

The miracle of Älmhult

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It started by piggybacking its deliveries on milk trucks, and was almost wiped out by a fire. Now it has 186 stores in 31 countries and has made its reclusive founder, Ingvar Kamprad, the world's richest man - while producing the beds on which 10% of Europeans were conceived. What is the secret of Ikea's success? And what exactly is a Mållen clip for? Oliver Burkeman travels to the heart of Kamprad's austere empire to find out

Flatpack furniture was invented by accident. It happened in Älmhult, a remote and snowbound farming town in the province of Småland in southern Sweden, in 1956, and the man who deserves the credit, or the blame, is Gillis Lundgren, a young draughtsman who had recently been hired by a local furniture dealer. Lundgren's subsequent achievements in life might seem more impressive - he went on to establish the design team that created a bookshelf named Billy, and a sofa called Klippan - but that day, he was standing beside a car with a colleague, peering into the boot, and realising that the bulky wooden table he held in his hands was never going to fit. At which point he uttered the 12 words that would come to transform a culture: "Oh God, then, let's pull off the legs and put them underneath."

Taking off the legs didn't only mean that the table would fit in the car. Flatpack, elevated to the status of an all-encompassing philosophy, began to work miracles. It eliminated the cost of shipping vast quantities of air whenever a product was sent from factory to shopfloor. Almost surreptitiously, it offloaded an expensive and time-consuming part of being a furniture salesman - actually putting the stuff together - on to the customer. It meant making home furnishing so cheap that the furniture dealer for whom Lundgren worked, a local farmer's son named Ingvar Kamprad, would arguably become the richest man in the world, relieving people in 31 countries of about £7.6bn each year.

Flatpack meant making things so cheap, in fact, that furniture, instead of accumulating emotional weight as it was passed down the generations, would come to seem transient and disposable - and that one recent soggy Saturday, in a seethingly crowded branch of Ikea at Brent Park, north London, a young couple would gaze at a Lack sidetable, and then, with fond exasperation, at each other, and have the following conversation:

"But it's only £8."

"But we don't need it."

"But it's only £8!"

"But we don't ... OK. Whatever. Whatever."

Cradle of the revolution

In springtime, the main road into Älmhult slices through snow-covered fields bathed in cleansing sunshine, past woodpiles arranged with characteristically Swedish precision. The town itself, according to an enthusiastic leaflet produced by the local council, offers "jazz, hunting and jitterbug activities". An odd place, all in all, for a revolution in domestic design - and odder still that Ikea's global empire is still run from an anonymous complex of buildings on the edge of town, down by the railway track, to which the Guardian was granted rare access. ("You have to stay grounded," Ikea's chief executive, Anders Dahlvig, says, explaining the decision not to move away. "You need your history.")

From this modest background, for more than 60 years, Ikea has gradually locked Europe, north America, Australia, and now Russia and China in its insistent embrace. Beginning with a single store in Älmhult, the company now operates 186 outlets, employing 76,000 employees - though that word is uniformly rejected within Ikea in favour of the term "co-workers". It is frequently observed that, for a broad demographic swathe of Britain, Ikea has designed our lives; it is almost as frequently noted that its customer service sucks, that the traffic jams outside its stores are intolerable, and its assembly instructions indecipherable. We love it and hate it, rely on it and satirise it, often simultaneously - as if it were not a shop at all, really, but something far more emotively substantial: a football team, or the Church of England, or the government.

Attempting to quantify Ikea's spread across the planet is an exercise that swiftly induces dizziness. Last year, 310 million people visited Ikea worldwide. On some Sundays in Britain, according to one estimate, almost twice as many people visit a branch as attend church; it has been calculated that 10% of Europeans currently alive were conceived in one of Ikea's beds. By the end of August, the company will have opened new stores, this year alone, in Amsterdam and Lisbon, in Moscow (the city's third Ikea) and in Kazan, the capital of the former Soviet republic of Tatarstan; in Seville, in Mannheim, in the Swedish city of Gothenburg, and in Naples; in Bloomington, Minneapolis; in Philadelphia, and in upstate New York. (The second Chinese Ikea, in Shanghai, opened last year; 80,000 people visited on the first day.) This brings the proportion of the globe currently covered in Ikea outlets to 3,979,600 square metres; the branch at Kungens Kurva in Stockholm, the world's biggest, occupies 55,200 square metres, making it about as big as eight Premiership football pitches. These figures refer only to retail space, and so do not include the 10,000,000 cubic metres of warehouse that the company owns in places such as Shah Alam in Malaysia, the Maryland town of Perryville, and Peterborough.

The gospel according to Ingvar

Ikea has approached its world domination project with a missionary zeal - and, as far as it is possible to tell, it takes the missionary part literally. In 1976, Kamprad crystallised his thinking in a hyperbolic tract entitled *The Testament of a Furniture Dealer*, setting out Ikea's "sacred concept", and waxing evangelical on the necessity of salvation. It was, he wrote, "our duty to expand ... Those who cannot or will not join us are to be pitied ... What we want to do, we can do and will do, together. A glorious future!"

The creepy sense that Ikea is something more than just an extremely successful capitalist enterprise - that to work for it is to work for some kind of cult, albeit a cult that worships untreated pine and Allen keys - doesn't take long to make itself felt in Älmhult. "When I came to Ikea, I felt like now I am a complete person," says Peter Keerberg, head of the workshop that produces the Ikea catalogue, his eyes shining. I've arrived just after 9am, in the middle of the fika, the precisely scheduled, twice-daily communal coffee break ubiquitous in Swedish workplaces. Many of the staff have been at work for two hours already. Keerberg cradles his coffee mug in both hands and surveys his stylishly dressed employees paternally. "We have an ambition to make a better life for the many people," he says, giving the strong impression that he really, really means it, but also that this is not necessarily a cause for comfort.

More than 130 million copies of the Ikea catalogue were printed and distributed last year, which is rather more than the Bible. It is the company's chief propaganda weapon, holding out the intoxicating promise that your dowdy home can be transformed into a paradise of Swedish orderliness merely by the addition of an Ingo table here, an Oddvar stool there, and maybe a Klackbo easy-chair over by the hearth, just next to the two cute Scandinavian kids in snowboots playing a board game.

But it is a promise that can never be fully realised. You discover why fairly quickly once you get inside the catalogue studios in Älmhult, a massive space resembling a movie set where around 40 technicians are busy lowering fake pieces of ceiling and wall into place to create rooms for photo-shoots, painting backdrops of snow-covered hills on pieces of muslin to hang behind fake windows. Karin Lundberg, a producer on the catalogue, prowls the studios checking up on the set designers. "The kitchen must be full of joy!" she declares at one point, though she isn't smiling.

This is when it dawns: of course a piece of Ikea furniture is going to look great when the entire room around it has been constructed solely with the aim of making it look great. Just next to the studios, there are whole rooms filled with props to enhance this effect: thousands of entirely green books, entirely red books and entirely blue books - so that even the bookshelves match perfectly with the rugs and the covers of the sofa-beds.

Morality and meatballs

Like at least one other major world religion, Ikea began in a shed. It was 2 square metres, of the kind that might have been used for storing milk churns, and the young Kamprad commandeered it as a base for his nascent mail-order business, delivering matches and cigarette lighters and nylon stockings to the residents of Småland. To save money, he piggybacked his packages on the trucks that delivered the milk. Even today, Småland is a rocky, windswept, hardscrabble place, breeding in its inhabitants an austerity and make-do attitude that Ikea has simply made global: during the 1990s, the company is said to have marketed one line of picture-frames made entirely out of rubber offcuts from a Volvo factory.

A second preoccupation - with the moral value of hard work - seems to have preyed on Kamprad from his youth. This obsession features prominently in the company's founding myth, a bizarre story that many Älmhult employees can recite by heart, and

which was retold in a recent issue of the company's internal newsletter, *Readme*. The setting is Kamprad's father's farm, called *Elmtaryd*, in the parish of *Agunnaryd* - the "E" and the "A" that follow Kamprad's own initials in the name "Ikea" - and the tone, typically for the firm's corporate communications, is that of a children's moral fable.

"As a youngster," it begins, "Ingvar Kamprad was always reluctant to drag himself out of bed in the morning to milk the cows on his father's farm in the Swedish province of *Småland*. 'You sleepy head! You'll never make anything of yourself!' his father would say. Then, one birthday, Ingvar got an alarm clock. 'Now, by jiminy, I'm going to start a new life,' he determined, setting the alarm for twenty to six and removing the 'off' button."

By the time Kamprad wrote *The Testament of a Furniture Dealer*, his vision had grown more precise, more evangelical, and, you might argue, a fair bit more anally retentive. "You can do so much in 10 minutes' time," he declared. "10 minutes, once gone, are gone for good ... Divide your life into 10-minute units, and sacrifice as few of them as possible in meaningless activity." (This self-improving ethos pervades the company. In the middle of one interview, in an open-plan office, everyone suddenly gathered in the middle of the room and started stretching. My interviewee glanced at her watch. "It is 3.30pm," she announced. "There will now be a short gymnastics.")

Over noodles at Ikea's staff restaurant, I ask one designer whether everyone at the company is really as energetic and hardworking as they seem. Isn't anyone lazy? "Of course there are lazy people," she says. "There are lazy people everywhere. But they're not..." She pauses, as if seeking the correct word in English. In fact, she's wondering whether what she is about to say will cause offence. "They're not Swedish," she says at last.

Kamprad, now 78, has long since ceded day-to-day control of the firm to others, but his obsessive personality, and his zealous frugality, have seeped into every corner of Ikea. Famously, even senior executives travel around Europe on budget airlines such as *Easyjet*, and always stay, they insist, in cut-price hotels. They recall with approval the rumour that Kamprad himself never takes a fizzy drink from a hotel minibar without also visiting a nearby supermarket, so as to replace it as cheaply as possible.

"Money that is spent unneeded is a disease," says Göran Nilsson, until recently Ikea's UK managing director, when I meet him at the company's pristine new distribution centre in Peterborough. "If I went to a hotel, and they made me pay for something that I would never make use of, and then I had to pay the bill ... Well, then I would have a mental conflict."

Ikea's moral crusade extends uncompromisingly to the customer. Whether you like it or not, it intends to teach you the value of good, honest, simple hard work. Self-assembly, viewed from this perspective, is more than a cost-cutting measure: it's a tool of evangelism, designed to make you sweat for your own edification. (And if all the pieces aren't in the box when you get it home, a cynic might add, well, then, the challenge is simply the greater.) "Why should I clear my own table?" a sign in Ikea's British restaurants used to ask, in the tones of a surly child. The answer given underneath was about keeping costs down, but it was hard not to sense something

more insistent and moralistic at work. "Ikea is somewhere that you can't go with both hands in your pockets," Nilsson says. "You have to be active."

The Ikea path to self-fulfilment is not, really, a matter of choice. "They have subtle techniques for encouraging compliance," argues Joe Kerr, head of the department of critical and historical studies at the Royal College of Art. "And in following them you become evangelists for Ikea. If you look at [police] interrogation techniques, for example, you see that one of the ways you break somebody's will is to get them to speak in your language. Once you've gone to a shop and asked for an Egg McMuffin, or a skinny grande latte, or a piece of Ikea furniture with a ludicrous name, you're putty in their hands." Kerr is one of a strident battalion of Ikea critics for whom our compliance with the company's aesthetic is a uniformly bad thing. "People say, well, surely they've raised the standard of design in dull British homes," he says. "But I think they've reduced acceptable standards at the other end. People who might have been slightly more ambitious or critical about their furniture end up accepting something that looks half-modern and OK ... It may be better than the worst, but it's worse than the best."

Only with extreme difficulty can you pick your own route around an Ikea store, breaking free of the glacial flow of customers to take a limited number of predetermined shortcuts between departments. In other shops, you can head directly for what you want; at Ikea, you must see it all. This principle is fiercely enforced, as has become clear during the battle the company has fought for years now with John Prescott, the deputy prime minister. Ikea wants to build more and more stores on massive out-of-town sites, but when Prescott suggested that they split up their operations - opening smaller high-street shops selling only lighting, for example, or only kitchens - executives practically yowled their objections. Did the deputy PM not realise that Ikea had an inviolable sacred concept? Splitting up the stores "will never, ever happen!" Nilsson said. "Never ever. Our vision is a better everyday life for the many people. And it is the whole life. It cannot be separated."

There was one final, somewhat incongruous plank to Kamprad's philosophy: an insistence that it was fine to make errors. "Only those who are asleep make no mistakes," Kamprad wrote in 1976. "Making mistakes is the privilege of the active ... It is always the mediocre people who are negative, who spend their time proving that they were not wrong." On occasion, this approach can be charming: Kamprad has been known to write letters to every staff member individually, apologising for missteps - a missed target here, a wrongly modified product line there. Rivals have smirked. But much later, in the 1990s, when news of Kamprad's youthful political affiliations began to leak to the Swedish press, the argument that making mistakes was acceptable would turn out to be all that stood between Ikea and disaster.

A magazine clip and the art of creating need

"There is a system," Maria Vinka, one of Ikea's 11 in-house product designers, is saying, wedged into an easy chair in Älmhult's own branch of Ikea, as she attempts to explain the fiendishly complex logic by which the company names its products. "For bathrooms, it's Norwegian lakes. Kitchens are boys, and bedrooms are girls. For beds, it's Swedish cities. There's a lady who sits there and comes up with new names, making sure there isn't a name that means something really ugly in another

language. But it doesn't always work. We gave a bed a name that means 'good lay' in German."

Vinka, a pink-lipsticked 31-year-old, is a relative newcomer to Älmhult - she hasn't yet achieved the celebrity status that attaches within Sweden to some of Ikea's veteran designers - and she still can't get over the fact that her own designs keep cropping up on television shows. "We have a programme, Fame Factory - it's like Popstars - and they have only Ikea products. It's like, 'There's one from Bathrooms!' That's so cool!" She gestures towards a display rack carrying a range of rubber bathroom products she has designed - a soapdish, a toothbrush holder, and an inexplicable metal clip attached to a small orange rubber ring, which has no immediately obvious purpose. "This range is called Mållen," she says. "I think it must be a lake in Norway."

The Mållen clip doesn't look like much, and yet it represents, in microcosm, a vital Ikea strategy: the way the company decides what you need before you've even realised you might need it. The clip, Vinka explains, is for hanging up magazines in your bathroom: you attach a magazine to the metal clip, then hang the rubber ring over a towel hook. "This is one of the articles that is selling most in the Mållen range today," she says. "You don't want your magazines on the floor, do you? They'd get dirty and wet."

It had never occurred to you, presumably, that you might want to hang up magazines in your bathroom. But Ikea had already decided that you would. And the brilliant but scary part is this: once you've seen a row of magazines hanging up in one of Ikea's showroom bathrooms, each neatly suspended at 45 degrees from a Mållen clip, it takes a will of steel not to find the magazines in your own bathroom, now you come to think of it, almost offensively disorganised. And so you think about purchasing the Mållen clip. At which point another Ikea sales tactic kicks in: the clips only cost 90p for three - so cheap that it's hardly worth not buying them, just in case, especially if you've travelled a long way to get to the store. (In internal documents, Ikea calls such products "hot dogs", because they cost the same as or less than the frankfurters available after the checkout.)

You did not, in other words, come into the store with a need that you wanted to satisfy: you came in, and then you got both your need and the means of satisfying it handed to you simultaneously. You came looking for a sofa, say, but you came out with a sofa and a trolleyfull of impulse buys. Theodor Adorno, the eminent German social theorist, called this "retroactive need" - and it was, he argued, a key means by which capitalism perpetuated itself, while shoring up the illusion that what was being offered was individualised choice. He despised it: he thought it was a tool of subjugation and exploitation. Mind you, the magazines in his bathroom were probably really messy.

Because it so often decides what you're going to need in advance, Ikea does much less market research than many companies, and some strange things have happened as a result. Shortly after the company opened its first north American outlet, in Vancouver in 1976, employees noticed that an inexplicably large number of vases were being sold - so many that they could barely keep up the supply. Eventually they deigned to ask their customers why; it turned out that they found Ikea's European-style glasses too small to drink from.

In praise of problems

The strangest thing about Ikea's eventual dominance of the globe is that things started going disastrously wrong almost from the start. In 1965, the company opened its first Stockholm shop, a 32,000 square metre space barely smaller than any Ikea outlet today, and ludicrously huge by the standards of the time. To mark the occasion, Kamprad erected two Ikea signs on the facade, one in neon, and one that swung in the breeze. Five years later, a gust of wind caught the swinging sign, sending it smashing into the neon light; within hours, the entire store had burned down, taking with it much of Ikea's potential turnover for the year.

But the blaze only compounded a problem that had been dogging Kamprad from the beginning, which was that Sweden's furniture dealers, incensed at the way he was undercutting their prices, had started imposing boycotts on suppliers who dared to do business with him. Ikea responded by developing a covert network to obtain wood and fabric. "The suppliers would deliver in the nighttime so that nobody would recognise that their trucks had been here," says Lars Göran Petersson, an avuncular, woolly-jumpered 34-year veteran of Ikea, and a close friend of Kamprad's, as we tour the company's private museum, an underground shrine to the founder's achievements.

Eventually, the secret supply system proved insufficient, so Kamprad travelled to Poland, buying up wood, as well as developing a taste for the vodka that would turn him into an alcoholic. (The condition, he has let it be known, is under control, rather than eliminated.) "We had the problems in Sweden, so we went to Poland," Petersson says. "This," he adds, in worshipful tones, "is how Ingvar transformed problems into possibility. I sometimes have to ask myself, what if Ikea hadn't had the problems in Sweden? Even today, Ingvar is really worried when we have too few problems."

Stung by his hostile reception in Sweden, and obsessively aware of the risks his new company faced, Kamprad set about creating a business structure of arcane complexity and secrecy. Today, therefore, The Ikea Group is ultimately owned by the Stichting Ingka Foundation, a charitable trust based in the Netherlands. A separate company, Inter Ikea Systems, owns Ikea's intellectual property - its concept, its trademark, its product designs. In a labyrinthine arrangement, Inter Ikea Systems then makes franchise deals with The Ikea Group, allowing it to manufacture and sell products. "The big question is who owns Inter Ikea Systems," says Stellan Björk, a Swedish journalist, who in 1998 wrote a book, never translated into English, detailing the extraordinary opacity of the company's organisation and the extent of its tax avoidance. The answer to Björk's question seems to be that no one knows. "It seems to be owned by various foundations and offshore trusts," Björk says - some based in the Caribbean - "through which the family controls it." The motivation behind all this mystery, the company insists, "was to prevent Ikea being split up after his [Kamprad's] death [and] to ensure the long term survival of Ikea and its co-workers."

When Björk's book was published, he recalls, his publisher sent Ikea a press release that found its way to a meeting of the company's senior executives, which was taking place in London. "I thought it would be quite controversial, and they would be annoyed," Björk says. "But what I heard was that it ended up with Kamprad, and he is

supposed to have said: 'Oh! Do we pay that much tax? We must change it!'" ("We have not heard the story," the company responds, adding that, "wanting to lower the tax that Ikea pays underlines Ingvar's commitment to continually aiming to lower prices so the customer benefits.")

There seems little chance of more transparency any time soon. Kamprad has made the continuation of his ethos almost inevitable by placing his three sons, Peter, Jonas, and Mathias, in key positions around the empire, ready for the succession. Ikea executives fiercely denied reports that this was a King Lear exercise, testing each son's readiness to inherit his father's crown.

The secrecy surrounding the firm meant it was impossible to substantiate claims made last month that Kamprad's wealth has exceeded Bill Gates', making him the richest person in the world, with a reported personal fortune of £32bn. Kamprad isn't saying: he refuses requests for interviews, and now lives as a semi-recluse, with his second wife Mar garetha, in Lausanne, Switzerland, again, apparently, for tax purposes. ("Put it this way," one Ikea employee told me, "it's not because he likes the Alps.") On the subject of Kamprad's wealth, Anders Dahlvig, Ikea's chief executive, says curtly: "We don't encourage this kind of speculation. The question is how much money would Ingvar Kamprad have if he sold the company. But it is the trust that owns the company. So he's not going to."

The skeleton in the cupboard

Kamprad's love of secrets, though, extended beyond the structure of his company. He had, it emerged, been keeping another one - a secret that would constitute such a disaster, when revealed, that fires and trade boycotts would pale by comparison. The crisis began on October 21 1994, when Pelle Tagesson, a journalist from the Swedish newspaper Expressen, rang Ikea's head office demanding an interview with the boss. According to *Leading By Design*, an authorised and sometimes surreally hagiographical biography of Kamprad written in 1998 by Bertil Torekull, Tagesson refused, at first, to say why. Ikea personnel pressed him. "If I say Engdahl," Tagesson eventually volunteered, "perhaps that's enough."

It was. The man in question, Per Engdahl, is described by Torekull as a "highly gifted, ideologically flawed, but clever literary academic". But he was also the openly pro-Nazi leader of the quasi-fascist Neo-Swedish movement, with which Kamprad, it was now revealed, had been associated for nine years between the ages of 16 and 25. The two men had forged a friendship that grew close enough for Engdahl to attend the wedding of Kamprad to his first wife, Kerstin, in 1950.

As Kamprad soon admitted, his contacts with the Neo-Swedes followed an earlier flirtation with the ravings of Sven Olov Lindholm, a man he subsequently described as "a genuine Nazi, Sweden's crude führer with his 'Heil Hitler' salutes, shoulder straps, and all that. If you liked him, you were a Nazi." Kamprad may even have been a full member of Lindholm's Nordic Youth, Sweden's equivalent of the Hitler Youth, though he says he cannot remember.

For Ikea, this was about as devastating a public relations disaster as it was possible to imagine. The story refused to fade, and Ikea's senior executives spent days in crisis meetings, an episode Torekull relates with characteristic sympathy: "[Kamprad] provided an image of his determination to resist, to overcome. Actually, this was a specialty of his . . . Problems make possibilities . . ."

Fortunately for Kamprad, *The Testament of a Furniture Dealer*, with its doctrine that getting things wrong was acceptable, even laudable, seemed tailor-made for this moment. His early involvement in nazism, he said simply, had been an error. "You have been young yourself," he wrote in a letter that he sent to every employee. "And perhaps you find some thing in your youth you now, so long afterward, think was ridiculous and stupid. In that case, you will understand me better." On the whole, the contrition worked, aided by the revelation that Kamprad's father and grandmother had been enthusiastic supporters of Hitler, contributing to a childhood atmosphere that might have been somewhat beyond his control. The strategy definitely worked within the company, according to Torekull's melodramatic account. Several hundred staff members signed a letter of support and faxed it to Kamprad's office. "INGVAR," it read, "WE ARE HERE WHENEVER YOU NEED US. THE IKEA FAMILY." "Then," writes Torekull, "the father of the family broke down and wept like a child."

Perhaps the most extraordinary aspect of the affair, though, came several days after the initial revelations, when a Swedish tabloid claimed that Ikea had itself been established using Nazi money. The allegation was never substantiated, but Kamprad's response was extraordinary: it didn't seem to be the Nazi part that had offended him the most. "They could have accused me of murder," he exploded, according to Torekull, "but not of borrowing money!"

The whole subject is still raw in Älmhult, and when I ask Petersson about it over coffee, he puts down his mug, and his face clouds over. "How long should he suffer for these 50-years-ago happenings?" he asks softly. "Is it a lifetime penalty? Is it 50 years? A hundred years? How long? How long?"

Design for the masses

Faced with this litany of self-inflicted damage and misfortune, it can seem hard to fathom how Ikea survived at all, never mind prospered. Part of the answer was lucky timing. The other was an almost paranoid dedication to protecting the fruits of that luck - a mindset that was part ruthless capitalist, part indefatigable Småland farmer, constantly worried that next year's harvest might fail.

It was Kamprad's extreme good fortune to start his mail-order firm just as modernist design was taking Europe's elites by storm. If you want to sell style to the masses, it helps if it's a clean, practical style. It helps if you can mass-produce it cheaply out of a plentiful local material - in Ikea's case, timber - and it helps immeasurably if it's the kind of stripped-down style that customers can assemble on their living-room floors. The high priests of modernist design preached a democratic ethos; in reality, they never got much further than the upper-middle classes. Kamprad took their rhetoric and made it literal, as the opening line of *The Testament of a Furniture Dealer* makes plain. "We have decided once and for all to side with the many," it reads.

Britain was especially ripe for a revolution. When it came to home furnishings, most of the country was deeply conservative; the elites, meanwhile, were trapped in a timewarp of rustic hedonism inspired by the arts-and-crafts movement. "The wealthy bohemians who would actually buy expensive furniture were still running around Chipping Campden wearing sackcloth and indulging in group sex," says Alice Rawsthorn, director of London's Design Museum. Scandinavian modernism offered a compromise - a safe, woody, ruralised version of the severe straight lines of European modernism. By 1964, Habitat was selling this look to some of the masses, but only an upmarket slice; by 1987, when Ikea opened its first British store, in Warrington, Habitat had grown lazy, and the market was wide open. "Don't forget," one designer says, "it was known as Shabitat." Nobody else even seemed to be trying. Ikea, says the leading retail analyst Steve Gotham, from the research company Verdict, "benefited from a lot of heads in the sand. It just had no direct rival." The company dug in. By 1996 - the year the first episode of *Changing Rooms* was broadcast, and therefore, one might argue, a landmark in the commodification of interior design - it had seven UK outlets. Today, there are 12; 20 more are planned. Oh, and Ikea owns Habitat.

Ikea's prices, Kamprad decreed, should be literally "breathtaking", and the company works aggressively to ensure customers continue to react that way. Though they don't talk about it in public, executives pursue a policy of developing what Ikea bluntly calls "back-off products": if a competitor launches a similar item at a lower price, Ikea will rush out a second version, stripped-down and even cheaper, squeezing their rivals from above and below simultaneously.

This, you might expect, would mean that Ikea's profits on individual items would be tiny, and growing tinier - that it would make money only by the sheer number of tiny profits recouped daily. In fact, its profit margins are huge. Between 17% and 18% of the price of the average Ikea product is pure profit, a figure so high that it leaves even seasoned experts such as Gotham awestruck. "It's phenomenal," he says. "Phenomenal." Many rival firms operate on single-figure margins; a lucrative supermarket chain such as Tesco is lucky to get 6%.

The big question, Gotham says, is whether Ikea can use the bulldozer of its sheer scale to survive a string of serious new challenges: an ageing population with maturing tastes; a rash of Ikea-esque designs from, of all places, Argos; and the news that the former Habitat chief, Martin Toogood, plans to open several huge UK branches of Ikea's upmarket Danish rival, Ilva. One abiding mystery is how a multinational this explosively successful came to avoid the anti-corporate outrage showered upon the likes of Starbucks and McDonald's. That fate might seem especially likely in Ikea's case, given the environmental consequences of its expansion: the company prides itself on its green credentials, but opponents point out that even the best forestry policies aren't much use if the products you manufacture have to be replaced far more frequently. And yet Ikea has never really become a target of antiglobalisation activists. A child labour scandal among some of its rug suppliers in 1990s was quickly addressed with an admission of guilt and strenuous new guidelines. (Two bombs in Dutch stores in 2002, initially linked to such protests, seem to have been part of a blackmail plot.)

The longevity of Ikea's cuddly public image may owe much to the way it deploys self-deprecating wit to its own advantage. Two years ago, it recruited Spike Jonze, the youthful director of *Being John Malkovich*, to craft an advertisement for the US that crystallised the company's doctrine of self-improvement and the disposability of furniture. At the start of the ad, an old lamp is hauled out of an apartment and dumped on the sidewalk, while its former owner retreats inside to enjoy the warm glow of a replacement model. The wind blows; darkness falls; the rain hammers down. The abandoned lamp begins to look heartrendingly forlorn. Then a Swedish man appears from nowhere and addresses the camera. "Many of you feel bad for this lamp," he says sternly. "That is because you are crazy. It has no feelings. And the new one is much better."

The warehouse king

It probably doesn't say much for our priorities, but it remains the case that Britain's main beef with Ikea has never been the owner's flirtations with nazism, or, for that matter, the allegations of exploitative labour practices. Instead, it's the customer service. Boxes of flatpack furniture come with bolts and screws missing, we complain; the company is a regular fixture on newspaper consumer pages and their television equivalents. Also, we complain, the assembly instructions confuse us - an objection met with bafflement in Älmhult, where Marja-Liisa Kröger, the grandmotherly figure with a leading role in the instruction-design department, seems revered by her colleagues.

In any case, the criticism runs, we'll never get to see the instructions or find out if the bolts are all there, because the item, when we reach the self-serve warehouse at the end of our store journey, will be out of stock. For that, you can blame Peter Olofsson. A ruddy, amiable 37-year-old, born and bred in Älmhult, Olofsson is Ikea's distribution manager for northern Europe. His headquarters, a 180,000 cubic metre warehouse on the edge of Älmhult, is so big that it almost defies description, and so completely automated that an unsettling atmosphere of abandonment pervades it. Olofsson leads the way through the front door, down a spiral staircase into a dimly lit, low-ceilinged underground space, in which furniture rumbles in every direction over a network of interlocking rollers that slide back and forth, creating temporary conveyor belts that disperse and hurry off elsewhere when their job is done. Humans are second-class citizens, forced to wait for furniture to travel past before crossing its path.

"It's quite a thrill," Olofsson says, as we wait for a troop of Faktum wardrobes to shuffle past towards the "automated warehouse", a dark chasm with 25m-high ceilings, where a battalion of unmanned cranes swoop and twirl balletically, silently whisking boxes on to shelves for storage.

Ikea owns 27 distribution centres like this across the globe, cavernous warehouses where flatpack boxes make their only stop between supplier and store. The system is designed to operate with mathematical precision to shave away at costs. When a Faktum wardrobe is bought at Brent Park, the cash till registers the purchase; the purchases add up until they trigger a warning that stocks are running low; and the message is passed electronically up the line to the nearest distribution centre, from

where more can be dispatched. There is no waste of time, effort, or money. The system is perfect.

Except, of course, that it isn't - or at least it wasn't the last time I tried to buy a Lycksele sofa. Ironically for a company so committed to tolerating mistakes, Ikea appears to have automated Kamprad's ethic of frugality to such a degree that the tiniest human error now cascades through the system, magnifying itself and sparking havoc. A shopfloor worker at Brent Park forgets to mark down that a box has been damaged and thrown out; the automatic trigger is never sent; a shipment of several hundred boxes remains undispached from the warehouse - and an angry customer ends up driving back home along London's North Circular, cursing Ikea bitterly once more.

But if missing boxes and poor customer service explain the hate part of our love/hate relationship with Ikea, the love part, though real, remains much harder to pin down. Besides, after several days in Älmhult, I'm wondering whether I haven't missed the point. Reading Kamprad's quasi-religious writings, watching the glowing faces of zealous Ikea co-workers, one overriding fact becomes clear. True, you can love Ikea or hate it; you may feel both things at once. What is certain, though, is that Ikea loves you. This love is not unconditional - you're going to have to work for it, primarily by assembling furniture. But Ikea really does love you, with an intensity that can be unsettling. And it has big plans for your future together.

A nice cult

On my last day in Älmhult, I attend one of the seminars Ikea regularly organises to educate new employees from abroad in the company philosophy. Fifteen people - from India, Spain, Italy and Britain, among others - view a slide presentation extolling the merits of Cost Awareness, Humbleness And Will Power, and Striving To Meet Reality. We watch a video, in which expat employees note the eccentricities of Sweden ("You have to eat a lot of strawberries"; "The only music is national dance music and folk-rock"). We're shown photographs of Småland when Kamprad was a boy, and are asked to comment. "We can see from this," offers Vineet Kumar, a product manager from New Delhi, "that it was the hardness of the land that made Ingvar Kamprad grow up to be so humble and determined." The rest of the group sighs its approval.

Afterwards, as the participants mill around enthusiastically discussing the seminar, a British product developer who has been in attendance wanders over. She has long experience in the British home furnishing world - she worked for many years at Habitat, and at Heal's. But her friends in the industry, she reports, raised their eyebrows when she told them she would be joining Ikea.

"They said, 'You do realise you'll be joining a cult, don't you?'" She smiles wryly. "They were right. It is a cult. But a nice cult."