
IKEA IN CHINA: AN ARDUOUS JOURNEY¹

Li-Qun Wei wrote this case solely to provide material for class discussion. The author does not intend to illustrate either effective or ineffective handling of a managerial situation. The author may have disguised certain names and other identifying information to protect confidentiality.

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In mid-2017, the IKEA Group (IKEA) named Jesper Brodin as chief executive officer (CEO). Lars-Johan Jarnheimer, the chairman of IKEA, said that IKEA's strategy to further boost growth in China by opening three stores per year from 2013 would not change under Brodin's leadership.² Jarnheimer explained that "the strategic direction the company has remains in place, and even if [Brodin] will mold it, he has been part of the development of the strategy together with [the previous CEO] in his previous role on the management team."³ Moreover, Jarnheimer told Reuters, "Brodin would need to focus hard on integrating stores, new store concepts and e-commerce services."⁴

The company's expansion started in 2008 when IKEA China announced a decision to turn a profit with a full range of strategic adjustments, the most typical and effective of which was price reduction by cost cutting. "Our expansion plan started in 2008, 10 years after IKEA became established in the local market with only four stores, and the successful results from the new stores we opened during the past two years proved that our business model of building our own stores does work here," Gillian Drakeford, the then country retail manager said in 2011.⁵ Fourteen stores had been opened by the end of 2013, and IKEA hoped to then open at least three stores per year in national cities and some developed capital cities.⁶ In fact, IKEA successfully opened one store in 2014 in mainland China, and in 2015, 2016, and 2017, it opened three more stores each year (see Exhibit 1).

Due to the contradiction between IKEA's value proposition and the attitudes of Chinese consumers, IKEA was caught in a dilemma. However, IKEA kept opening more stores in China, and the volume of sales and number of customers confirmed the success of IKEA's strategies in the Chinese market, showing IKEA's confidence in the Chinese furniture market for the future.

By fiscal year 2016, China represented 26 per cent of IKEA's global purchasing. The company had 21 stores in China, and in that fiscal year, achieved ¥12.5 billion⁷ in sales, 89.3 million customers, and 16.34 million IKEA FAMILY members.⁸ However, there remained the question of whether the furniture giant was able to keep up this momentum and become more profitable. Could IKEA's strategy function over the long term? How could IKEA respond more effectively to the incoming competitive environmental and business model changes to maintain its competitive edge and develop sustainably? Should IKEA consider promoting online sales?

TRENDS IN CHINA'S RETAIL FURNITURE MARKET

In China, furniture was a traditional industry, but there was still room for growth. The 2009 international recession caused a decline in furniture exports from China, but the industry's overall development since 2010 had been good, thanks to state support and the recovery of the world economy.⁹ People in China were increasingly willing to improve their residential environment, which promoted the prosperity of the furniture market. From 2004 to 2011, the annual sales value in the furniture industry grew by an average rate of 31 per cent. In 2012, the growth rate slowed to 26 per cent (total sales of ¥137.5 billion), but in 2015, total retail sales grew 10.7 per cent (reached ¥33.23 trillion), and in 2016, consumer goods sales continued to grow, increasing 9.6 per cent.¹⁰

China's furniture industry was distributed in five main regions. Specifically, the furniture industry was most concentrated in the Pearl River Delta, while furniture businesses were developing the fastest in the Yangtze River Delta. The Northern and Northeastern regions centring on Beijing were famous for their abundant wood resources. The Western and Central regions were still in their nascent stages.¹¹

There were many brands offering products of various grades in the Chinese furniture retail market. Differing in price, quality, and marketing strategies, these Chinese furniture retailers could be categorized as high, middle, or low class. Jin Hai Ma and Chun Shen Jiang were two low-end chains with large exhibition areas and low prices, but they were inconsistent in quality and had generally vague positioning. B&Q plc (B&Q), the OBI Group (OBI), and Red Star Macalline were the main middle grade chains, grouped into two different business models. B&Q and OBI sold furniture as daily necessities in large supermarket-like outlets, while Red Star Macalline built furniture malls and made a profit on rental to other manufacturers. BoConcept, from Denmark, and DaVinci, from Singapore, were the outstanding high-end companies. Both their operating patterns and the style of their products resembled those of IKEA, but BoConcept and DaVinci targeted high-end consumers.

The huge market created excellent opportunities, but the journey of furniture retailers in China had not been smooth. In September 2012, The Home Depot Inc. (Home Depot) withdrew completely, closing all its stores. In March 2017, B&Q closed 42 of its 63 stores, blaming the housing slump China was then experiencing.¹² Some retailers tried to consolidate others but this was not easy; for example, in early 2014, Red Star Macalline, a Chinese furniture retail firm, unsuccessfully attempted to acquire Ji Sheng Wei Bang (JSWB). As a strategic collaboration, JSWB licensed its commercial brand to Red Star Macalline. Until the end of 2017, B&Q, the largest do-it-yourself (DIY) retail chain in China, with about 40 stores, was seen as a major competitor for IKEA.¹³ HOLA, a brand of Taiwan's Testrite Group, entered the Chinese market in 1992. It was regarded as IKEA's fiercest rival in China's home decorating market. Like IKEA, HOLA displayed its products in a simulated home layout to inspire its customers and it exhibited global trends in home decoration. As of January 2017, HOLA had 38 stores in mainland China, covering all the major cities located in economic centres, each serving more than two million families.¹⁴

The increasingly competitive furniture industry was even more dynamic and promising due to the rapid development of online business. In recent years, China was probably the market with the fastest online business development globally in many areas. Firms were embarking on marketing online to promote their brands and to boost turnover and reduce inventory. In 2017, Tmall.com (Tmall),¹⁵ the Chinese-language website for business-to-consumer online retail, operated by the Alibaba Group Holding Limited, achieved 8 per cent of its total sales—¥168.2 billion—with home decorating and furniture products. Of the top 50 stores in Tmall, 10 of them were in the furniture industry.

IKEA IN CHINA

In 1943, at the age of just 17, Ingvar Kamprad created IKEA in southern Sweden. By 2018, it was on Forbes' list of the World's Most Valuable Brands, ranking 41st.¹⁶ IKEA's vision "to create a better everyday life for the many people" was aligned with its business idea "to offer a wide range of well-designed, functional home-furnishing products at prices so low that as many people as possible will be able to afford them."¹⁷ IKEA was the largest franchisee of Inter IKEA Systems B.V. As the world's largest furniture retailer, IKEA had 355 retail stores and employed 149,000 people globally by the end of fiscal year 2017 (see Exhibit 2). IKEA's global sales in 2017 increased almost 3.8 per cent to €36.3 billion¹⁸ (see Exhibit 3); store visitors reached 817 million, in sharp contrast to the 309 million in 2003; and IKEA's websites were visited 2.1 billion times (see Exhibit 4).

In 1998, IKEA opened its first store in China in Shanghai. After more than a decade of development, the firm's performance in China was considered satisfactory, even though it had been unprofitable for the first 10 years. During those first 10 years, IKEA adopted a conservative strategy and opened only four new stores in China. IKEA's original value proposition and market positioning was poorly attuned to Chinese consumers' consciousness:¹⁹ its original target market was customers from the low to middle income classes, but IKEA's pricing was considered too high and its products were considered high-end. The inconsistency between what IKEA's target market could afford and what the company's advertised as "low" prices caused confusion among Chinese customers and created a problem for IKEA.²⁰

To resolve the problem, IKEA made several strategic adjustments in China, including re-positioning and lowering prices. These adjustments turned out to be effective. By October 2017, IKEA had opened a total of 24 stores in China, including three shopping malls in Wuxi and Beijing. The malls consisted of three main blocks: a hypermarket and cinema, a shopping centre, and a mall anchored by an IKEA Blue Box Store. In fact, eight of the 10 largest IKEA outlets in the world were located in China.

IKEA's sales in China reached more than ¥13.2 billion in 2017, an increase of 14 per cent over the previous year; store visits reached 90 million, for an increase of 11 per cent over the previous year; and website visits reached more than 90 million, which was 11 per cent more than the previous year.²¹ In addition, IKEA introduced its FAMILY membership system, and by 2017, IKEA's total membership in China exceeded 18 million (a 12 per cent increase on the previous year), with approximately 9 million fans through its various social media platforms. The Chinese market stood out worldwide with double-digit yearly growth and accounted for almost 3 per cent of IKEA's global sales, in contrast to 2005 when it was no more than 1 per cent.²²

These achievements, and careful forecasting, led IKEA to accelerate its expansion in China by opening three stores per year, even though consumers in the target cities had no experience with flat-pack furniture.

IKEA'S STRATEGIC ADJUSTMENTS IN CHINA

IKEA made some strategic adjustments to achieve profitability in the Chinese market. IKEA's initial target audience in China was defined as the low to middle classes, because those classes were understood in Europe and North America. However, prices seen as low in Europe and North America were still considered high by Chinese consumers. A customer survey conducted by IKEA in China in 2009 showed that customers thought that IKEA targeted the middle or high classes.²³ This situation did not change until the end of 2017, especially for people in Tier 2 cities, where IKEA was opening stores. The price sensitivity and product quality concerns of Chinese consumers led IKEA to change its target to the "white collar" group: young, middle-class professionals, either single or families with a double income. This customer segment was well-educated and open to a Western lifestyle, which helped IKEA as a representative of Western brands.

Low prices had always been a key factor in IKEA's success globally. Yet, in China, IKEA found its "low" prices were higher than those of local furniture firms. To move away from Chinese consumers' impression of IKEA as a luxury store, IKEA kept lowering its prices during its early operational period in the Chinese market.²⁴ Between 2000 and 2018, IKEA had reduced its prices by approximately 60 per cent. For example, the Lack table, initially sold in the Chinese market for ¥120, was reduced to ¥39. To keep lowering prices, IKEA China had to cut costs, which meant sourcing raw materials and products locally. IKEA continuously increased the proportion of its products sourced in China, from 14 per cent in 2001 to 22 per cent by 2012, and to 30 per cent in 2013. In August 2013, IKEA built a manufacturing factory in Nantong, in the province of Jiangsu, to avoid high import taxes. The factory was located near IKEA's two warehouses in Shanghai. By December 2016, about 65 per cent of IKEA's total sales in China came from local sourcing,²⁵ mainly from China's original equipment manufacturers (OEMs).

As part of its global strategy, IKEA also adopted environmentally-friendly measures in China. Besides flat-packs and brown cardboard, which were cheaper and environmentally friendly, IKEA developed an internal tool in 2010 to measure the sustainability of products. IKEA's sustainability report in 2016 indicated that 61 per cent of wood came from sustainable sources; its goal was 100 per cent by 2020. As part of its sustainability strategies, IKEA also installed 730,000 solar panels on IKEA buildings worldwide. To become independent in resources and energy, IKEA operated 327 wind turbines.

IKEA was criticized for selling standardized products on the global market, but it did tweak its product range to satisfy customer needs. In China, IKEA introduced a wide range of localized products, such as chopsticks, to attract more consumers from the local market. IKEA also adjusted its product range to suit the Chinese market. For example, IKEA opened its first store in Kowloon, Hong Kong in 1975. The Hong Kong-sized beds were initially sold in China, but IKEA quickly switched to selling standard beds once it realized that the Hong Kong-sized beds were too short for mainland Chinese people. Angela Zhu, manager of IKEA China Retail, acknowledged that unlike Hong Kong, "many houses in China have balconies, so IKEA offers more balcony furniture. In China it is common for a house to have a hallway leading to the living room, so IKEA offers more items suitable for hallways."²⁶

The majority of IKEA's Chinese customers did not have a car; therefore, to make it convenient for Chinese customers to shop at IKEA, it switched its location choice from the outskirts of cities to locations served by rail and subway networks. IKEA also offered local home delivery and long-distance delivery to major cities in China for a fee. For example, in Shanghai, IKEA charged ¥60 and up to deliver downtown and ¥700 if the customer was more distant. The order volume was restricted to 2 cubic metres per order. Delivery charges could increase for larger purchases. And, realizing that DIY assembly rarely appealed to a Chinese customer, IKEA offered a fee-based assembly service, charging 6 per cent of the purchase price with a minimum charge of ¥60.²⁷

IKEA located most of its stores in China in building and furniture malls, where there were many other stores selling materials and furniture. For example, one IKEA store was located in Shenzhen European City, where B&Q and other retailers sold building materials and furniture. In 2001, IKEA established the Inter-IKEA Centre Group (ICG) in China to manage the shopping centres anchored to IKEA stores. The shopping centres were designed to accommodate a supermarket, fashion shops, sports shops, entertainment centres, home appliance stores, and so on, with over 300 domestic and internationally famous brands. Both the IKEA store and tenants in the other sectors of retailing were expected to benefit from the synergy created by having the IKEA store located in the same mall. It was intended that this would also enhance the Chinese customer's shopping experience.

CHALLENGES FOR FUTURE DEVELOPMENT

Major Challenges Facing IKEA

By 2018, IKEA had been in the Chinese market for almost 20 years. Over these years, sales revenue had increased year by year as IKEA adjusted its strategies, with the first profit achieved in 2008. Yet, there remained many tough challenges for IKEA.

Supplier Relationships

Setting relatively low prices had caused some problems. IKEA and its suppliers were trying to produce environmentally-friendly products with low prices. Keeping prices low was achieved by cutting raw materials and transportation labour costs, but IKEA's suppliers were squeezed hard to reach this goal. Workers' wages and the price of raw materials had been increasing significantly since 2008, but the price of furniture had continued to go down.²⁸ Members on the list of former IKEA OEMs were Naili, Houcheng Wood, and Yichun Huali Wood, who had co-operated with IKEA for 16 years, 13 years, and 11 years respectively. In early 2011, initiated by Yuewei Cao, CEO of Naili Company, 12 IKEA OEMs ceased their co-operation with IKEA. However, IKEA maintained that increased efficiency and more advanced machinery would allow them to prosper.²⁹

Quality Control

Seeking lower prices had brought about quality problems. In the previous few years, IKEA had to recall more than 10 types of products. According to Cao, the suppliers had to cheat on the quality; otherwise, there would be no profit.³⁰ Many Chinese customers complained about the quality of IKEA's furniture. Some customers even described IKEA's furniture as "high-price but low-quality."

Food quality issues also troubled IKEA for some time. In early 2013, its Swedish meatballs were found to contain horse meat. About two weeks later, IKEA fell into another food security crisis when the Shanghai Quarantine Bureau destroyed 1,872 tons of chocolate cream almond cake in the wake of a quality inspection. To assure the quality of their seafood, IKEA began showcasing their products in 2016 as coming from certified sources.³¹

Imitation

In China, it was easy to imitate most of IKEA's furniture with the help of the catalogue and the instructions for assembly. Intellectual property rights and patents were still not well protected. Former and even current suppliers produced furniture from IKEA's designs but sold it through other outlets. Online shops offered numerous products indexed under IKEA as a keyword but not produced by IKEA. Some customers also chose to buy online furniture with an IKEA style when they could not buy IKEA products because there were no IKEA stores in their cities.

Jiayimei was an alliance of manufacturers who used to be IKEA suppliers. It had been selling through Tmall, where the most compelling point on its web page was a huge slogan about discounts. Customers could buy products with almost the same quality and style as IKEA products directly from the factories at prices significantly lower than IKEA's.³² Cao revealed that Jiayimei's sales reached more than ¥2 million

on the day of a major sales promotion organized by Tmall.³³ The copied products might only offer a similar appearance, but they were still popular with some customers.

Apart from products, IKEA's famous labyrinthine store format had also been copied. Reuters reported that a firm named "11 Furniture" in Kunming had imitated IKEA's layout, colours, room settings, guiding slogans, restaurant, and so on.³⁴

Distribution

Customers could ask for distribution and assembly services at IKEA, but IKEA did not open distribution and assembly divisions. Rather, it outsourced both services. However, IKEA was subsequently unable to coordinate with the distribution company, leaving customers with a bad impression. One customer reported that she bought a bookcase and paid for home delivery, only to be told after enquiring several times that the bookcase was out of stock. Some customers complained that purchased commodities were lost by the distribution services. Another customer complained that he had to work with the single assembler who came to put his items together; otherwise, the assembler would not have been able to finish the job.³⁵

"Experiencing" Marketing Concept—Over-Helping Themselves

To attract customers, in China, as elsewhere, IKEA initially set up open rooms and encouraged customers to experience the products by using them. Customers were encouraged to sit in the chairs and to lie on the beds. In China, however, this led to some ridiculous situations, prompting a number of customers to complain. In response to a shopper who had posted that almost all beds in the IKEA store were occupied by sleeping customers, another responded, "At least those sleepers in your photos were decently dressed. Last Friday evening when I went to the Beijing IKEA store, a lot of male shoppers I saw were topless while sleeping." Another shopper posted, "Here I am, in Chengdu. I saw parents browse around on their own after they lulled their child to sleep in a showroom bed." Yet another replied, "A sweater-knitting auntie and a granny that likes doing embroidery are frequent visitors. Some even sit inside, leisurely peeling edamame beans after their grocery shopping. Scenes inside Shanghai's IKEA store make people speechless!"³⁶

Look into the Future

IKEA's sales turnover reached €34.1 billion in 2017, of which China contributed €1.68 billion (¥13.2 billion) with its 24 stores in mainland China.³⁷ Zhu said that IKEA would continue to enhance its distribution networks and e-commerce presence in mainland China. Also, some new stores would be constructed in Tianjin, Guangzhou, and Xuzhou.³⁸

Another factor in China had been the boom in the real estate market along with economic development. Owning houses had influenced Chinese customers' willingness to buy. But since the second half of 2015, real estate sales and construction had been predicted to act as a drag on the economic statistics and then slow even further. For example, a Hong Kong-based property strategist, Kim Wright, forecasted a slowdown in growth, saying that "Things will slow, but they won't collapse. We expect sales to slow to single-digit growth, and price growth to be between 0 and 5 per cent."³⁹

The global trend was for customers to increasingly make their purchases on the Internet, but by January 2018, IKEA did not have an online store in China. Although furniture was large and costly, and most customers would like to experience and touch a large item before making a purchase decision, there were customers who

really liked IKEA's products but lived in areas without an IKEA store. They might have happily accepted online shopping, especially to purchase appliances or accessories created by IKEA.

Faced with pressure from the trend toward e-commerce, Mikael Ohlsson, then president of IKEA, announced that IKEA intended to increase online turnover and bring e-commerce to most of its markets in the future. He said that the current challenge was to find solutions for cheaper logistics.⁴⁰ Besides logistics, he predicted "the assembly service will also be a problem in China."

E-commerce also cheated IKEA of its playground, room settings, and Swedish restaurant—elements that had all made great contributions to attracting Chinese customers. Agnefjall acknowledged in 2015, "A lot is about transforming IKEA into a multi-channel retailer. We invest in new technology needed to be able to do that well, and also in a distribution network that differs slightly from the one for our stores."⁴¹ However, as of late 2017, IKEA had not made much progress in e-commerce and needed to invest more heavily in e-commerce for future development.⁴²

By the end of 2017, IKEA had stable development (see Exhibit 5). The financial results indicated China's potential to be successful and IKEA's plans for China showed the company's confidence in the Chinese market. The improvements in living conditions and the growth in incomes offered huge potential for the furniture and home accessories market. Although this would, of course, also attract stiffer competition, IKEA's future success worldwide depended, to some extent, on whether it could grab the opportunities and overcome the challenges in China. How could IKEA provide a better buying experience for customers while maintaining low prices? Was online sales a route IKEA should take in the coming years?

EXHIBIT 1: THE OPENING YEAR AND LOCATIONS OF IKEA'S STORES IN MAINLAND CHINA

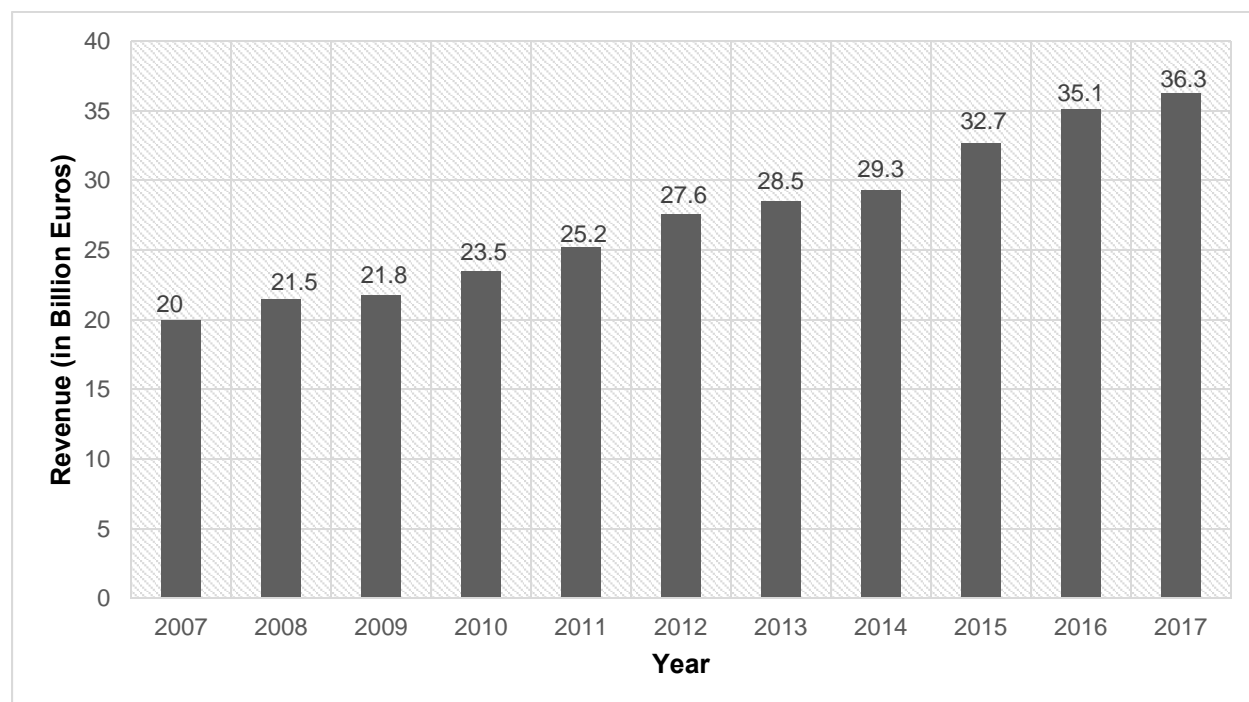
Year	Place	Number of New Stores
1998	Shanghai	1
1999	Beijing	1
2005	Guangzhou	1
2006	Chengdu	1
2008	Shenzhen, Nanjing	2
2009	Dalian	1
2010	Shenyang	1
2011	Shanghai	1
2012	Tianjin, Wuxi	2
2013	Ningbo, Shanghai, Beijing	3
2014	Chongqing	1
2015	Wuhan, Hangzhou, Xi'an	3
2016	Chengdu, Suzhou, Foshan	3
2017	Nantong, Ha'erbin, Jinan	3
		Total: 24

Source: Adapted from Li-Qun Wei and Xi Zou, "IKEA in China: Facing Dilemmas in an Emerging Economy," *Asian Case Research Journal* 11, no. 1 (2007): 1–21, accessed January 15, 2018, www.worldscientific.com/doi/abs/10.1142/S0218927507000849; and Wang Zhuoqiong, "Buoyant IKEA Gears up for More Store Expansion in China," *China Daily*, August 18, 2017, accessed March 9, 2018, www.chinadaily.com.cn/business/2017-08/18/content_30763750.htm.

EXHIBIT 2: ORGANIZATIONAL STRUCTURE OF IKEA GROUP

The IKEA Group (INGKA Holding B.V. and Its Controlled Entities) Chairman of the supervisory board, Goran Grosskopf President and chief executive officer, Jesper Brodin			
Production	Distribution	Retail	Group Functions
Production Units:40 Employees:19,000	Products: 9,500 Employees: 7,500	IKEA Group Stores:410 Employees:124,400	<ul style="list-style-type: none"> • Finance and Administration • Human Resources • Logistics • Marketing and Sales • Strategic Development • Sustainability
			Asset Management
			<ul style="list-style-type: none"> • Financial Assets • Shopping Centers • Core-Related Assets

Source: Adapted from Ingka Holding B.V. and Its Controlled Entities, *Yearly Summary FY17: Creating a Better Life Starts at Home*, accessed April 23, 2018, www.ikea.com/ms/da_DK/pdf/yearly_summary/ikea-group-yearly-summetry-fy17.pdf.

EXHIBIT 3: IKEA'S TOTAL REVENUE, 2001–2017 (IN BILLION EUROS)

Source: Adapted from “Annual Revenue of the IKEA Group Worldwide from 2001 to 2017 (in Billion Euros),” Statista, accessed May 13, 2018, www.statista.com/statistics/264433/annual-sales-of-ikea-worldwide/.

EXHIBIT 4: IKEA—RELATIVE INFORMATION BY REGION, 2014–2016

	2014			2015			2016		
	Asia, Russia, & Australia	North America	Europe	Asia, Russia, & Australia	North America	Europe	Asia, Russia, & Australia	North America	Europe
Sales Share	16%	15%	69%	15%	18%	67%	13%	18%	69%
Number of Employees	26,000	19,000	114,000	27,600	20,000	107,400	--	--	--
Purchasing Share	--	--	--	35%	3%	1%	--	--	--
Number of Stores	--	--	--	--	--	--	54	54	268

Source: Adapted from “IKEA—Statistics & Facts,” Statista, accessed May 13, 2018, www.statista.com/topics/1961/ikea/.

**EXHIBIT 5: IKEA—CONSOLIDATED BALANCE SHEET, 2003 AND FISCAL YEARS 2013–2017
(IN MILLION EUROS)**

	2003	2012	2013	2014	2015	2016	2017
Total Fixed Assets	8,111	19,936	19,570	20,306	25,355	24,988	25,660
Total Current Assets	8,111	24,812	22,450	24,361	24,657	28,979	27,280
Total Assets	16,222	44,748	41,979	44,667	50,012	53,967	52,940
Group Equity	7,786	29,072	29,048	31,608	34,896	38,907	39,943
Total Non-Current Liabilities	4,380	4,148	3,689	3,408	4,032	3,293	2,777
Total Current Liabilities	4,056	11,528	9,283	9,651	11,084	11,767	10,220
Total Equity and Liabilities	16,222	44,748	42,020	44,667	50,012	53,967	52,940

Source: Adapted from Ingka Holding B.V and its Controlled Entities, *Yearly Summary FY17*, 2017, accessed May 13, 2018, www.ikea.com/ms/da_DK/pdf/yearly_summary/ikea-group-yearly-summery-fy17.pdf; Ingka Holding B.V and its Controlled Entities, *Yearly Summary FY16*, 2016, accessed May 13, 2018, www.ikea.com/ms/en_PT/pdf/yearly_summary/IKEA-Group-Yearly-Summary-FY16.pdf; Ingka Holding B.V and its Controlled Entities, *Yearly Summary FY15*, 2015, accessed May 13, 2018, www.ikea.com/ms/en_US/pdf/yearly_summary/IKEA_Group_Yearly_Summary_2015.pdf; Ingka Holding B.V., *Yearly Summary FY14*, accessed May 13, 2018, www.ikea.com/ms/en_US/pdf/yearly_summary/ikea-group-yearly-summary-fy14.pdf; Ingka Holding B.V., *Yearly Summary FY13*, accessed May 13, 2018, www.ikea.com/ms/en_US/pdf/yearly_summary/Yearly_Summary_FY13_external.pdf.

ENDNOTES

- ¹ This case has been written on the basis of published sources only. Consequently, the interpretation and perspectives presented in this case are not necessarily those of the IKEA Group or any of its employees.
- ² Niklas Magnusson and Anna Molin, "IKEA Names Brodin New CEO to Lead Asia Expansion, Online Growth," Bloomberg, May 24, 2017, accessed January 15, 2018, www.bloomberg.com/news/articles/2017-05-24/ikea-names-brodin-new-ceo-to-lead-asia-expansion-online-growth; Anna Ringstrom, "IKEA Set to Boost Expansion with New CEO," Reuters, September 17, 2012, accessed January 15, 2018, www.reuters.com/article/2012/09/17/us-ikea-idUSBRE88G17K20120917.
- ³ Magnusson and Molin, op. cit.
- ⁴ Ann Ringstrom, "IKEA Group Picks Company Insider as Next CEO in Fast-Changing Market," Reuters, May 24, 2017, accessed April 19, 2018, www.reuters.com/article/us-ikea-ceo/ikea-group-picks-company-insider-as-next-ceo-in-fast-changing-market-idUSKBN18K0Y2.
- ⁵ Fangfang Li, "Chinese Market Furnishes IKEA's Expansion Plans," China Daily, August 26, 2011, accessed January 18, 2018, www.chinadaily.com.cn/cndy/2011-08/26/content_13194365.htm.
- ⁶ Celia Hatton, "IKEA in China: Store or Theme Park," BBC News, November 4, 2013, accessed January 18, 2018, www.bbc.com/news/world-asia-china-24769669.
- ⁷ ¥ = RMB = Chinese yuan renminbi; all currency amounts are in ¥ unless otherwise specified; US\$1 = ¥6.72 on August 31, 2017.
- ⁸ IKEA FAMILY was a customer loyalty program, providing members with discounts and other benefits. IKEA Group China, Caring for People and Planet: Sustainability Report FY16, 1, accessed April 19, 2018, www.ikea.cn/ms/en_CN/pdf/sustainability_report/IKEA_China_Sustainability_Report_FY16_1EN.pdf.
- ⁹ Kezhu Wang and Jiqing Liu, "The Types Developing Trend Analysis on Chinese Furniture Retailing Industry," *Journal of Harbin University of Commerce* 3 (2010): 40-43, accessed January 15, 2018, http://en.cnki.com.cn/Article_en/CJFDTOTAL-HLJC201003010.htm.
- ¹⁰ Xinhua, "China Retail Sales Grow 9.6% in 2016," China Daily, January 20, 2017, accessed January 15, 2018, www.chinadaily.com.cn/business/2017-01/20/content_28009592.htm.
- ¹¹ "China's Furniture Market," HKTDC Research, August 21, 2017, accessed January 15, 2018, <http://china-trade-research.hktdc.com/business-news/article/China-Consumer-Market/China-s-Furniture-Market/ccm/en/1/1X000000/1X002L63.htm>.
- ¹² Susan Wang, "B&Q Blueprint for China Success: New Retail and Tmall," Alizila (Alibaba Group blog), April 18, 2017, accessed January 15, 2018, www.alizila.com/bq-blueprint-china-success-new-retail-tmall.
- ¹³ Li-Qun Wei and Xi Zou, "IKEA in China: Facing Dilemmas in an Emerging Economy," *Asian Case Research Journal* 11, no. 1 (2007): 1–21, accessed January 15, 2018, www.worldscientific.com/doi/abs/10.1142/S0218927507000849.
- ¹⁴ International Housewares Association, "Taiwan Market Visit," International Housewares Association (blog), January 17, 2017, accessed January 18, 2018, <https://blog.housewares.org/2017/01/17/taiwan-market-visit-2>.
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