

# Market Snapshot: Consumers and the Smart Home Purchase Experience

A Parks Associates Snapshot



**PARKS**  
ASSOCIATES

## Market Snapshot: Consumers and the Smart Home Purchase Experience

**The number of smart home products and services on the market has exploded in recent years, and 26% of consumers in U.S. broadband households report owning at least one smart home device.**

Consumers acquire these devices as part of a larger security or home control system or purchase stand-alone devices to serve a single need.

Purchasing a smart home product can be exceedingly complex and requires consumers to seek answers to questions like the following:

- What can smart home products do for me?
- How are smart home products different from traditional products?
- Should I buy one at a time or several at once?
- Should I buy a system that works together or select the individual products I like best?
- Can I install these products myself?
- Who can help me if my smart home products won't work together?

Each household—and individual—has different needs and perceives value in unique ways. While one household may identify safety as the most valuable proposition, another may identify energy management as such. The optimal setup of home products and systems is also dependent on variables unique to each home—how many floors exist, what sort of home networking infrastructure is in place, does the consumer want outdoor as well as indoor solutions, etc.

For these reasons, channels that offer consultative selling can be particularly impactful in moving the smart home market into the mainstream. Residential security providers and Internet service providers have made use of their dealers and field professionals to engage in consultative smart home selling. Just recently, Vivint announced a partnership with Best Buy to bring that consultative selling model into the retail setting.

This Quick Reaction Survey provides consumer perspectives on the smart home purchase process, specific to the Best Buy and Vivint announcement.

### Methodology – Quick Reaction Survey

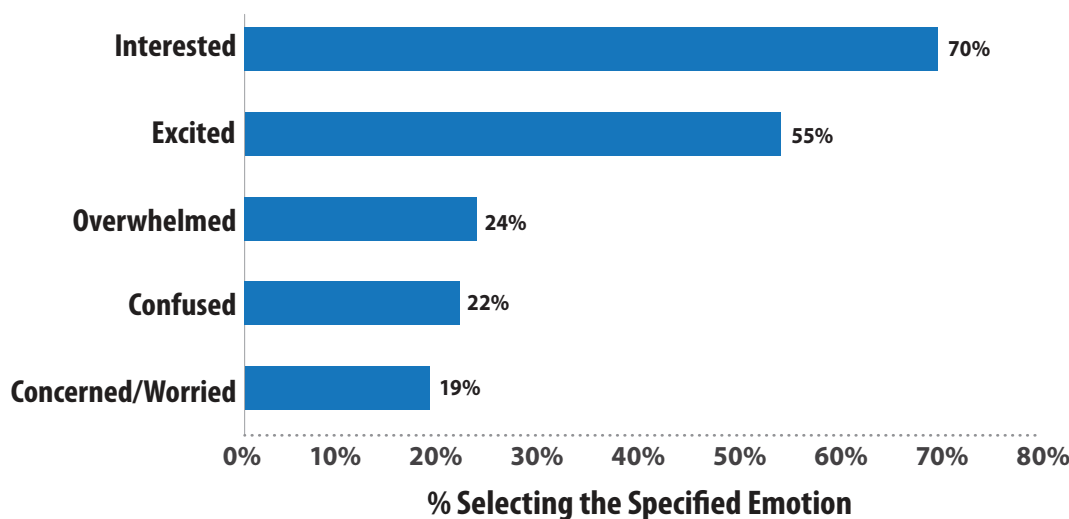
In May 2017, Parks Associates conducted a quick-reaction survey of 854 U.S. consumers ages 18 and older to gain insight into their perspectives on the smart home purchase process and interest in gaining advice from in-store smart home experts.



Consumers are interested in smart home products and are excited about the possibilities. Yet a quarter are overwhelmed by the prospect of figuring out which product to buy.

## Emotions Associated with Smart Home Device Purchase

Smart Home Device Owners or Purchase Intenders, n=525,  $\pm 4.28\%$



"What words best describe how you feel when trying to figure out what smart product to buy (select all that apply)" | Source: Smart Home Device Purchasing Survey | N=854,  $\pm 3.35\%$

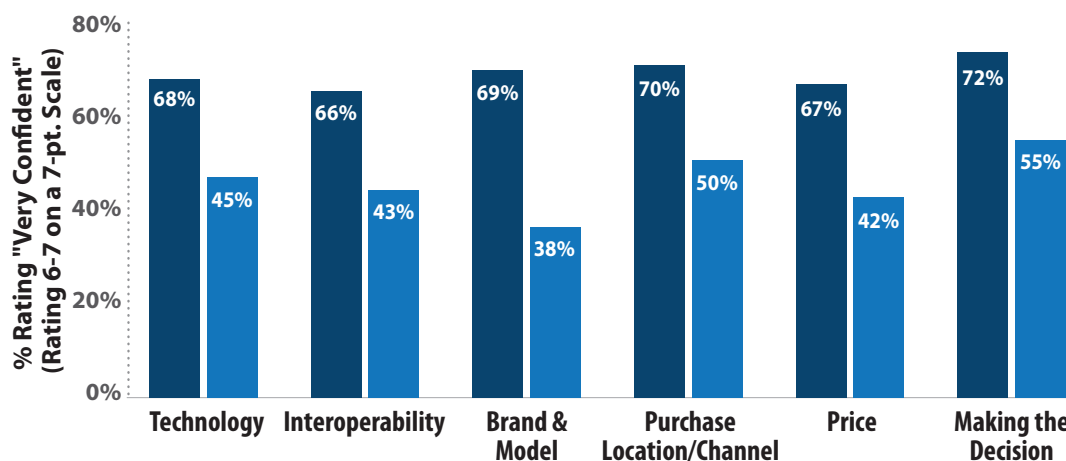
© Parks Associates

Smart home device owners are more confident in all aspects of smart home purchasing than those who intend to buy a smart home product but don't currently own one.

## Confidence in Ability to Research and Understand Aspects of Smart Home Device Purchase

Smart Home Device Owners or Purchase Intenders

Smart Home Device Owners, n=418,  $\pm 4.79\%$  | Non-Own Smart Home Device Intenders, n=107,  $\pm 9.47\%$



"Please rate how confident you feel about your ability to research and understand the following aspects of purchasing a smart home device" | Source: Smart Home Device Purchasing Survey | N=854,  $\pm 3.35\%$

© Parks Associates



Researching technology and product options are the most time-consuming parts of the smart home device purchase process. The vast majority of consumers spend no more than two weeks to buy a smart home product, from initial research to purchase.

## Most Time-Consuming Step of Smart Home Device Purchase

Smart Home Device Owners, n=418,  $\pm 4.79\%$



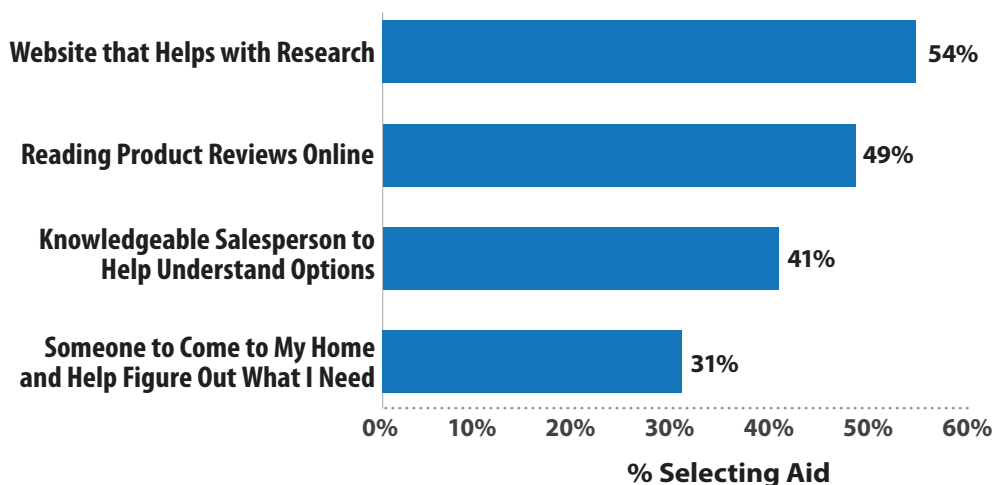
"Which part of the purchase process took the longest time?" | Source: Smart Home Device Purchasing Survey | N=854,  $\pm 3.35\%$

© Parks Associates

Consumers are open to a variety of tools to assist in the purchase process – including consultative selling. Online tools, such as websites with background information and reviews, are the most popular desired shopping aids and cheaper to produce. However, over 40% would seek out a knowledgeable salesperson, and nearly one-third would find an in-home consultation helpful.

## Aids to Ease the Smart Home Purchase Process

Smart Home Device Owners or Purchase Intenders, n=525,  $\pm 4.28\%$



"What would make the buying process easier for you?" | Source: Smart Home Device Purchasing Survey | N=854,  $\pm 3.35\%$

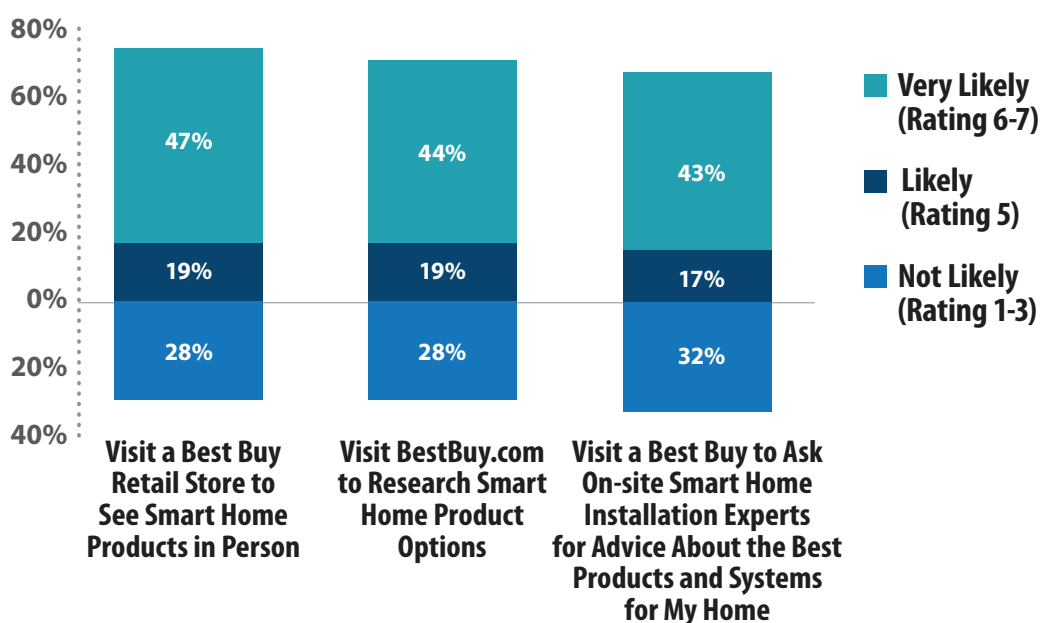
© Parks Associates

Best Buy carries a lot of weight with consumers. The majority of consumers would engage with Best Buy—in store or online—when shopping for a smart home device.

The majority are also likely to ask on-site smart home installation experts for advice about the best products and systems for their home.

## Best Buy Roles in Smart Home Purchase

U.S. Consumers Ages 18+, n=854, ±3.35%

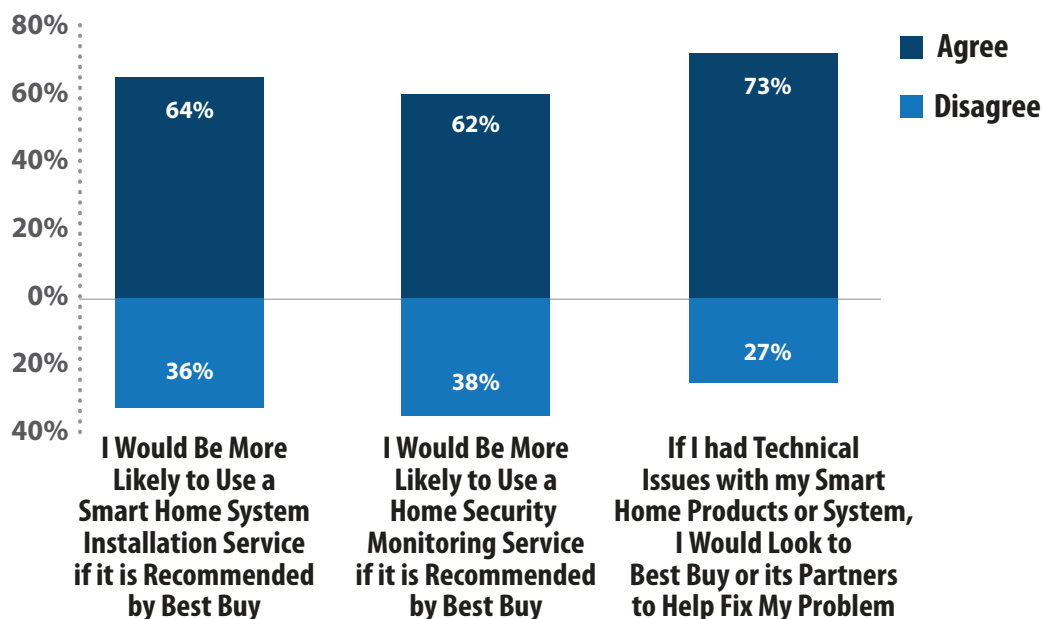


"If you were considering purchasing a smart home device, how likely would you be to do the following...?" | Source: Smart Home Device Purchasing Survey | N=854, ±3.35%

© Parks Associates

## Best Buy/Vivint Announcement Reactions

U.S. Consumers Ages 18+, n=854, ±3.35%



Partnering with Best Buy has a lot of upside for smart home players. Nearly two-thirds of consumers would be more likely to use a smart home system installation service if it is recommended by Best Buy.

The majority of consumers would also be more likely to use a home security monitoring service if it is recommended by Best Buy. These rates are even higher among consumers under the age of 34 and those with annual household incomes of \$75,000 or greater.

"Best Buy is working with home security provider Vivint to install home security and smart home systems and products. Do you agree or disagree with the following statements" | Source: Smart Home Device Purchasing Survey | N=854, ±3.35%

© Parks Associates

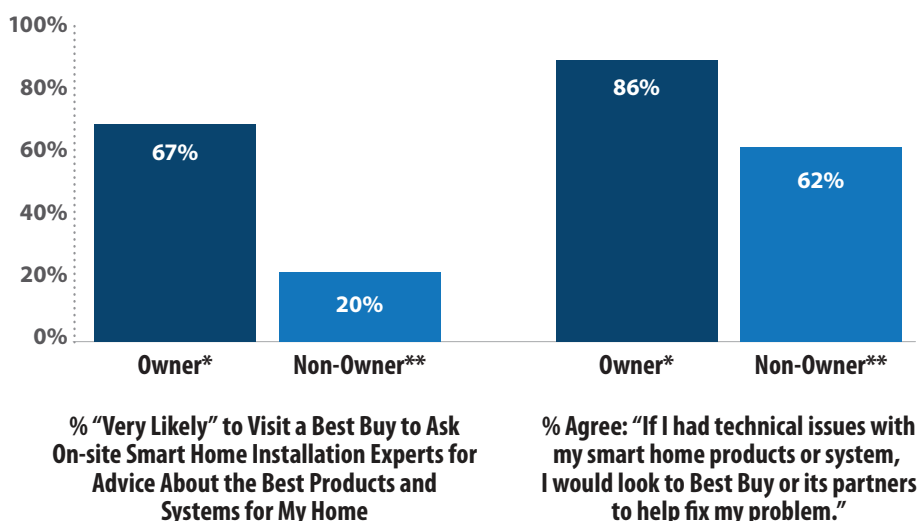
**Best Buy and its partners are well positioned to play an ongoing role for smart home consumers.**

Notably, smart home device owners are much more likely than non-owners to seek on-site expert advice at Best Buy retail stores. This indicates that the educational need does not end with the first purchase of a smart home device. Instead, it opens consumers' eyes to the possibilities and complexities of the space.

Those already owning a smart home device are also more likely than non-owners to look for Best Buy or its partners for ongoing technical support help.

## Best Buy/Vivint Announcement Reactions by Smart Home Device Ownership

Among U.S. Consumers Ages 18+



\*Owner - Owns a smart home device, n=418, ±4.79%

\*\*Non-Owner - Does not own a smart home device, n=436, ±4.69%

"If you were considering purchasing a smart home device, how likely would you be to do the following..." & "Best Buy is working with home security provider Vivint to install home security and smart home systems and products. Do you agree or disagree with the following statements?" | Source: Smart Home Device Purchasing Survey | N=854, ±3.35%

© Parks Associates

## In Summary

Consumers new to the smart home market need assistance and are open to consultative selling that provides insight into the value provided for the household's specific needs, as well as an understanding of how the products work. Given the variety of standards and custom needs of each household, expert sales advice is welcome by many consumers.

Best Buy's partnership with Vivint attempts to fill that role. Vivint Smart Home experts can give personalized advice in-store and even perform custom in-home evaluations to assure customers that they are buying the right products for their needs. However, the extent to which the initiative can drive sales remains to be seen.

The value of consultative selling does not necessarily decline after purchase, which points to a longer-term opportunity. While current smart home device owners are more confident about the purchase process overall, they are even more likely than non-owners to value expert guidance and ongoing support for their smart home solutions.

**Methodology:** This Parks Associates Quick Reaction Survey fielded to 854 adults in the U.S. The results carry a margin of error of  $\pm 3.35\%$ . Sample quotas were used to reflect the national age, income, and education distribution. This survey was fielded in May 2017.

## About The Author



**Jennifer Kent**, *Director, Research Quality & Product Development, Parks Associates*

As Director, Research Quality & Product Development, Jennifer manages Parks Associates' process for producing high-quality, relevant, and meaningful research. She acts as an internal advocate for Parks Associates clients and leads the company's efforts at conceptualizing and implementing digestible, relevant research presented in an optimal manner. Jennifer is always looking at the most effective ways to provide research to Parks Associates clients.

Since joining Parks Associates in 2009, Jennifer has worked on the mobile and health research team, specializing in the connected health, mobile payment, and connected car markets, as well as the consumer research team, analyzing consumer data related to the connected home and consumer electronics markets. Jennifer earned her Ph.D. in religion, politics, and society and an M.A. in church-state studies from Baylor University. She earned her B.A. in politics from the Catholic University of America in Washington, D.C.

Twitter ID: @JenniferMKent



Parks Associates is an internationally recognized market research and consulting company specializing in emerging consumer technology products and services.

Founded in 1986, Parks Associates creates research capital for companies ranging from Fortune 500 to small start-ups through market reports, primary studies, consumer research, custom research, workshops, executive conferences, and annual service subscriptions.

**The company's expertise includes** the Internet of Things (IoT), digital media and platforms, entertainment and gaming, home networks, Internet and television services, digital health, mobile applications and services, support services, consumer apps, advanced advertising, consumer electronics, energy management, and home control systems and security.

For more information, visit [parksassociates.com](http://parksassociates.com) or contact us at 972.490.1113 / [info@parksassociates.com](mailto:info@parksassociates.com).

ATTRIBUTION—Authored by Jennifer Kent. Published by Parks Associates. © Parks Associates, Dallas, Texas 75248. All rights reserved. No part of this book may be reproduced, in any form or by any means, without permission in writing from the publisher. Printed in the United States of America.

DISCLAIMER—Parks Associates has made every reasonable effort to ensure that all information in this report is correct. We assume no responsibility for any inadvertent errors.



**Smart Home Tracker: Market Sizing & Trends** provides the market intelligence for companies to navigate and succeed in this competitive landscape by sizing and forecasting the overlapping markets in the smart home space and providing an analysis of key industry trends, market shifts, and player announcements on an ongoing basis.

This annual service includes multiple deliverables from the Parks Associates smart home analyst team, with market sizing, analysis, and insight about key smart home and IoT products and services:

- **Smart Home Market Tracker (Quarterly)**
- **Smart Home Market Sizing (Biannual)**
- **Analyst Consultation (Four Hours Per Annual Contract)**

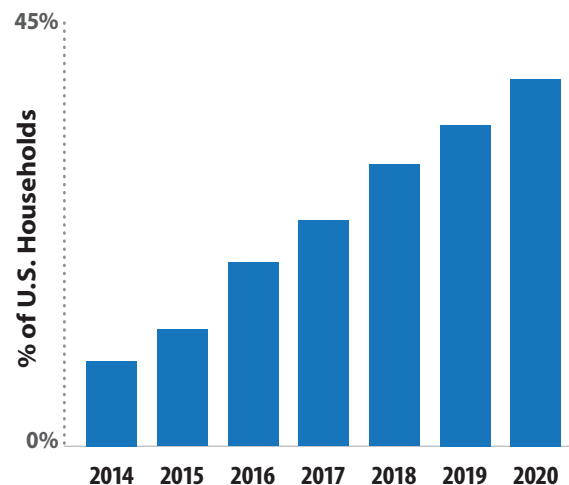
**These deliverables present and analyze:**

- Size of key smart home markets and submarkets
- Five-year forecasted growth of key smart home markets and submarkets
- Important trends shaping the market
- Impactful product announcements
- Partnerships and acquisitions from major players

**This service provides:**

- Strategic assessment of market changes, current announcements, and new products
- Up-to-date analysis of the impact of events on the competitive landscape
- Insights into strategies for key players
- Evaluation of events in the context and broader market trends
- Identification of market, partnership, and revenue opportunities
- Access to Parks Associates analyst team

## Use Voice Control to Access Internet-connected Platform



© Parks Associates

## About Parks Associates

Parks Associates is an internationally recognized market research and consulting company specializing in emerging consumer technology products and services. **The company's expertise includes** new media, digital entertainment and gaming, home networks, Internet and television services, digital health, mobile applications and services, consumer electronics, energy management, and home control systems and security.