

IKEA HISTORY: HOW INGVAR KAMPRAD BUILT ONE OF THE LARGEST RETAIL CHAINS IN THE WORLD

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INGVAR KAMPRAD

- Furniture is an important part of creating home comfort, and it may seem strange that at the beginning of the 20th century, even in developed countries, many could not afford to buy it. Good furniture was quite expensive, and it could be bought by wealthy people, the rest were content with what they had or did with their own hands.
- Young Swedish entrepreneur Ingvar Kamprad, who became interested in the furniture business back in 1948, ran into such circumstances. Most likely, he could not even think that this idea would allow him to eventually create a world-famous brand with a turnover of more than \$ 30 billion.



IKEA AT THE BEGINNING

- By 17 years, Kamprad saved a good amount, after which he borrowed money from his father and opened his company. IKEA is an abbreviation composed of the first letters of the first and last name of the entrepreneur and the names of the farm and village where he grew up. It was 1943, war thundered all over the world, which, fortunately, hardly touched Sweden. At first, Ingvar established trade in essentials. The first model of work was the mailing list of goods. The young entrepreneur was forced to combine work and study at the Getterberg commercial school, in which, he says, he learned a lot.



EXPANDING BUSINESS

- In 1948, Kamprad was thinking about expanding his business. It dawned on him: furniture is what everyone uses in one way or another. The problem is that it was then quite expensive, and in order to make money, it was necessary to make this product publicly available. According to Ingvar himself, the final argument in favor of working in this direction was that his competitors also tried to do this. In the same year, IKEA is expanding: the head of the company, he is the only employee, desperate to work in so many directions on his own, finally hired the first employee. By 1950, the company had already employed four people.



IKEA FORMULA

- Kamprad spent all his time trying to find cheap furniture - at first it was a variety of small-scale production, which could not win a high price. Its competitors also tried to reduce the cost, but could not offer the same prices as IKEA. Over time, Ingvar's approach changed, and instead of selling furniture, he began to buy individual parts and assemble them in his own small factory, which further reduced prices. Then the famous Kamprad formula appeared - it is better to sell 600 chairs at a low price than 60 for big money.



IKEA AT THE MOMENT

- At the moment, IKEA is one of the largest brands in the world. The company's position in the international market looks almost unshakable. Throughout its history, IKEA has been able to withstand fierce competition, world crises and scandals. The ideology of the brand can serve as an excellent example of how to build a corporate culture.
- Without a doubt, its founder played a major role in the development of IKEA. After all, he was able to create a company from scratch that can withstand any changes. The acts of Ingvar Kamprad can serve as an excellent example of how to work to make your dream a reality.

