

NEWS

Small, central, digital

How IKEA's New Store Format Puts the Screen at the Center

11 July 2026, Tobias Engl



IKEA has opened a store in Ingolstadt that bears little resemblance to the familiar image of the blue giant on the outskirts of town. It spans about 3,000 square meters instead of the usual 35,000, carries just under 3,700 items instead of about 10,000, and is located in the heart of the city rather than in an industrial park. The location is a pilot project and represents a new direction that the parent company, Ingka Group, is pushing forward globally, as reported by the trade publication *invidis*. For the digital signage industry, one thing in particular stands out: “The smaller the space, the greater the role of screens.”

From a destination worth visiting to just a place to pass by

The traditional home furnishings store is a destination in itself. You plan your visit, follow the designated route, and take the items home with you right away. The new format turns this logic on its head. It's located where people are already spending their time, offers a curated selection of home accessories, small furniture pieces, and household items to take home, and supplements the rest with personalized advice and ordering. If you want a shelf or a kitchen, you plan it on-site and have it delivered. The full product range is available in the store no longer on the shelves, but on the screen.

The Screen as a Product Line

This is where the real innovation begins. In the smaller formats, displays take on tasks that were previously handled by the floor space in the main store. They showcase what's physically missing from sofas to kitchen cabinet fronts they inspire with entire living environments, and they guide customers through the compact space. IKEA has been testing this approach in recent years. At the Vienna Stadthaus, the company installed well over a hundred displays ranging from small formats to video walls designed as digital billboards to provide inspiration and product information. The London store on Oxford Street is regarded by observers as particularly screen-dense, with a well-thought-out concept in which hardly any two screens display the same content.

It's remarkable how low-key IKEA's approach is. The public screens serve as a source of inspiration and information; the actual transaction takes place via the app and in-store consultations. The focus is less on spectacular effects and more on content with a clear purpose, with each screen serving its own specific function. It is precisely this approach that makes the concept adaptable for other operators.

More than just a small store

The more intriguing question is whether this format opens up new business models. There are signs that it will. IKEA is opening its existing stores to other retailers, effectively operating the space as a platform. Where displays showcase products, brands and promotions can be targeted and displayed, turning the screen into rentable advertising space a model known in the retail industry as "retail media." And small stores are shifting their sales toward omnichannel business: a visit serves as inspiration, the purchase is made online, and the order is delivered to the customer's home. The store is transforming from a warehouse into a showroom.

This means that IKEA isn't the originator of these ideas, but it is a very visible driving force behind them. Many retailers will soon be testing for themselves what a corporation of this size is demonstrating. The small, digitally supported store in the city center could serve as a model not only for furniture but also for other industries with a wide product range and limited space.

A model like this stands or falls on the interaction between technology and staff. The experience of other retailers shows that digital terminals are only effective when trained staff complement them and the transition from on-screen recommendations to placing an order goes smoothly. Where this is achieved, in-person advice actually becomes even more important because it focuses on what a screen cannot do.

What Remains

For operators of smaller retail spaces, the lesson is that screens are most effective when they are seamlessly integrated with the product lineup, availability, and customer service—and when their content serves a purpose. Whether the data remains on-premises or is stored in a remote cloud is a question that European retailers, in particular, are increasingly asking. IKEA's pilot project in Ingolstadt does not provide a definitive answer to this question. However, it does show where the trend is headed: toward smaller stores and screens that do more.