Ikea goes all in on smart home tech

Ikea is formalizing what has recently become all too obvious: the company is making a major bet on smart home tech as a source of new revenue. To do this, Ikea announced that it will invest heavily in a new “Ikea Home smart” business unit with end-to-end responsibility for its burgeoning portfolio of smart devices. With access to 780 million shoppers who visit Ikea stores each year, the announcement also serves as a wake-up call to smart home incumbents like Google and Amazon.

“We have decided to invest significantly in Home smart across Ikea to fast-forward the development. This is the biggest New Business we are establishing since the introduction of Children’s Ikea,” said Peter van der Poel, manager Ikea Range & Supply, aka, the box that sits above Ikea of Sweden within the complicated Ikea Group org chart.

The new business unit is helmed by the aptly-named Björn Block, and sits alongside Ikea of Sweden’s ten other business units that include Lighting, Livingroom & Workspace, Textiles, Kitchen and Dining, and Ikea Food.

What’s next?
Ikea’s smart home ambitions first became visible with the introduction of tables and lamps that could wirelessly charge Qi-compatible phones. In 2017, it expanded into affordable smart lighting, before partnering with Sonos for this month’s launch of relatively inexpensive whole-home audio. Ikea’s first smart blinds will start sales in the US on October 1st. What’s next?

Ikea’s just the latest corporate behemoth to wager on smart

home riches, joining Google, Apple, and Amazon. Fortunately for them, Ikea has so far taken a platform agnostic approach, supporting the Google Assistant, Siri, and Alexa ecosystems through its Tradfri gateway. IDC predicts global sales of about 830 million smart home devices in 2019 before doubling to 1.6 billion in 2023. It’s no wonder then that the company is so optimistic about expanding beyond conventional home furnishings.

“By working together with all other departments within Ikea, the business unit of Ikea Home smart will drive the digital transformation of the Ikea range, improving and transforming existing businesses and developing new businesses to bring more diverse smart products to the many people,” said Block in a press release announcing the restructuring. “We are just getting started.”

I don’t know about the other many people, but I, for one, can’t wait to see if Ikea can do for the smart home what it did for design.

https://www.theverge.com/2019/8/17/20809976/ikea-home-smart-business-unit