

Press release from Ingka Group

Ingka Holding B.V. and its controlled entities

IKEA unveils first look at new format for its larger stores, introducing the home experience of tomorrow

- The Shanghai Xuhui store is a trial of IKEA's new format and promises to bring tomorrow's life at home experience to local shoppers
- The opening is part of IKEA's global transformation, as it adapts along with changing customer demands and future proofs its business

IKEA Retail (Ingka Group) today revealed the first pilot of its future store format, with the reopening of the renovated IKEA Shanghai Xuhui store after four months of extensive refurbishment. The test store represents a bold next step in the business's mission to transform its retail operations to match and adapt to changing consumer demands, and future proof the IKEA model. As well as shopping, the new store format offers opportunities for people to connect, play and learn more about creating a better life at home. If successful it will roll out in other markets from 2022 onwards.

The store represents a move away from the traditional out-of-town warehouse stores, in favour of a more interactive and intuitive retail experience. New architectural elements introduce a more naturally lit environment, while the use of colours aids navigation. Meanwhile digital services such as event registration, IKEA Design reservation, Scan and Go, self-checkout and mobile food ordering make the shopping experience seamless and easy and provide a fully rounded experience of IKEA's product range and solutions.

Customers will be free to explore the store in their own way and easily divert to tills at any point in their journey. Scandinavian themed refreshment and food options and interactive play opportunities throughout the store will allow customers and their families to experience tomorrow's life at home and the solutions IKEA offers on their own terms.

Beyond retail, the new format piloting in Xuhui features three new, permanent community hubs focusing on craft, design and food. Each will encourage people and local communities to engage and share everything from cooking and yoga classes to home furnishing workshops, while staying true to IKEA's mission to create a better life at home within the limits of the planet.

- **Maker's Hub:** A space to make, do & repair, where customers and local experts share skills, know-how, tools and services, or work on their own circular projects.

- **Design Hub:** A flexible space with focus on life at home, with home furnishing workshops and exhibitions; this space is intended as an incubator of Creative Learning for all.
- **Food Hub:** A space to champion healthy, sustainable cooking and eating, connecting people through food and exploring new solutions IKEA is testing e.g. urban farming.

Stefan Vanoverbeke, IKEA Retail's Global Deputy Retail Operations Manager, says of the store opening: *"This is an exciting and important step in IKEA's journey to creating the life at home experience of the future, and a better life at home for the many people.*

"The IKEA Shanghai Xuhui is a culmination of IKEA's deep retail expertise and understanding of how customers now want to shop in our stores and live in their own homes. It was created by internal and external specialists, experts in consumer behaviour, food, expansion, mega trends, and futurology. As a result, we're providing not only high quality and affordable items, but breath-taking moments and enriching experiences that will drive visitation and offer an enhance shopping experience.

"I'm thrilled we could bring the first 'next gen' store to a futuristic fast-moving market such as Shanghai. We're looking forward to trialling every different element, learning what works best and continuing to adapt along with IKEA customers."

Alongside the reworked in-store experience, space in the store will be repurposed to facilitate more resource-efficient and sustainable fulfilment. In- and outbound logistics can be handled within the perimeters of the store, meaning IKEA customers get their products in the easiest, quickest and most environmentally friendly way – and, in future, will benefit from features like 'just in time' picking.

While shoppers in Xuhui are enjoying the new store format, IKEA will collect feedback at intervals to inform any adjustments and decide the scalability of every element, as well as next steps for expanding and bringing tomorrow's life at home experience to many more IKEA customers across the globe.

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About Ingka Group

Ingka Group (Ingka Holding B.V. and its controlled entities) is one of 12 different groups of companies that own and operate IKEA retail under franchise agreements with Inter IKEA Systems B.V. Ingka Group has three business areas: IKEA Retail, Ingka Investments and Ingka Centres.

Ingka Group is a strategic partner in the IKEA franchise system, operating 389 IKEA stores in 32 countries. These IKEA stores had 706 million visits during FY20 and 3.6 billion visits to IKEA.com.

Ingka Group operates business under the IKEA vision – to create a better everyday life for the many

people by offering a wide range of well-designed, functional home furnishing products at prices so low that as many people as possible can afford it.