

By Brad Russell, Research Analyst

<p>Synopsis</p> <p>There are thousands of consumer use cases for smart home systems and devices — as many use cases as there are consumers. This can be challenging for smart home marketers as they seek to merchandise standalone devices and bundles of smart home products and services. This report examines the business strengths and weaknesses of merchandising options, emerging merchandising trends in existing and new channels, and consumer preferences for bundles versus build-as-you-go adoption and the purchasing methods they prefer.</p>	<p align="center">Consumer Choice: Standalone or Bundled Smart Home Devices</p> <p align="center">Safety & Security Devices: Acquiring Method Non-Gift Buyers of Smart Home Devices in U.S. Broadband Households</p> <table border="1"> <caption>Approximate data from the chart</caption> <thead> <tr> <th>Device</th> <th>Purchased as a standalone device</th> <th>Purchased with subscription</th> <th>Purchased with multiple components</th> </tr> </thead> <tbody> <tr> <td>Smart door lock</td> <td>50%</td> <td>30%</td> <td>20%</td> </tr> <tr> <td>Smart smoke detector</td> <td>50%</td> <td>30%</td> <td>20%</td> </tr> <tr> <td>Smart water leak/humidity detector</td> <td>55%</td> <td>25%</td> <td>20%</td> </tr> <tr> <td>Networked security camera</td> <td>62%</td> <td>20%</td> <td>18%</td> </tr> </tbody> </table> <p align="right">© Parks Associates</p>	Device	Purchased as a standalone device	Purchased with subscription	Purchased with multiple components	Smart door lock	50%	30%	20%	Smart smoke detector	50%	30%	20%	Smart water leak/humidity detector	55%	25%	20%	Networked security camera	62%	20%	18%
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<p>Publish Date: 1Q 17</p>	<p>“Smart home products are typically sold as standalone devices, as devices bundled with services, and as devices bundled with multiple components. Between 2014 and 2016, the share of sales as standalone devices has increased for over a dozen smart home product categories. Networked cameras demonstrate the greatest increase in share, increasing from 37% in 2014 to 62% in 2016. So, while sales are growing for those who bundle devices with services, they are being outpaced by growth in the standalone segment. This is not surprising as smart home reaches a deeper level of penetration than those who subscribe to professional services,” said Brad Russell, Research Analyst.</p>																				
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Figures	<ul style="list-style-type: none"> Companies Researched for Report Pure Standalone Devices Hybrid Standalone Devices Starter Kit Bundle Discount Bundle Use Case Subsystem Bundle “Free” Hardware + Service Subscription Bundle Purchased/Financed Hardware + Service Subscription Bundle Hardware + Content Subscription Bundle Safety & Security Devices – Acquisition by Merchandising Method (2014 – 2016) Smart Energy & Water Devices – Acquisition by Merchandising Method (2014 – 2016) Smart Home Devices - Comparison of Purchase Method by Merchandising Method Smart Thermostat - Purchase Channel by Acquisition Method Networked Camera - Purchase Channel by Acquisition Method
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List of Companies	<ul style="list-style-type: none"> <li style="width: 50%;">ADT Pulse <li style="width: 50%;">KB Home <li style="width: 50%;">Amazon Alexa <li style="width: 50%;">Kidde <li style="width: 50%;">Amazon Echo <li style="width: 50%;">leakSMART <li style="width: 50%;">Amazon.com <li style="width: 50%;">Lennar Corporation <li style="width: 50%;">Apple HomeKit <li style="width: 50%;">Lowe’s <li style="width: 50%;">AT&T Digital Life <li style="width: 50%;">Lutron <li style="width: 50%;">August <li style="width: 50%;">Nest <li style="width: 50%;">Belkin WeMo <li style="width: 50%;">Philips Hue
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	<p>Best Buy Brookfield Residential Canary Centrica Coldwell Banker Comcast Xfinity Home EVERYTHING Honeywell ilum IOTAS</p>	<p>Ring ROC-Connect Samsung SmartThings Southern California Edison Target Stores TigerDirect TP-Link Vivint Wink</p>
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