

The IKEA Effect

By Stan Pohmer



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Ever since I've owned a home, I've always had a home office. For many years it was used for personal/family stuff and a quiet place to do work I brought home from the office (when I worked for other companies).

But for the past 20 years, since I established my consultancy, my home office has been my main place

of conducting business (other than hotel rooms and airport lounges).

The design and furnishings of the office space have morphed over the years, much of it driven by the current (and ever-changing) technologies available at the time and the amount of space needed to store files.

Back in the "olden days," we had to deal with individual and oversized printers, fax machines, scanners and telephones, along with PC towers and clunky CRT computer monitors, all of which required massive amounts of floor, desktop and shelf space, and snaking wires connecting everything to power and each other.

And back in the Dark Ages, anything you wanted to save was in paper form and required a dedicated space to store it in — though I'm not quite the hoarder my wife sometimes accuses me of being, I do admit to maintaining a long history of correspondence and data,

much of which hasn't seen the light of day in many years.

The longer I occupied my home office, the more paper that accumulated, and the more shelving and file cabinets were required to house it, more often than not being mismatched furniture pieces of various designs, styles, colors and shapes.

Over time, the office evolved into controlled chaos and admittedly was becoming less efficient to work in.

Needing a Change

Now fast forward to more recent times, with major advances in technology and storage.

The PC tower and CRT monitors have been replaced by a 14-inch laptop with huge hard drives or even a tablet; all-in-one printers/scanners/fax machines with a minute footprint have replaced the individual components; landline phones have been replaced by VoIP technologies (e.g., Skype) and smartphones; and we now have an easy means of digitizing paper files and storing them in the cloud.

And let's not forget that enhanced web browsers and Siri have improved to such a degree that it's faster and more efficient to obtain information from them than it is to go through my own data files to look for the information.

With these advanced technologies, plus Bluetooth and wireless connectivity, the "old" office design is no longer required and it was time to evolve my home office to keep pace with these changes, improving both the aesthetics and my efficiency.

As with any project, the first step was to identify my needs and wants for a new office space:

- **Flexibility:** I wanted the option to move the office components around easily as the needs of the work evolved over time.

- **Personalization:** I wanted components that satisfied my needs specifically, not something that I had to adapt to fit my requirements and me.

- **More minimalist design:** I wanted something simple and functional, rather than the traditional heavy office design I had previously.

- **Efficiency:** I no longer needed the massive file spaces and component shelving, but needed more work space so I could have dedicated areas to work on multiple projects simultaneously.

- **Ergonomics:** I wanted the capability for a stand up laptop station and room to pace while thinking and talking on the phone.

As I started shopping, my frustration level rose ... traditional furniture stores only offered heavy furniture-style pieces, the office supply stores only sold pieces or sets that couldn't be personalized to my specific needs, and the commercial office furniture stores had the right products, but they were priced too high.

And then I happened upon IKEA ...

An Off-the-Radar Solution

IKEA's merchandising, both in-store and in their catalogs, displayed everything in vignettes, so one could readily visualize the products in their own office space.

You can create your own configurations by combining different sized/shaped components (e.g., different sized desk surfaces with corner pieces), and personalizing the leg designs, heights and colors.

Its design was focused on functional efficiency and flexibility.

One can assemble the whole office with a single tool (an Allen wrench). Based on their incredible packing and packaging, you can transport the entire office (12-by-10-foot corner desk unit, three-drawer file cabinet, two-shelf enclosed bookshelf and a four-drawer wheeled

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supply cabinet that fits under the desk) in the back of an SUV.

And with the superior benefits of what IKEA offered, price wasn't high on my decision tree (though it was more than competitive with my other options).

Yes, I would have to spend the time (6 hours total) putting it all together, but, having purchased their products before, I knew their directions were explicit and the project was definitely "doable."

The construction process went relatively smoothly, with only a few occasions when I was glad young children weren't within earshot.

And with the total transformation of my office complete, my self-pride in what I accomplished was off the chart awesome, and with each compliment I get from family, friends and clients, the perceived value of my investment and sweat equity increases exponentially.

The whole process ranked pretty high up on my happiness scale!

Sweat Equity

IKEA has built their entire business model on delivering the sense of satisfaction to customers that comes from the perceived competence

experienced when the item is constructed, resulting in future purchases.

This is validated by what research psychologists deem the IKEA Effect — a psychological phenomenon that explains how we come to love and value the things we put effort into.

It's recognition that people value something more if they put effort and labor into it.

We take more ownership in something we know that we have created.

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In fact, research by Michael I. Norton of Harvard Business School, Daniel Mochon of Yale University, and Dan Ariely of Duke University shows that people who assembled an item purchased at IKEA place a value on it greater than if it was purchased already assembled by a professional.

Start thinking in terms of how you can apply the IKEA Effect to your business.

What can you do to encourage your customers to think in terms of taking ownership for and completing a project in their yard and garden?

What kind of clear, concise instructions,

tools, podcasts, videos or how-to guides can you provide to help your customer create their own sense of successful accomplishment and satisfaction, so they build enough confidence to tackle the next yard and garden project?

One of the researchers commented that when a customer buys an unassembled piece of furniture (or plants), they are simply buying a bunch of your parts; but when they commit their sweat equity and labor of love in assembling (or planting) it and completing the project, they now have personal ownership for it ... along with the senses of accomplishment, competence and satisfaction that comes with the completion of it.

Their value perception of the product/project is enhanced, as is their personal self-worth ... a win-win.

And all of this breeds loyalty and future purchase potential.

There's a lot to be gained by you and your customer by helping them experience the joy and happiness of the IKEA Effect ... **LGR**

Stan Pohmer is president of Pohmer Consulting Group in Minnetonka, Minnesota. He can be reached at spohmer@pohmer-consulting.com or 612.605.8799.

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