THE CONNECTED HOME MARKET

In the span of a few short years, connected devices have entered the homes of millions of Americans, and are now poised for a new wave of growth. In this survey, approximately 2,000 U.S. households were asked for their views on the connected home, revealing distinct customer segments and key issues that need to be tackled in order to unlock this growth.

Current Device Owners

- **Any Device**: 16%
- **Security and Safety**: 11%
  - **Utilities Management**: 8%
  - **Smart Appliances**: 4%
  - **Wellness Monitoring**: 3%
  - **Smart Entertainment**: 3%

Where Users Purchase Their Devices (Retailers)

- **Home improvement retailer**: 32%
- **Online retailer**: 39%
- **Big box store**: 3%
- **Healthcare provider**: 11%
- **Home electronics retailer**: 7%
- **Specialty dealer**: 6%
- **Product manufacturer**: 7%
- **Home appliance retailer**: 7%

Where Users Purchase Their Devices (Service Providers)

- **From a contractor**: 0%
- **Direct device purchase**: 21%
- **Utility company**: 2%
- **Cable company**: 4%
- **Telephone company**: 2%
- **Healthcare provider**: 4%
- **Product manufacturer**: 3%
- **Home appliance retailer**: 3%

Where Users Purchase Their Devices (Other)

- **Big box store**: 23%
- **Healthcare provider**: 19%
- **Home electronics retailer**: 18%
- **Specialty dealer**: 17%
- **Product manufacturer**: 13%
- **Home appliance retailer**: 6%

How Users Adopt Their Devices

- **Security and Safety**
  - **Home improvement retailer**: 71%
  - **Online retailer**: 4%
  - **Healthcare provider**: 1%
- **Utilities Management**
  - **Big box store**: 21%
  - **Healthcare provider**: 1%
- **Wellness Monitoring**
  - **Big box store**: 17%
  - **Healthcare provider**: 1%

Penetration of devices

- **Security and Safety**: 71%
- **Utilities Management**: 45%
- **Wellness Monitoring**: 17%
- **Smart Appliances**: 16%
- **Smart Entertainment**: 11%

Households with <$100K income are:

- **Security and Safety**: 21%
- **Utilities Management**: 11%
- **Wellness Monitoring**: 7%
- **Smart Appliances**: 4%
- **Smart Entertainment**: 3%

Households with +$100K income are:

- **Security and Safety**: 56%
- **Utilities Management**: 19%
- **Wellness Monitoring**: 13%
- **Smart Appliances**: 13%
- **Smart Entertainment**: 11%

User vs. Non-User

- **USER**: 26%
  - **Non-device users**: 18%
  - **Device users**: 8%

Awareness Channels for Connected Home Products

- **MEDIA**
  - **SAW TV AD**: 28%
  - **READ ONLINE**: 19%
  - **READ IN NEWSPAPER/MAGAZINE**: 18%
  - **HEARD FROM FRIENDS/FAMILY**: 22%
  - **READ ON A SOCIAL NETWORK**: 13%
  - **STORE VISIT/DEMOS**: 16%

- **PROVIDER**
  - **OFFERED BY HOME SECURITY COMPANY**: 18%
  - **OFFERED BY CABLE/TELCO/MOBILE COMPANY**: 27%
  - **OFFERED BY UTILITIES COMPANY**: 19%
  - **RECOMMENDED BY HEALTH CARE PROVIDER**: 11%

Overall, non-users have similar store preferences for future connected home purchases.

- ~40% of connected home solutions are purchased from service providers.
- 25–50% more devices are purchased when a customer buys from a service provider.
INTEREST & AWARENESS

Awareness & Interest in Connected Devices

Security and Safety
- Remote video feed
- Connected lock
- Connected smoke/CO detector
- Connected leak detector

Utilities Management
- Connected thermostat
- Connected lighting
- Connected energy tracking
- Connected lawn sprinklers

Wellness Monitoring
- Connected scale
- Connected pill case
- Vitals data uploading
- Elderly/child activity uploading

Smart Appliances
- Connected cleaning/vacuum
- Connected washer/dryer/dishwasher
- Connected stove/oven
- Connected refrigerator/pantry
- Connected pool cleaner
- Connected lawn mower
- Connected pet food dispenser

Smart Entertainment
- Seamless audio/video playback
- Multi-room music
- Room-controlling home theater

INTEREST & AWARENESS

~50% of multiple device owners are interested in purchasing a hub.


- 51% accidentally left lights on
- 41% accidentally left TV/appliance on
- 36% wonder what's happening at home while away
- 35% leave a/c running (even when it's comfortable)
- 31% can't remember if they locked doors/windows

*Percent of non-users who exhibit behavior at least once a week.

Brand Awareness

Security and Safety
- TOP SERVICE PROVIDER 6%
- TOP DEVICE MANUFACTURER 6%

Utilities Management
- TOP SERVICE PROVIDER 37%
- TOP DEVICE MANUFACTURER 21%

Service provider brands enjoy a huge lead in awareness over device brands.

Interested Non-Users’ Reasons for Not Purchasing

- 66% Too expensive
- 39% Not sure how it works
- 37% Technology is still developing
- 27% Concerned about privacy
- 24% Security/utilities/health not a big concern
- 22% Didn’t see the need until recently

Consumers in general feel strongly about the privacy and safety of their data...

...but only a fraction see them as barriers to connected home adoption, and those who do don’t list it as a top reason.

TOP 3 BUYING FACTORS

- 86% Price
- 84% Features and functionality
- 79% Ease of setup

TOP 3 FEATURES

- 73% are concerned about privacy.
- 66% are concerned about identity theft.
- 6% say privacy concerns are their top reason for not purchasing.
- 2% are afraid of being hacked.
Customers Willing to Pay More Than $20/Month

45% of non-users interested in buying safety and security services are interested in 24/7 monitoring.

12% of interested non-users are willing to pay a monthly fee for an energy analytics service.

6% of non-users interested in buying safety and security services are interested in 24/7 monitoring.

29% of interested buyers are willing to pay 10% more for smart appliances over basic models.

~60% of customers would prefer to pay a one-time price for their devices.