



**Ingka Group**  
(Ingka Holding B.V. and its controlled entities)

**April 03, 2019**

## **IKEA will test furniture leasing in 30 markets during 2020**

**Ingka Group<sup>1</sup> (Ingka Holding B.V. and its controlled entities), will test leasing offers to support customers to acquire, care for and pass on IKEA products in more sustainable ways. This is a response to consumer research exploring how to meet customers' needs in ways that contribute to a circular economy.**

In line with the IKEA ambition to become a circular and climate positive\* business by 2030, as well as its accelerating transformation, the business is running initiatives designed to support the move towards a circular business model. For example, in 2018, 8.7 million IKEA products were re-packed to be re-sold instead of going to waste and over 1 million orders of spare parts were handled to help repair products for a longer life.

"Our future success will lie in our ability to reshape and improve our business model in all aspects. Testing out opportunities for leasing offers is one of the ways we are challenging ourselves to deliver on our transformation strategy, and become a more affordable, accessible and sustainable business. Climate change and unsustainable consumption are among the biggest challenges we face in society - business development like this shows how we are working hard to deliver to our vision to create a better everyday life for the many people," says Jesper Brodin, CEO, Ingka Group.

Ingka Group has done consumer research\*, listening to people's views on sustainable living and exploring how belongings come into the home, live in the home and how they are passed on. Explorations and tests are initiated in the Netherlands, Sweden, Switzerland and Poland. More than only a financing approach, the aim is to develop subscription-based leasing offers that enable the company to maintain ownership of the product to secure reuse as many times as possible before material and component recycling at the end of life.

"We know from our research that people's behaviour and relationship to things are changing – as small space living becomes more common, and people are becoming more conscious of their impact on the planet, they want to be less wasteful and are looking for help to prolong the life of their belongings. This is a huge opportunity for us to bring together our life at home knowledge and commitment to sustainable living in a way that is highly relevant for many customers around the world", says Pia Heidenmark Cook, Chief Sustainability Officer, Ingka Group.

"The tests will help us to build on what we have learned from listening to customer needs and experiences across several markets. We believe they will unlock potential for new customer offers and sustainable growth," she says.

*The announcement was made at a special sustainability event at **IKEA Kaarst in Germany, called ONE HOME, ONE PLANET**, a two day co-creation event, with over 100 sustainable leaders, NGOs and business partners from many different parts of society working together to help develop, shape and find solutions to help to make a positive impact for customers, communities, co-workers and the planet.*

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<sup>1</sup> A strategic partner in the IKEA franchise system and operating IKEA retail in 30 markets. The name Ingka is based on its founder's name, **Ingvar Kamprad**.

### **About the Ingka Group**

Ingka Group (Ingka Holding B.V. and its controlled entities) is one of 11 different groups of companies that own and operate IKEA sales channels under franchise agreements with Inter IKEA Systems B.V. Ingka Group has three business areas: IKEA Retail, Ingka Investments and Ingka Centres. *Ingka Group, formerly IKEA Group, is a strategic partner in the IKEA franchise system, owning and operating 367 IKEA stores and digital touchpoints in 30 markets, with 160 000 co-workers. These IKEA stores had 830 million visits last year and 2.35 billion visits www.IKEA.com. The name Ingka is based on its founder's name, Ingvar Kamprad.*



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**Read more about Ingka Group's** sustainability performance and commitments in the Annual & Sustainability Summary report: <https://www.ingka.com/about-us/annual-and-sustainability-summary-reports/>

**Read more about sustainability performance across the IKEA value chain and franchise system** in the IKEA Sustainability Report FY18: <https://newsroom.inter.ikea.com/publications>

*\* Climate positive means to reduce more greenhouse gas emissions than the IKEA value chain emits.*

*To become a circular business by 2030, IKEA has set several targets across the value chain:*

- *All IKEA products will be made from renewable and recycled materials by 2030*
- *All IKEA products will be circular – designed in line with circular design principles to be re-used, repaired, upgraded, and recycled from the very beginning.*
- *IKEA will remove single-use plastic products from the home furnishing range and from customer and co-worker restaurants (Ingka Group) by 2020*

*\*Ingka Group carried out consumer research in the following retail markets:*

#### **Exploration in Poland**

**CONSUMER INSIGHTS:** *In Poland we see that it is difficult for people to let go of things. One of the main reasons is emotional connection with owned things, including home furnishing products. Another is a history of restrictions on private ownership. As a result, Polish people are used to storing things they no longer need or use, and also feel uncomfortable when borrowing because of high responsibility for objects that do not belong to them. On the other hand, in Warsaw we identified groups of people who are potentially interested in using home furnishing products without the necessity of owning them.*

**OUR TESTS:** *IKEA Retail Poland wants to help people to manage stuff they no longer use in a planet-friendly manner. It also wants to create an offer that is convenient to use for those who see benefits in not owning home furnishing products but at the same time expect flexible access to them. Planned tests will focus on properties where there are spaces to let (apartments, rooms), with potential customers who are interested in a furniture as a service subscription.*

#### **Exploration in Switzerland**

**CONSUMER INSIGHTS:** *IKEA Retail Switzerland started explorations with expatriate workers in Zürich. Through further research there was a learning that small enterprises in Switzerland could be interested in having access to furniture instead of owning it. On the one hand, they like to distribute the investment for furniture over a longer period of time. On the other hand, they might grow or move, and their furniture needs can change quickly. In addition, they have little emotional connection to furniture in their business environment, which could make an access-based offer attractive.*

**OUR TESTS:** *IKEA Retail Switzerland has continued to look at desirability for small sized companies and are now moving into further tests to co-create an attractive furniture as a service subscription model and customer journey together with small sized business customers.*

#### **Exploration in Sweden**

**CONSUMER INSIGHTS:** *By co-creating with procurers and orderers in local and national public entities, IKEA Retail Sweden has gained insights on how pieces of furniture live their life in the public sector, what kind of behaviour is driving consumption of new and re-use of old, how the political ambitions influence procurement related to circularity and how co-workers self-organise to avoid being wasteful.*

**OUR TESTS:** *In dialogue with partners from the public sector, a number of concepts that would meet the needs and ambitions for public procurement in Sweden have been developed. To begin with there will be a test of a subscription model with private sector business customers, as it is easier to try different options in shorter term with this group.*

#### **Exploration in the Netherlands**

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**CONSUMER INSIGHT:** *In our research across markets we see that life changes, like entering university, is a trigger to have temporary access to furniture. For temporary use there is a need to have access to furniture when you need it and an easy process to pass it forward when not needing it anymore, in a responsible way. Research from IKEA Retail Netherlands show that students attach less importance to possessing goods and consider it important to reduce their ecological footprint.*

**OUR TESTS:** *In cooperation with a housing association in Amsterdam, IKEA Retail Netherlands is testing a complete furniture rental package for students. This tests the rental offer in several stages throughout the customer journey: needs, desirability and pricing, as well as care, repair and prolonging the product lifecycle after takeback. This will enable us to explore the potential for furniture to be re-used by renting it to students through a circular offer.*

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