



2

How to turn the tide to enable more sustainable lives at home

By 2030, the world is projected to have 43 megacities with more than 10 million inhabitants, most of them in developing regions. This means that 1 in 8 people are predicted to live in a megacity. The good news is that economists generally agree that urbanisation, if handled well, holds great promise for higher growth and a better quality of life. On the flip side, if handled poorly, urbanisation can not only impede development but also give rise to slums. According to the UN, one out of every three urban dwellers worldwide lives in a slum.

With megacities come various challenges, including those related to climate change, infrastructure, immigration, and pollution, to name a few. But also, on a smaller, personal scale people will find challenges with higher costs of living, noise, lack of space, insufficient parking, energy and water shortages, and changes to their working circumstances.

Let's be clear: this title doesn't imply that we are currently living unsustainably. Wherever we live, we strive to make our homes the nicest, safest and cleanest spaces possible. But given the challenges mentioned above, there is also a pressing need to transform our homes into sustainable living spaces. In other words, how can we live sustainably, with less stuff, less

'standing stock', less waste, better use of water and electricity, and less 'throughput' to reduce the environmental impact and resource intensity of our societies? This is at the root of IKEA's ambition for 2030: to "inspire and enable more than one billion people to live a better everyday life within the boundaries of the planet."

For instance, achieving sustainability requires a shift from linear ownership-based ways of living to more circular usership-based ones. This means convincing manufacturers and householders to transition from traditional retail models to service-based economies. The aim of this 'servitisation' is to design service systems where people prioritise use and share over buying, storing, maintaining and disposing of things. Homes are at the heart of how we function as a society. Their quality determines how well we live, our habits and routines, our interaction with others, and also our access to amenities and services.

For a company like IKEA, this is an interesting societal shift that demands new perspectives, business models and services. It is predicted that in the near future, people will spend more on services than products. In a 2022 report conducted by Deloitte, 37% of consumers said they had an active subscription, which is

predicted to grow to 53% by 2025. McKinsey also suggests that 60% of consumers will opt for services from retailers.

The shift towards services, combined with our planetary challenges, shifting demographics and evolving societal needs, requires that we urgently adapt our living and habits at home to meet the world's future needs. Therefore, we ask you to design a service that promotes sustainable living by improving people's everyday health, wellbeing and ability to live within the boundaries of the planet. Better yet: to not only do no harm but contribute to a healthier planet. Let's design for positive change! Leveraging IKEA's size and setup, we are confident that we can make a significant contribution towards creating a more sustainable world.

Background

Sustainable living

IKEA Life at Home reports have been generating insights from people all over the world every year since 2014. [They are a great source of data and insights from consumers and their current and future needs](#) ¹. The 2022 Life at Home Report concludes that 4 out of 5 people are regularly frustrated by aspects of their home. Not only that, 21% state having too many things without a designated place, and 19% that there is no space for their belongings.

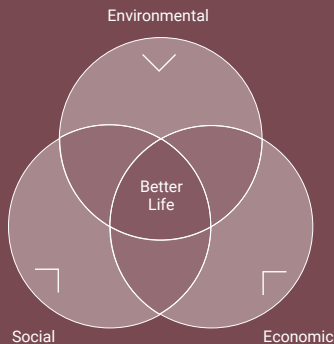
In [Sustinere, the Journal of Environment and Sustainability, Volume 5 Number 2 \(2021\)](#) ², Canberk Yurt and Deniz Deniz published the outcomes of their study on product-based and knowledge-based sustainable living practices. Sustainable living is becoming an important concept for eco-friendly lifestyles. According to the authors, two major sustainable living solutions are based on knowledge and product.

Their roles and impacts on sustainable living are controversial. Despite offering innovative approaches to sustainability solutions, products are consumption-dependent. On the contrary, knowledge-based solutions are resource-intensive, while technical resources are limited. For holistic, sustainable living solutions, the combination of the two is crucial. The findings of their study suggest strategies to increase individual and corporate awareness of sustainable living practices from knowledge and product perspectives. We want to introduce a third dimension: a service perspective.

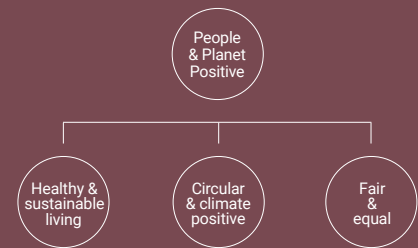
How do we promote sustainable living and guide sustainable consumer behaviour? How can retailers play a role in meeting and solving people's needs in their lives at home? How do we make healthier and more sustainable living easy for people? This is more than just offering more circular or smarter products. It's about prioritising anti-consumption, enabling and inspiring as many people as possible, not only consumers in their homes, but also producers, suppliers, and many other stakeholders – to join in the effort and make more sustainable daily choices. It's about changing people's behaviour by helping them to change that behaviour. It goes beyond creating awareness and the knowledge that buying more products is harming the Earth and, therefore, our future. It also needs to trigger, encourage and enable 'reducing' and 'rejecting' elements of sustainability.

Concepts such as anti-consumption, collaborative consumption, voluntary simplifiers, boycott behaviour, etc., also generate social equity and harmony across social groups by motivating pro-environmental behaviours (Evans & Abrahamse, 2009). Although awareness and knowledge may help foster anti-consumption habits and sustainable/responsible consumer behaviours, we need innovative, behaviour-

WHAT SUSTAINABILITY MEANS TO IKEA



IKEA'S FOCUS AREAS



The better the balance between environmental, economic and social impact, the more people will have the chance at a better life within the boundaries of the planet

change-based services to replace unsustainable ones.

There are several approaches that can be used. To help you, we will share two of them: eco-design and design for behaviour change.

Design for behaviour change

The need to influence and change a user's behaviour or that of society to address social challenges is now widely recognised. Behavioural change interventions can occur at various levels – products, services and public policy – and their implementation at specific moments can significantly impact business outcomes. In essence, designing for behavioural change enables consumers to act responsibly by providing information on product specifications (Bhamra et al., 2011).

People's behaviour, often unpredictable, is largely governed by the subconscious. Behavioural interventions can transform consumer behaviour by influencing people on both conscious and unconscious levels. And incorporating the right behavioural interventions into (existing) channels and processes can have a lasting impact.

How can we trigger behavioural change? The Fogg Behaviour Model ⁹ highlights three essential elements that must converge simultaneously for a behaviour to occur: Motivation, Ability, and a Trigger or Prompt. If a person lacks the ability to perform the desired behaviour, all other elements become irrelevant. Therefore, understanding the factors that hinder a person's ability is important. Some of these include: Time, Money, Physical Effort, Mental Cycles, Social Deviance, and Non-routine. For example, people are more comfortable with actions they're familiar with, so in order to get your service users to transform their behaviour, you will need to find analogous experiences. While not the same, there should be a basic degree of familiarity and routine. That is why Motivation, the underlying drives that motivate us, is an important factor. If there is enough motivation and an equal ability, the only thing left to trigger the behaviour is a prompt.

Another effective strategy is to employ nudges. As defined by Thaler and Sunstein (2008), nudges encompass any aspect of choice that alters people's behaviour in predictable ways without forbidding options. They can reinforce existing behaviours or initiate new ones through

reminders and alerts that spur action – a valuable aspect in the context of change. Take the example of nudging healthy behaviour by indicating on stairs how many calories are burned with each step. A nudge increases the likelihood that each service user will make a specific choice or behave in a particular way by modifying the environment to trigger automatic cognitive processes which favour a desired outcome.

Eco-design

Eco-design is a design and development system that involves environmental sensitivities in the manufacturing, distribution, use, and disposal of products (Sanyé-Mengual et al., 2014). In the [Journal of Cleaner Production \(2021\)](#) ^ρ, Jorge Sierra-Perez et al. published the article ‘Designing sustainable services with the eco-service design method: Bridging user experience with environmental performance’. According to the authors, eco-design focuses on incorporating environmental criteria early in the design process to reduce the environmental impacts of new products. However, while services now represent the largest share of the world’s economy, incorporating environmental sustainability in services is still limited. Over-consumption and climate change remain some of the biggest challenges for humanity. But although there is an understanding about the unsustainable impact of products, there is limited awareness regarding the potential contribution of services to unsustainable behaviour. Manufacturing-oriented firms are increasingly integrating services and products to add value to their offerings, but it's challenging for them to shift their focus from producing and selling more products to offering fewer yet sustainable ones.

Eco-design centres on incorporating environmental criteria early in the design process to reduce the negative impacts of new

products. However, while services now represent the largest share of the world’s economy, the integration of environmental sustainability in the design of new services is very limited, let alone service ecosystems in which all stakeholders in the supply chain, from producers to consumers, collaboratively co-create value.

According to Yurt and Deniz (2021), sustainable living is a holistic concept that calls for the integration of multiple disciplines, various actors, shifting circumstances, and alternating catalysts into the process of achieving a sustainable future. It embraces multiple stakeholders, such as consumers, organisations, enterprises, and governments, to create an inclusive conceptual framework and achieve eco-friendly living (Iyer, 1999). People don't need to be eco-conscious consumers to adopt a sustainable lifestyle. If the services they use implicitly facilitate sustainable living, their habits may change without them noticing. Moreover, services that openly and explicitly support a more sustainable life at home, help their users - sustainable living practitioners - reduce their carbon footprint by altering modes of usage, energy consumption, waste management, diet, etc., cultivating socially and planetary responsible consumers.

Let's design a service that enhances our wellbeing and that of our planet. That supports us in our living environments, connects us, and empowers us to positively contribute, enabled by emerging technologies, such as AI. Did you know that AI is already being used to enhance people’s lives at home in ways that are better for the environment? AFRY created a large library of tips/messages that promote a sustainable lifestyle, and constructed a [digital platform](#) ^ρ with an algorithm designed to optimise the user experience for the residents of numerous homes. This algorithm takes into account the climate impact and variations in electricity prices throughout the day or across seasons to help

residents reduce or shift their electricity use during times that are most beneficial for the climate.

Algorithms powered by AI can analyse past behaviour and preferences to suggest alternatives to change such behaviours. As AI continues to evolve, these recommendations will become even more tailored and accurate. Home-based AI systems can already control lighting, thermostats, security cameras, and appliances. They learn people's preferences and adapt to create a more comfortable, responsible and, for instance, energy-efficient living environment. As AI matures, sustainable living will become even smarter, anticipating needs and preferences.

Additional references:

- [Scenarios of urban life](#) ↗
- [A guide to sustainable living](#) ↗
- [Footprint calculator](#) ↗
- [The goal of sustainable living](#) ↗
- [12 ways to live more sustainably](#) ↗
- [Transforming into a circular business](#) ↗

The assignment: Design a service that turns the tide for good

"Sustainable living has to be easy, and the most natural choice," says [Malin Pettersson-Beckeman](#) ↗, Sustainability Communication Manager, Inter IKEA Group. And [Torbjörn Lööf](#), CEO, Inter IKEA Group adds: "We're committed to taking the lead and working together – from raw material suppliers all the way to our customers and partners."

Would you like to join IKEA in their journey toward fostering sustainable living? How? That's up to you! This is a call for sustainable living and eco-friendly practices by designing a service that

is easy to implement and/or use. In other words, we ask you to think about a small step for the many. A service that supports more sustainable habits, routines that promote health and wellbeing, enabled by emerging technology, but in a simple, easy-to-access way that can impact the many.

Embracing an eco-friendly lifestyle isn't merely a favour to the Earth; it's a gift to everyone. Sustainability isn't about sacrificing comfort; it's about ensuring a brighter future for generations to come. By aligning our choices with the principles of sustainable living, we craft a life that nourishes our wellbeing. Healthier mortality rates, reduced diseases, elevated happiness, and stronger community connections are just a few of the benefits we reap. Moreover, sustainable living isn't devoid of fun or savings. Engaging in DIY projects, embracing nature, and reducing consumption lead to a more fulfilling existence. As conscious individuals, the onus rests on us to make choices that redefine our relationship with the planet. The power of change is in your hands. By designing a service that adopts sustainable and eco-friendly practices, together we not only mitigate environmental crises but also enhance our lives in profound ways. It's a win-win scenario that resonates with the planet, the present, and the generations yet to come.

About IKEA

This is a challenge offered to you by IKEA. IKEA is one of the world's leading retail furniture brands, operating in more than 60 countries around the globe. As we stand face to face with an unprecedented climate crisis, businesses are seeking new avenues for sustainable growth. IKEA's ambition is to be circular and climate positive by 2030, and to inspire and enable many people to live a better everyday life within the boundaries of the planet. This impacts every aspect of what we do, from how we meet

customers to which products and services we develop. It will affect our complete IKEA value chain and the sourcing of energy and materials. We are one brand, hundreds of companies, and thousands of co-workers spread all over the world; we have a passion for home furnishing and an inspiring shared vision; 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.

