better understanding of the topic of digital transformation. Furthermore, additional sources are obtained from company reports published on their official websites, which offer relevant and up-to-date empirical data. The use of these complementary sources ensures that the research is based on credible and current information, supported by journals accessed through these platforms. The literature review process is presented in Figure 2.

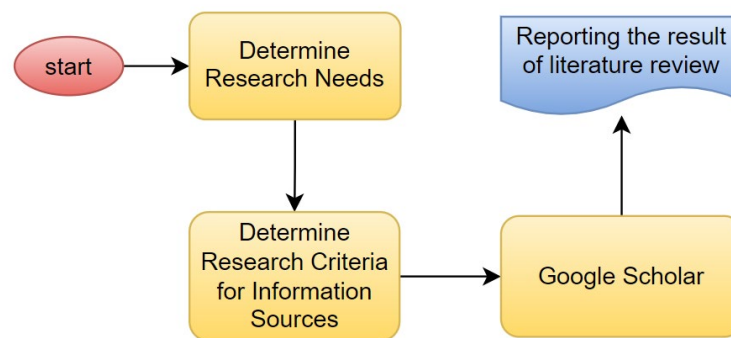


Figure 1. Literature Review Flowchart

The first step in conducting the literature review is to determine the research needs, specifically literature related to digital transformation in companies. Once the research needs are established, the second step involves setting the criteria for the information sources to be used. These criteria include the publication year 2019-2023 with source types such as journal articles, books, conference proceedings, official websites, and annual company reports. Next, literature related to digital transformation in companies is identified through electronic databases, namely Scopus and Google Scholar. Various literature is presented by the author to enrich insights and understanding regarding digital transformation. Literature searches are conducted using keywords such as digital transformation, Augmented Reality, and Customer Experiences. To broaden the search and increase the chances of finding relevant sources, an iterative process was conducted if relevant sources were difficult to find. This iterative process involved expanding the search keywords by incorporating the use of synonyms and terms related to the topic of digital transformation. For example, researchers tried using keywords such as "digitalization," "technology innovation," or "adoption of new technologies." Additionally, researchers also combined different keywords to help narrow down the search. For instance, combining the keyword "digital transformation" with keywords related to a specific industry or context, such as "retail furniture" or "IKEA." The right combination of keywords can help find sources that are more relevant and specific to the research topic. However, there are some limitations that need to be considered. The selection of keywords used for literature searches can influence the results. Keywords that are too broad or too narrow can cause relevant literature to be missed or irrelevant literature to be included.

III. RESULT

A. Digital Transformation Journey IKEA

Since its establishment, IKEA is now not just a physical furniture store, but something more. Its aim is to portray the company's evolution from a furniture store into a much more integrated system as the foundation for various businesses.

- **Early Digitalization (1990s - Early 2000s)**
In 1997, IKEA launched its first website to provide basic information about products and services. Three years later, in 2000, IKEA began selling products online in selected markets, ushering in the era of online shopping for the company and making it easier for customers to shop via the internet.
- **Strengthening Digital Infrastructure (2000s)**
In 2006, IKEA increased investment in IT infrastructure to support global operations, including inventory management and logistics systems. In 2009, IKEA launched its first mobile app with a digital catalog, allowing customers to view and select products anytime, strengthening their digital presence.
- **Omnichannel Development (2010s)**
In 2013, IKEA increased its presence on social media to interact with customers and promote products. In 2014, IKEA launched the IKEA Catalog app with Augmented Reality (AR) features, enabling customers to see products in their homes through their phones or tablets, providing a more immersive shopping experience [13].
- **Enhancing Customer Experience (2015-2019)**
In 2016, IKEA began leveraging AI and data analytics to understand customer behavior and enhance the shopping experience with more personalized product recommendations. In 2017, IKEA launched the AR app "IKEA Place," allowing customers to virtually place furniture in their spaces before buying, strengthening IKEA's position in integrating retail technology [14].
In 2018, IKEA introduced an online interior design service, enabling customers to consult with IKEA designers over the internet. This service offered professional advice and tailored design solutions without having to visit a store, as part of IKEA's efforts to provide a more personalized and convenient shopping experience [15].
- **Continued Digital Transformation (2020-present)**
In 2020, IKEA began integrating VR and AR technologies in their physical stores for a more interactive shopping experience. In 2021, they enhanced their e-commerce platform with new features for an improved online shopping experience. In 2022, IKEA employed AI solutions to improve supply chain efficiency, reducing delivery times. In 2023, IKEA launched smart home products that can be controlled through a mobile app, strengthening their position in the smart home market [16].

B. Customer Journey in IKEA's Digital Transformations

IKEA's digital transformation has significantly altered the customer journey. The following are some stages in IKEA's customer journey after the digital transformation:

- **Awareness:** Customers become aware of IKEA's products through various digital channels, such as social media, websites, or mobile apps. IKEA's engaging and interactive digital marketing campaigns play a crucial role in this stage [6].
- **Consideration:** Customers explore IKEA's online catalogs, use AR features to visualize products in their homes, and read product reviews. IKEA's AR features, such as "Place Furniture in Your Room," allow customers to see how furniture will look and fit in their spaces before making a purchase [7].
- **Purchase:** Customers can buy products online through IKEA's website or app, or visit a physical store. IKEA offers delivery or in-store pickup options for customer convenience [7].
- **Delivery or Pickup:** If customers buy online, they can choose home delivery or pick up the products at the nearest store. IKEA has invested in efficient delivery and pickup services to ensure a smooth customer experience [7].
- **Assembly:** IKEA is famous for its flatpack products, which require customers to assemble the furniture themselves. However, IKEA also offers assembly services through TaskRabbit, allowing customers to pay someone to assemble their furniture [9].
- **Usage and Post-Purchase:** Customers use IKEA products in their homes and can provide feedback through product reviews or surveys. IKEA uses this feedback to improve their products and services, as well as to personalize future customer experiences [6].

One year after IKEA upgraded its mobile app to augmented reality, Accenture conducted a survey that found there was potentially an 86% likelihood of customers purchasing products through augmented reality. This technology dramatically increases sales conversions by ensuring that customers find the products they want even when, for example, the desired item is not available, while also saving customers' time. An estimated 1.9 billion consumers visiting websites also accessed apps with augmented reality, and the sales profit conversion rate can be estimated to increase by 86%. This indicates that IKEA's digital transformation has created a more connected and interactive customer journey, integrating online and offline experiences to meet the continuously evolving needs and preferences of customers.

C. *IKEA Before and After Digital Transformation*

- **IKEA Before Digital Transformation**

Before digital transformation, IKEA primarily focused on traditional retail methods, with limited digital touchpoints for customers and internal digital solutions for coworkers. IKEA's first printed catalog, launched in 1951, played a crucial role in their early marketing strategy, allowing customers to view products before purchasing them in-store. However, the physical catalog proved costly and difficult to distribute globally, prompting IKEA to shift towards digital solutions [12].

- **IKEA After Digital Transformation**

After embracing digital transformation, IKEA integrated digital elements into all aspects of its operations. The company focused on enhancing customer experience and internal operations through digital solutions, aligning with global trends in e-commerce and fulfillment that are increasingly adopting technology and digital integration. The transformation journey has empowered IKEA to adapt to the digital era, improving customer experience, internal processes, and overall operational efficiency [17].

The impact of IKEA's digital initiatives can be seen in various metrics:

- a. **Online Sales Increase:** IKEA reported a significant increase in online sales following the launch of its AR application. In its 2019 report, IKEA noted the addition of 12 new IKEA stores and 50 IKEA e-commerce platforms, bringing the total to 433 IKEA stores worldwide.
- b. **Customer Satisfaction:** The AR application on mobile devices has received positive feedback and high ratings in the Apps Store reviews. The AR feature has a 98% accuracy rate in matching real-life attributes such as texture, thread, lighting, and shadows. This innovation has helped customers choose products that meet their needs, significantly boosting customer satisfaction [18].
- c. **Operational Efficiency:** IKEA's digital transformation has not only increased online sales but also improved operational efficiency. Instead of reducing the workforce, IKEA has increased the number of employees due to the significant expansion of its product line sales.
- d. **Augmented Reality (AR) Use:** AR has been used as a marketing tool for IKEA products. The IKEA Place application, launched in 2017, helps customers choose furniture that fits their home environment. This application has been credited with enhancing customer satisfaction and operational efficiency [18].

Therefore, these statistics and survey results indicate that digital initiatives, such as the launch of the AR application, have positively impacted IKEA's sales, customer satisfaction, and operational efficiency.

D. *Sustainability Factors at IKEA*

IKEA's strategy in building a sustainable business model involves highly efficient operational cost management to attract customers with affordable product prices. Despite the low prices, their products maintain good quality and are even sought after by many people [8]. IKEA has big ambitions for 2030, committing to play a role in addressing climate change, unsustainable consumption, and social inequality. IKEA's three main focus areas are Healthy & Sustainable Living, Circular & Climate Positive, and Fair & Equal. The following are factors that support IKEA in remaining sustainable.

- **Bulk production**

Bulk production is one of the key strategies used by IKEA to keep their product prices low and competitive. This concept involves producing in large quantities to lower the cost per unit, enabling IKEA to offer affordable prices to consumers. According to [19], by producing goods in large quantities, IKEA can reduce the production cost per unit. This is because fixed costs such as machinery and labor are spread across more units, thus lowering the cost per unit. IKEA implements mass production to decrease the production cost per unit. With mass production, IKEA can negotiate lower prices with suppliers, which also reduces the need for labor in the production process [20].

- **DIY Concept Flat Packaging**
IKEA employs fewer people as one strategy to maintain their operational and environmental sustainability. IKEA utilizes advanced technology and automation in production processes and inventory management. This not only reduces the need for manual labor but also enhances efficiency and decreases operational costs. In the Do-It-Yourself (DIY) concept, customers are engaged in activities using raw materials to create, modify, or repair items, reflecting a high level of co-production and co-creation. DIY enables customers to address needs for economic benefits, product quality, product availability, or desire for customized products [21].
- **Product Quality**
IKEA focuses on environmentally friendly and resource-efficient product design. This includes using renewable and recycled materials, developing products that conserve water and energy, and ensuring the longevity and repairability of items [22]. IKEA is transitioning towards a circular business model, aiming to minimize waste and maximize resource utilization. This involves creating products designed for reuse, refurbishment, and recycling, as well as offering services to assist customers in recycling or returning old products for refurbishment. IKEA is dedicated to minimizing waste generation throughout its supply chain and operations. This includes efforts to reduce packaging waste and improve recycling processes [23].

E. Five Forces Model

The Five Forces Model by Porter offers several key advantages in company strategic analysis. Firstly, the model allows companies to understand the level of competition within their industry by identifying five primary forces: the threat of new entrants, supplier power, buyer power, the threat of substitute products, and rivalry among existing firms. By analyzing these forces, companies can evaluate their competitive position and identify opportunities and threats present in the market. Research indicates that the use of this model can assist companies in developing more effective and competitive strategies [24].

Secondly, customer engagement and feedback play a pivotal role in shaping digital transformation initiatives. Understanding customer needs, preferences, and pain points directly from their feedback enables companies to tailor their digital strategies to meet these demands effectively. For instance, a case study conducted by IKEA showcased how direct engagement with customers through digital channels led to the development and implementation of innovative solutions such as augmented reality (AR) applications. By soliciting feedback from customers during the early stages of development, IKEA was able to refine its digital offerings to align more closely with customer expectations, thereby enhancing the overall customer experience and driving digital transformation.

Furthermore, customer testimonials can provide invaluable insights into the impact of digital transformation on their experiences. For example, testimonials from customers who have interacted with the AR application can shed light on how the technology has influenced their purchasing decisions, improved their shopping experience, or provided added value to their interactions with the brand. Incorporating such testimonials into strategic analyses can lend credibility to the effectiveness of digital initiatives and highlight their direct impact on customer satisfaction and engagement.

In summary, while models like Porter's Five Forces offer valuable insights into industry dynamics, the integration of customer engagement and feedback is equally essential for driving successful digital transformation initiatives. By leveraging customer insights, companies can develop more customer-centric digital strategies, leading to enhanced competitiveness and profitability in the digital age [25].



Fig. 1. Porter's Five Forces.

F. New Strategies Adopted by Business Units in Facing Digital Transformation

Unit sales at IKEA focus on a traditional sales model that prioritizes providing ready-to-use furniture products. Customers can purchase products that are already assembled and ready for use without the need for self-assembly. This method is more common and similar to other conventional furniture retail approaches. The sales model also relies on in-store customer service to assist buyers in selecting products that meet their needs. Additionally, IKEA provides detailed product catalogs to facilitate customers in making purchase decisions. Unit sales heavily rely on store staff to explain products and assist customers during the purchasing process. However, this strategy has some drawbacks, such as higher logistics costs because products must be assembled and shipped in ready-to-use form, as well as a less interactive shopping experience compared to the DIY concept later adopted by IKEA. Transitioning to the DIY concept allows IKEA to reduce costs, increase customer engagement, and provide a more unique and personalized shopping experience. Before digital transformation, IKEA was known as a traditional physical retailer that relied on in-store shopping experiences and physical catalogs. This approach gave customers the opportunity to directly see and feel products before buying. However, with the advancement of digitalization, IKEA began to shift towards an omnichannel strategy that combines e-commerce with physical store experiences. This transformation includes the implementation of augmented reality, allowing customers to virtually try furniture in their own homes. In unit sales and the DIY concept, digital transformation enables IKEA to provide additional tools and resources to customers interested in designing and assembling their own furniture. Online applications and tools offer step-by-step guides, video tutorials, and design features, simplifying the creative process with IKEA products. This enhances customer engagement and reinforces their identity as creators and innovators in their living spaces [26].

G. Challenges IKEA Forces in Digital Transformation

IKEA's journey towards digital transformation, with a focal point on enhancing customer experience, presents several intricate challenges. One of the primary hurdles is ensuring the seamless integration of customer experience across various sales channels, both online and offline. This necessitates aligning various facets such as technology, data management, and operational processes, ensuring that every customer touchpoint delivers a consistent and gratifying experience. Additionally, IKEA must continually adapt to shifts in customer behavior and preferences, which are increasingly influenced by technological advancements in shopping habits.

To address these multifaceted challenges, IKEA has strategically embraced technologies like Augmented Reality (AR) and Virtual Reality (VR) to enrich the customer experience, both online and in-store. AR technology, for

instance, empowers customers to visualize how IKEA products would fit and appear in their homes, fostering greater confidence in their purchase decisions. On the other hand, VR offers customers an immersive experience within a virtual IKEA kitchen, allowing them to explore various design options and layouts. However, implementing AR and VR technologies presents its own set of technical and organizational hurdles for IKEA. Technically, ensuring the seamless integration of AR and VR applications with existing IT infrastructure and backend systems poses challenges. Additionally, optimizing these technologies for scalability and performance while maintaining a high level of user experience requires substantial technical expertise. Organizationally, IKEA must navigate through internal resistance to change and ensure buy-in from various stakeholders across departments. This involves fostering a culture of innovation and digital readiness throughout the organization, as well as providing adequate training and support for employees transitioning to new digital tools and processes.

Furthermore, IKEA continually focuses on refining and updating their website and mobile applications to enhance user-friendliness and accessibility, ensuring a seamless digital experience for customers [7]. The company also prioritizes the development of digital solutions to bolster internal operational efficiency, including initiatives such as warehouse automation and supply chain management [9]. By tackling these challenges head-on, IKEA can ensure that its products are readily available to customers whenever and wherever they are needed.

H. Recommendations for IKEA's Digital Transformation in the Future

To ensure IKEA's digital transformation focuses on sustainable and optimal customer experiences, IKEA needs to adopt and develop key technologies. Blockchain technology can significantly contribute to IKEA's digital transformation by enhancing sustainability and optimizing customer experiences. The decentralized nature of blockchain ensures transparent and secure transactions, strengthening trust between IKEA and its customers. This transparency can streamline the supply chain process, allowing customers to track the journey of products from manufacturing to delivery, ensuring authenticity and ethical sourcing [26].

To implement blockchain technology effectively, IKEA must address several challenges. First, integrating blockchain with existing systems requires significant investment in infrastructure and training. Ensuring interoperability between blockchain and IKEA's current technologies is crucial. Additionally, managing the scalability of blockchain to handle large volumes of transactions is a critical concern. Privacy issues also need to be addressed, as blockchain's transparency might conflict with the need to protect sensitive information.

Furthermore, the immutable nature of blockchain data enhances data security, protects sensitive customer information, and increases their trust in the IKEA digital platform [27]. However, this immutability also means that any incorrect data entered into the blockchain cannot be easily corrected, necessitating robust data verification processes. By leveraging this blockchain capability, IKEA can sustainably and optimally transform its digital infrastructure, providing customers with a smooth and trustworthy shopping experience.

In addition to blockchain, IKEA should consider further adoption of Artificial Intelligence (AI) to enhance customer interactions and operational efficiency. AI can provide personalized shopping experiences, predictive analytics for inventory management, and advanced customer service through chatbots and virtual assistants. Exploring other emerging technologies, such as the Internet of Things (IoT), can also benefit IKEA by enabling smart home integrations and improving the customer experience through connected products. By combining these technologies, IKEA can create a comprehensive and cutting-edge digital ecosystem that supports sustainability and customer satisfaction.

IV. CONCLUSION

IKEA's digital transformation has changed the company from a traditional furniture store to an omnichannel retailer that integrates online and offline experiences. This journey began with the launch of its website and online sales, then expanded to the use of technologies like AR and VR to enhance customer experience. IKEA has also invested in e-commerce, multi-channel fulfillment, and AI solutions to improve supply chain efficiency. Additionally, IKEA is committed to sustainability by implementing a circular business model, using renewable materials, and reducing waste. Despite the challenges posed by this digital transformation, such as integrating online and offline experiences, IKEA has successfully overcome them by leveraging technology and focusing on customer needs. Moving forward, IKEA needs to continue innovating by integrating technologies like blockchain to further enhance operational efficiency and customer experience.

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