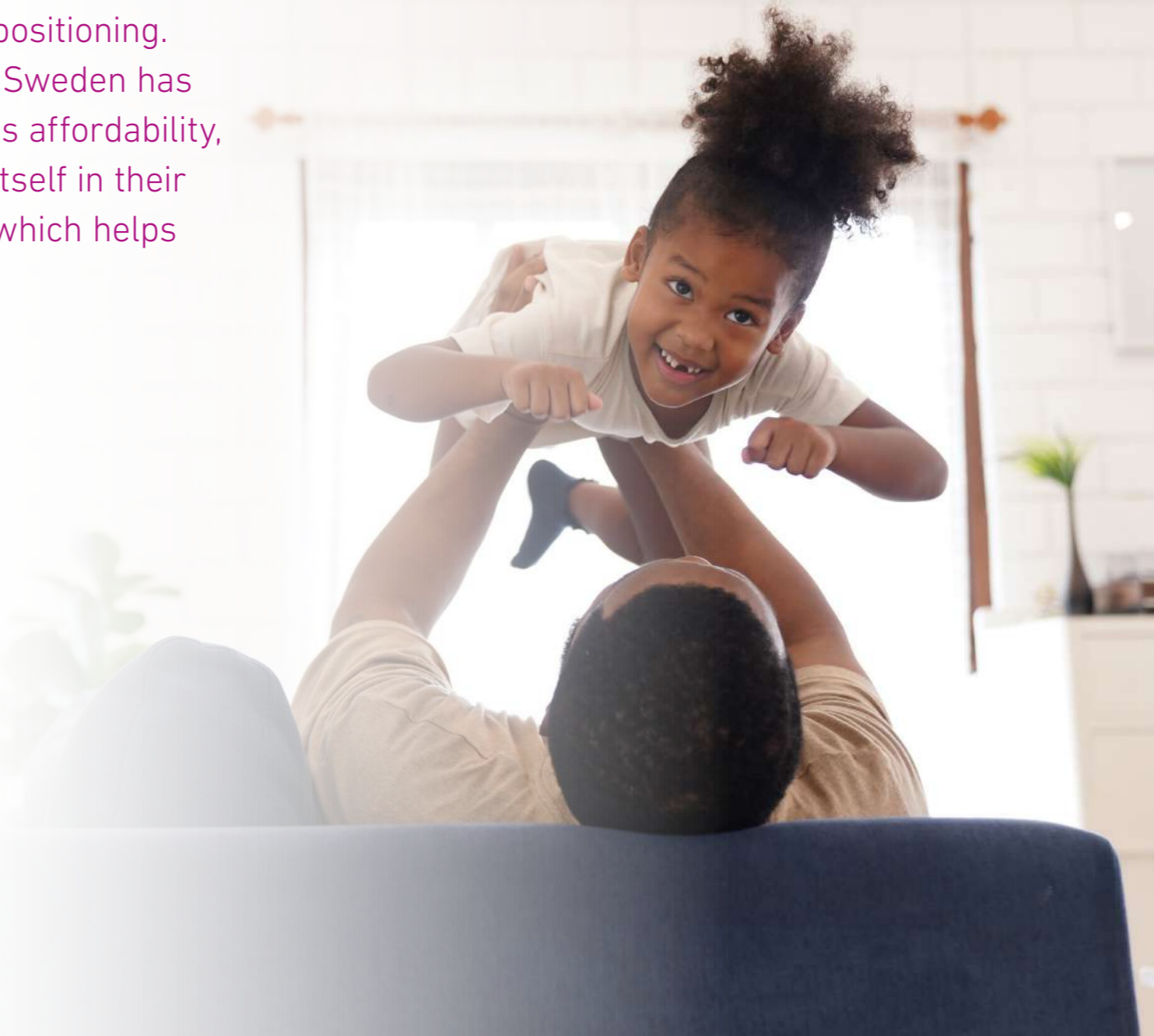


IKEA Australia

IKEA Australia embeds “vital”
Experian consumer segmentation
technology to power business,
marketing and store planning



IKEA reaches millions of hearts and homes all over the world with its well-renowned, flat-pack furniture and unique market positioning. What started as a modest mail order company in rural Sweden has now become a global home furnishing brand that brings affordability, design, and comfort. Their drive to succeed manifests itself in their early adoption, and mastery, of supporting technology which helps power their growth trajectory.



Situation

IKEA has been offering its unique range of furniture (and food) to Australians since the 1970s and now boasts ten stores and two 'Plan and order points'.

The brand has experienced excellent growth over the last 50 years, a key element of which has been their adoption of technology. However, prior to 2018 IKEA Australia had no formal consumer segmentation platform in place. Something they identified as a gap and challenge to future growth.

Over the last five years IKEA have focused heavily on ensuring they deliver a focussed and relevant experience for their customers, to increase share of wallet and brand loyalty.

The adoption of Experian's consumer classification tool, Mosaic, has therefore been critical in guiding business, marketing and store location strategy, while being described as "vital" to their strategic planning by senior leadership.





Challenge

IKEA Australia had no formal consumer classification or segmentation technology in place before 2018. This hampered the performance of basic marketing initiatives such as removing those less likely to purchase.

Any business or marketing planning activity that involved consumers, such as launching a new range or opening a new store, was a manual exercise with limited ability to analyse different consumer attributes. The limited data enrichment would've been particularly challenging, missing out on insights relating to customer behaviours, preferences, and demographics.

IKEA Australia knew back in 2018 that an enterprise-grade segmentation tool was required and have subsequently gone on to embed Experian's consumer classification platform, Mosaic, across many of their core business functions.

Solution

IKEA Australia purchased Experian's consumer classification platform, Mosaic.

Their development team in Sweden handled a lot of the implementation work which meant the team in Australia could focus on platform adoption and embedding the functionality across the business.

To date, Mosaic is used widely across the following business functions:



Business Strategy



Consumer Insights



Customer Engagement & Loyalty



CRM Operations

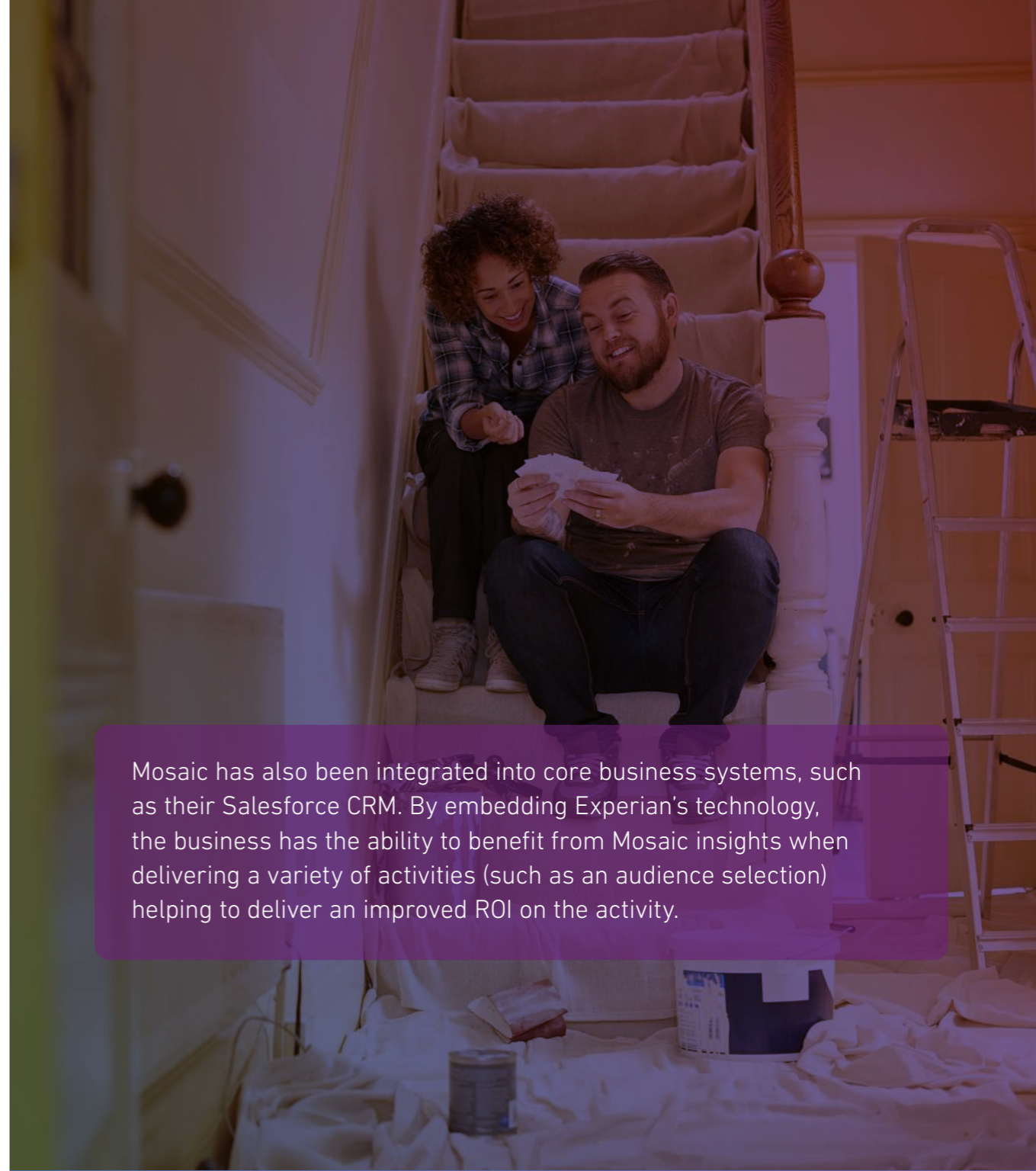


Marketing



Store Planning

Mosaic has also been integrated into core business systems, such as their Salesforce CRM. By embedding Experian's technology, the business has the ability to benefit from Mosaic insights when delivering a variety of activities (such as an audience selection) helping to deliver an improved ROI on the activity.



Below we have highlighted a few use cases of how IKEA Australia has benefited from Mosaic.



Business strategy

Consumer classification data from Experian's Mosaic is included in IKEA's strategic planning activity. They utilise data points such as, consumer demographics, spend behaviour, and sustainability preferences when making strategic decisions.



Campaign planning

Mosaic plays a "vital" role in IKEA Australia's marketing campaign activity. From helping to build custom audiences to refining messaging, data insights are leveraged from start to finish in the campaign planning cycle.

For example, IKEA launched a new gaming furniture range in 2022. IKEA knew that this appealed to a younger generation than their traditional furniture offerings. They also know that people do not tend to travel further than an hour to visit an IKEA store. Through the power of Mosaic, they were able to better identify likely gaming demographics, who potentially live within an hour of a store, with a likely propensity to purchase their goods. Thereby, greatly reducing their overall marketing expenditure.

Some key attributes of gamers were identified as;

- **Students and workers** in their 20's and 30's
- **Couples** and share houses
- **Renting** apartments and flats
- **Often** work in the CBD and do not drive
- **Multicultural**

Put simply in numbers;



2.3m

households matched the likely gaming classifications across Australia



744k

households who matched the gaming classifications were **already known** to IKEA Australia



1.6m

households new to IKEA were identified by Mosaic, part of which were a newly identified segment



Audience Identification

Thanks to Mosaic being integrated within Salesforce Marketing Cloud, audiences can now be built directly in Salesforce. The additional insight into households has meant that IKEA now see an **increase of 7%** in response when leveraging Mosaic insights.



Store Planning

IKEA Australia planned to open a new 'Plan and order point' point based in Australia, NSW. IKEA knew they wanted the store to be nearer the northern beaches region, and Mosaic was able to identify areas where IKEA's core target demographics were within a likely 20-minute drive. In June 2023, a new store opened in Belrose, NSW.

“

...the breadth of consumer insights delivered by Experian's Mosaic platform is a big help in identifying customer groups for future growth planning.”

**Kirsten Hasler, Head of Marketing at
IKEA Australia**



Results

The use of Mosaic within IKEA Australia has delivered considerable benefits to the Australian arm of the organisation over the last 5 years.

Not only has the tool been embedded widely across the business, supporting key strategic decision making, but it has helped tangibly boost IKEA's bottom line. For example, customers with Experian Mosaic assigned have an increased spend of 7% annually due to enablement of more relevant communications.

The feedback across the business has been extremely positive, with senior leaders describing the technology as "vital", and CRM specialists labelling the technology, "crucial to enabling us to build relevant email audiences."

Kirsten Hasler, Head of Marketing at IKEA Australia, said, "the breadth of consumer insights delivered by Experian's Mosaic platform is a big help in identifying customer groups for future growth planning."

And she added, "the team is loving the tool."

Experian is extremely proud of the impact Mosaic has made on IKEA Australia's planning activities. From strategic decision making, to building custom marketing audiences, and helping locate new stores, Mosaic has been a crucial aid to the business.

What's next

IKEA Australia will continue to further embed Mosaic across their business portfolio to aid future strategic decision making.

The continued use of Mosaic also helps to ensure that IKEA can focus on superior engagement and giving IKEA Family members choice in the rewards they choose.

Get in touch to find out how we can help your business

Understanding and communicating with the right consumers with the right message is critical for the growth and success of any organisation. Experian insight enables organisations have more meaningful interactions with relevant audiences, consistently, across a range of offline and digital marketing channels.

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