



Product
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CASE
STUDY

Good deals for
home and planet

Offer of the day

IKEA Perth

IKEA Australia Buy Back Program

In this case study, we profile reuse as a product stewardship strategy through an examination of the IKEA Australia furniture Buy-Back & Resell Service¹. The premise is simple: customers can return unwanted eligible IKEA furniture to their nearest store and in exchange, receive a refund card for a future purchase. To qualify, the IKEA product needs to be returned clean, fully assembled, and completely unmodified, with customers confirming eligibility via a simple online tool. No IKEA “hacks” here! The service has extended the life of over 38,000 IKEA products to date.

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Product Stewardship in Action with



INTRODUCTION

In Australia, Buy Back was first piloted in July 2018 at IKEA's Tempe location in Sydney's inner west. The pilot was an initiative sparked by a sales manager in response to concerns about the all-too-common sighting of furniture waste – including IKEA products – on the side of the road. During the pilot, IKEA Tempe generated approximately 3500 quotes and sold over 1,600 pieces of furniture. Planet Ark reported that during the service's first year in Australia, over 10,000 IKEA products were returned². The service is currently available in over 25 countries including Australia, Canada, the UK, France, Germany, Italy, Japan and Russia³.

MATERIAL FOCUS: FURNITURE WASTE

Furniture waste is a significant and growing problem in Australia. The ABC's War on Waste⁴ reported that over 85% of the furniture that is put out on the street is sent to landfill, rather than being recycled. During a trip to a landfill site, War on Waste found numerous household goods – from carpets to bookshelves and everything in between– all of which were in nearly new condition.

IKEA furniture is an important part of this waste story, with over 81 million home furnishing products sold in 2020. Buy Back is one way IKEA is working to reduce their environmental impact through giving consumers an alternative way to dispose of unwanted products while also increasing access to quality second-hand IKEA products at an even more affordable price. In addition, IKEA already provides take-back services for mattresses, batteries and light bulbs.

THE BUY-BACK PROCESS

Participating in the service is simple: before going to their local IKEA, customers use the [online tool](#) to confirm their product's eligibility and get an estimate of the products buy-back value. The tool allows the customer to select their product category (bathroom, bedroom,

dining, living room, and office furniture) and subcategory, which leads to a searchable product inventory. Once the customer has found their product, they can select one of three condition options: as new, very good, and well-used (differentiated by aspects such as number of scratches). The condition of the furniture dictates the estimated buy-back value, which is typically 30% to 50% of the original purchase price.

Upon confirming the quality of the product, as well as the location and date of drop-off, the online tool creates an estimate that can be emailed or scanned as a QR code. The customer can then bring their product(s) and estimate(s) to their preferred location within 30 days. An inspection by IKEA staff determines the final buy-back value, which if accepted by the customer, is provided in the form of an IKEA refund card.

DRIVERS AND BENEFITS

The service aims to divert waste from landfill by giving customers the opportunity to return IKEA furniture that is still in good condition and in turn, for customers to buy the furniture at a discounted price. The service contributes to the goal for IKEA to become a circular, climate positive business by 2030. In order to reach this ambition, IKEA has committed to the following:

- Enabling our customers to obtain, care for, and pass on products in circular ways
- Producing 100% circular products (raw materials – recycled – remanufactured – refurbished – reused)
- Using only renewable and recycled materials
- Taking the lead and joining forces with others in achieving a circular economy through advocacy, collaboration, and business partnerships⁵.



The brand also has a range of international circular economy projects including testing out leasing services in Sweden, Switzerland, and the Netherlands. IKEA also opened their first second-hand store in Stockholm, Sweden. As part of their “zero waste mindset,” IKEA is also incorporating circularity in other aspects of their operations, such as increasing the percentage of products that utilise renewable and/or recycled materials.

CHALLENGES

Currently, there are several product categories that are excluded from the service including: home furnishing accessories (including lighting and textiles), products used outdoors, mattresses and bedding textiles, kitchen products, modular wardrobes, electrical appliances, children’s and baby products, bed frames, and second-hand products purchased from the As-Is department. Commercially-used items are also not accepted. Non-IKEA products are also excluded.

IKEA is focusing on increasing the categories and range of products they accept back in the service in the future. Currently, for products not accepted by the service, IKEA recommends considering other recycling options, donating to charity, or sell on alternative second-hand marketplaces.

Interestingly, an additional challenge facing IKEA was actually the popularity of the Buy Back Friday campaign meant each store was receiving hundreds to thousands of items back in a short period. Processing these items, storing and merchandising the Buy Back products for customers to purchase was a considerable logistical challenge for store operations.

, the service was suspended temporarily due to COVID-19 retail closures in some locations and has recommenced when stores reopened.

SOLUTIONS

IKEA has engaged in a range of novel solutions to not only spur participation in the

service but make Buy Back more accessible as well. For example, to make furniture returns easier, IKEA partnered with Go Get to offer buy-back customers a free membership and 20% off bookings.

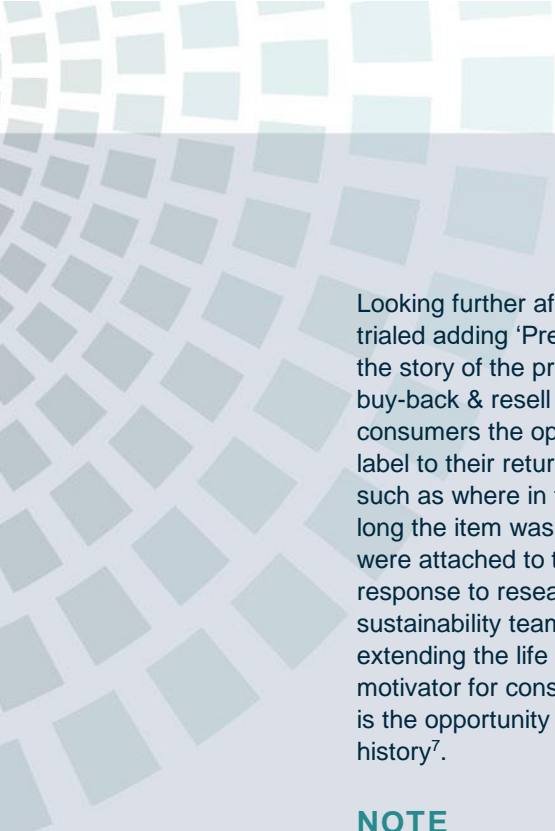
IKEA Australia also ran a Buy Back Friday promotion in 2020 where for one week, they doubled the buy-back percentages available to customers⁶. Rather than encouraging impulse purchases as typified in the Black Friday worldwide event in late November, the brand encouraged customers to reflect on what they already own and give unwanted items a second life. This promotion meant that customers could receive up to 100% of the original purchase price. For customers buying the second-hand products, they will never pay more than 50% of the original price.

The Buy Back Friday event was available for IKEA Family loyalty program members, which is free to join. 10,000 products were returned in one week, surpassing the total for the entire year. 85 per cent of items were resold in the campaign period, helping to divert 178 tons of waste from landfill from this one initiative.

“During the Buy Back Friday campaign, customers were buying IKEA products from the service just as quickly as they were returning them. While reselling the items wasn’t the focus of the campaign, it was clear customers can see the amazing value of the items available and are passionate about giving furniture a second life. For IKEA, it’s a way for us to extend the life of our products and have more products available to our customers at a great price.”

- Lachlan Mitchell, Product Recovery Leader Australia.

In response to the challenge of growing demand for the Buy Back Friday program, IKEA has planned additional resources and storage areas for the 2021 Green Friday campaign. As the initiative represents an important sustainability engagement opportunity with customers, this includes additional staffing and resources to meet the increased demands during the campaign period.



Looking further afield, in the UK, IKEA also trialed adding 'Pre-loved Labels' which share the story of the product to furniture from the buy-back & resell service. The initiative gave consumers the opportunity to add a personal label to their returned item describing things such as where in the country they lived, how long the item was used for, and memories that were attached to the item. This initiative was in response to research by the in-house sustainability team which found that although extending the life of an item is an important motivator for consumers, another driving factor is the opportunity to purchase items with history⁷.

NOTE

The content of this case study is information of a general nature sourced from public sources and investigations conducted by the Product Stewardship Centre of Excellence. It does not represent advice, direction or endorsement from the Product Stewardship Centre of Excellence, nor does it represent the only method or practice to address the topics laid out in this document. Individuals or organisations are encouraged to conduct their own analysis and consideration of strategic options relevant to their situation before taking action in regards to the matters covered.

FOOTNOTES

¹[HTTPS://WWW.IKEA.COM/AU/EN/CUSTOMER-SERVICE/SERVICES/BUYBACK-PUBFF9EE470](https://www.ikea.com/au/en/customer-service/services/buyback-pubff9ee470)

²[HTTPS://PLANETARK.ORG/NEWSROOM/NEWS/IKEA-LAUNCHES-FURNITURE-BUY-BACK-SERVICE-IN-27-COUNTRIES](https://planetark.org/newsroom/news/ikea-launches-furniture-buy-back-service-in-27-countries)

³ IBID

⁴[HTTPS://IVIEW.ABC.NET.AU/SHOW/WAR-ON-WASTE/SERIES/1](https://iview.abc.net.au/show/war-on-waste/series/1)

⁵[HTTPS://WWW.IKEA.COM/AU/EN/THIS-IS-IKEA/SUSTAINABLE-EVERYDAY/A-CIRCULAR-IKEA-MAKING-THE-THINGS-WE-LOVE-LAST-LONGER-PUB9750DD90](https://www.ikea.com/au/en/this-is-ikea/sustainable-everyday/a-circular-ikea-making-the-things-we-love-last-longer-pub9750dd90)

⁶[HTTPS://WWW.NEWS.COM.AU/FINANCE/BUSINESS/RETAIL/IKEA-WILL-BUY-BACK-USED-FURNITURE-FOR-DOUBLE-THE-RATE-FOR-BLACK-FRIDAY/NEWS-STORY/63CC3E0288E36D5977428DDDAEA4DE23](https://www.news.com.au/finance/business/retail/ikea-will-buy-back-used-furniture-for-double-the-rate-for-black-friday/news-story/63cc3e0288e36d5977428dddaea4de23)

⁶[HTTPS://WWW.HOUSEBEAUTIFUL.COM/UK/LIFESTYLE/SHOPPING/A34356605/IKEA-BUY-BACK-OLD-FURNITURE-RESELL-SECOND-HAND/](https://www.housebeautiful.com/uk/lifestyle/shopping/a34356605/ikea-buy-back-old-furniture-resell-second-hand/)

CONTACTS

IKEA Australia: Lachlan Mitchell, Product Recovery Leader

Lachlan.mitchell@ingka.ikea.com

Product Stewardship Centre of Excellence

- Web: <https://stewardshipexcellence.com.au/>
- Email: info@stewardshipexcellence.com.au
- Twitter: [@stewardshipAU](https://twitter.com/stewardshipAU)



Product Stewardship Centre of Excellence | c/- Institute for Sustainable Futures | University of Technology
PO Box 123 | Broadway NSW 2007

www.stewardshipexcellence.com.au