

# Expanding the Home Security Value Proposition



Presented by:

**PARKS  
ASSOCIATES**



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**Subject: Parks' webcast Nov 7th - Expanding Home Security; co-host with Sigma Designs**

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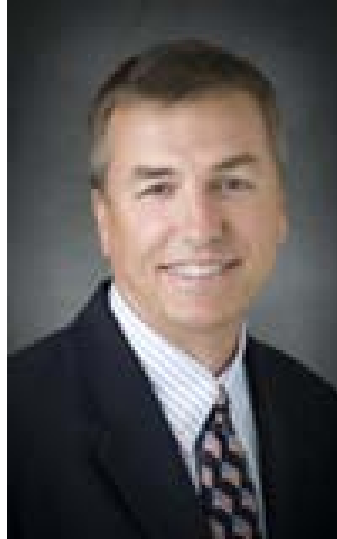
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# Expanding the Home Security Value Proposition



**Roy Perry**  
**Vice President**  
**Ecosystem Alliances**  
**Alarm.com**



**Bill Scheffler,**  
**Senior Director**  
**N.A. Business Development**  
**Sigma Designs**



**Steve Shapiro**  
**Group Director**  
**Product Management**  
**ADT**

# Traditional Security System User Interface



# Interactive Services – Smart Phone Applications



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**Vice President**  
**Ecosystem Alliances**  
**Alarm.com**

**What is the impact of  
interactive services on the  
security industry?**

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**Steve Shapiro**  
**Group Director**  
**Product Management**  
**ADT**

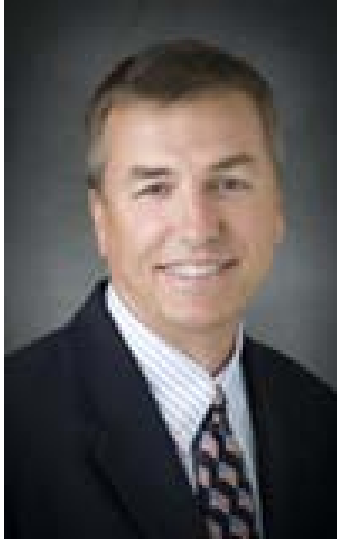
**How has the  
independent dealer  
community changed  
their selling approach  
with the launch of  
interactive services?**

# Expanding the Home Security Value Proposition





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**Bill Scheffler,  
Senior Director  
N.A. Business Development  
Sigma Designs**

**What are some of the  
higher growth products?  
What new products and  
innovations are on the  
horizon?**

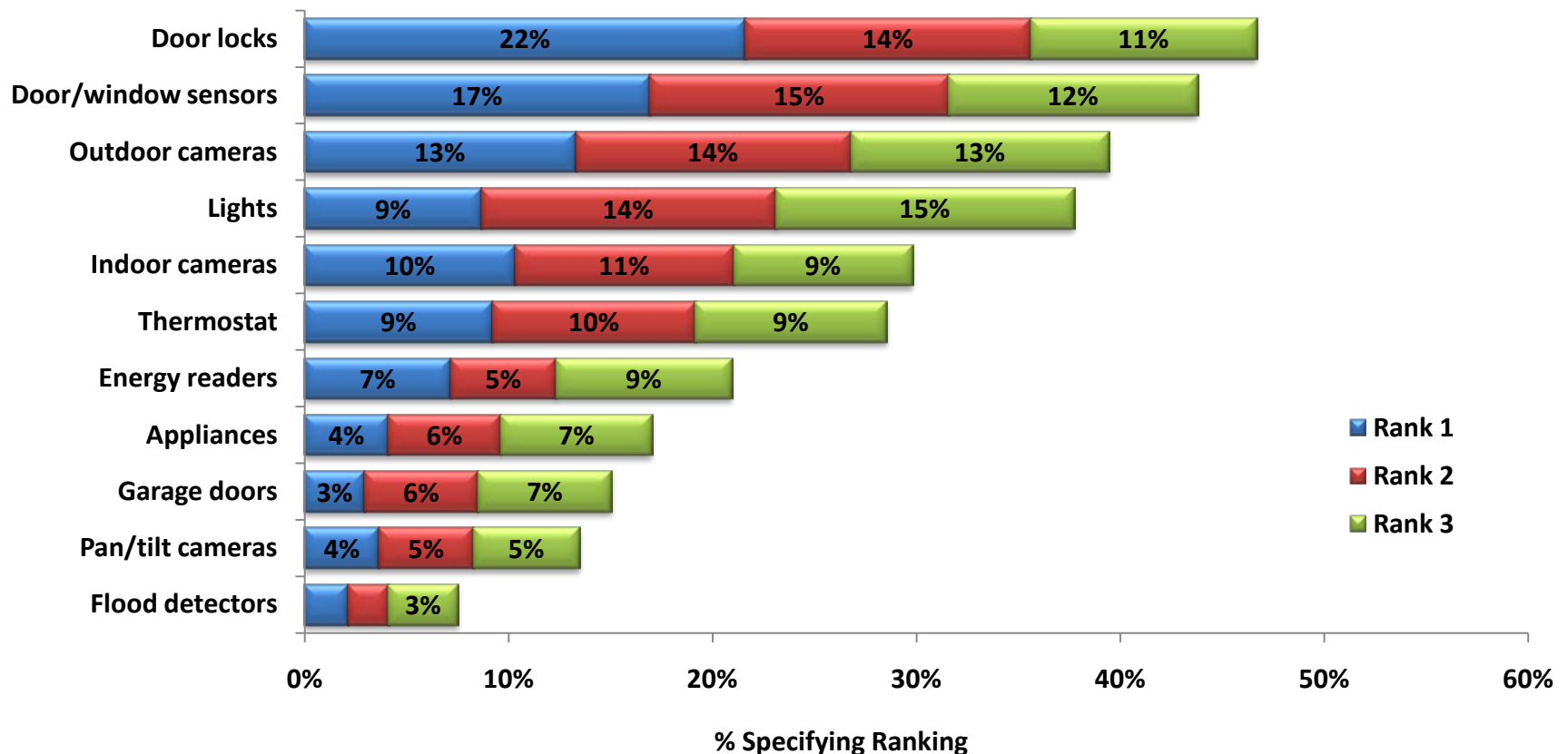
# Expanding the Home Security Value Proposition

## Most Desired Capabilities for Home Monitoring and Management System (Q2/12)

"Q7005. Which of the following capabilities would you most desire in a home monitoring and management system?"

The ability to automate, control and monitor..."

(Among All BB HHs, n=2,517, ±1.95%)



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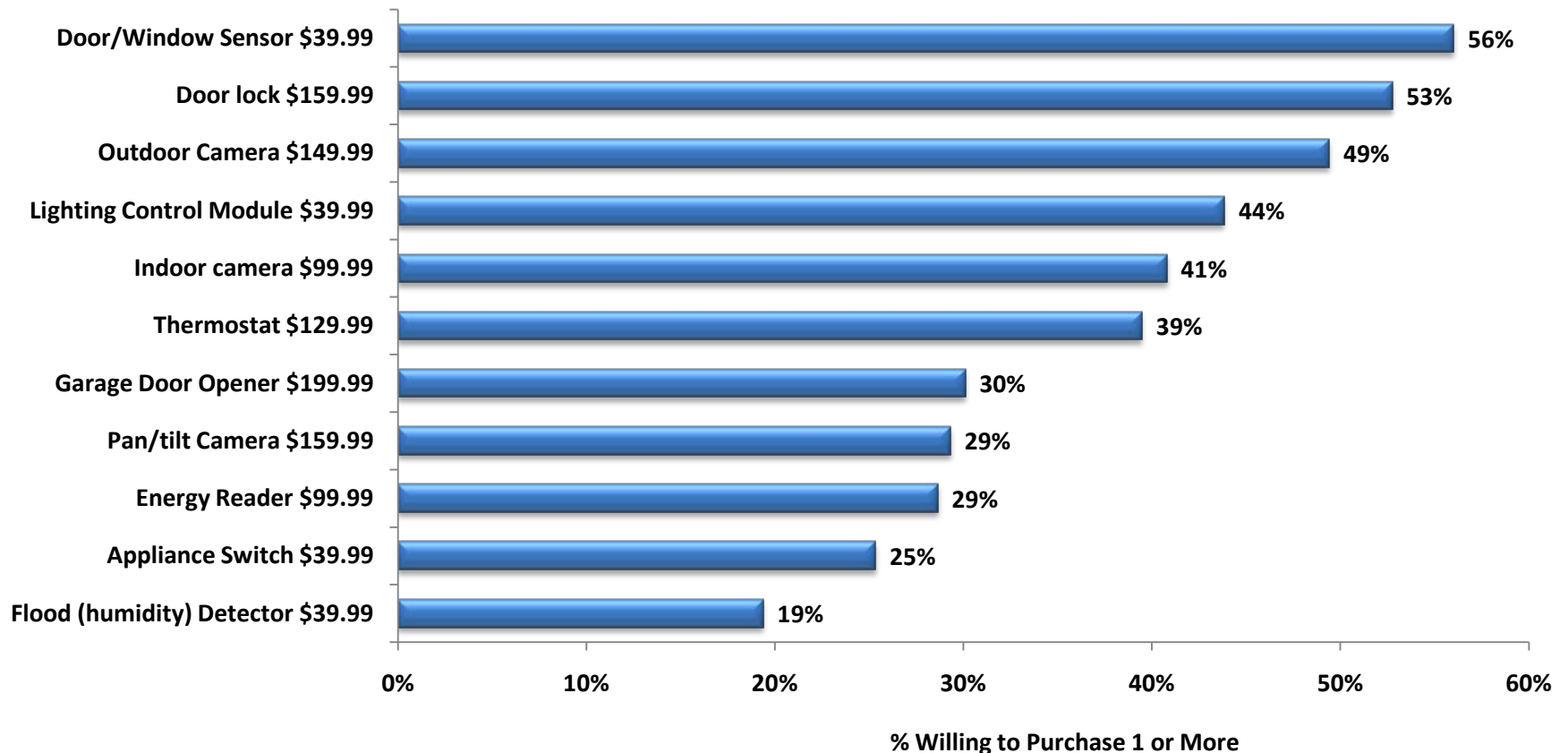
**Are there any new devices or applications that have the potential to expand the market for professional security monitoring?**

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## Willingness to Purchase Home Security & Home Control Equipment (Q2/12)

"Q7010. If you were buying a home monitoring and management system for your home, how many of the following devices would you purchase?"

(Among All BB HHS, n=2,517, ±1.95%)



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**How can the industry  
continue to monetize  
the growing number  
devices?**

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**How important is having products in retail at this stage of the market?**

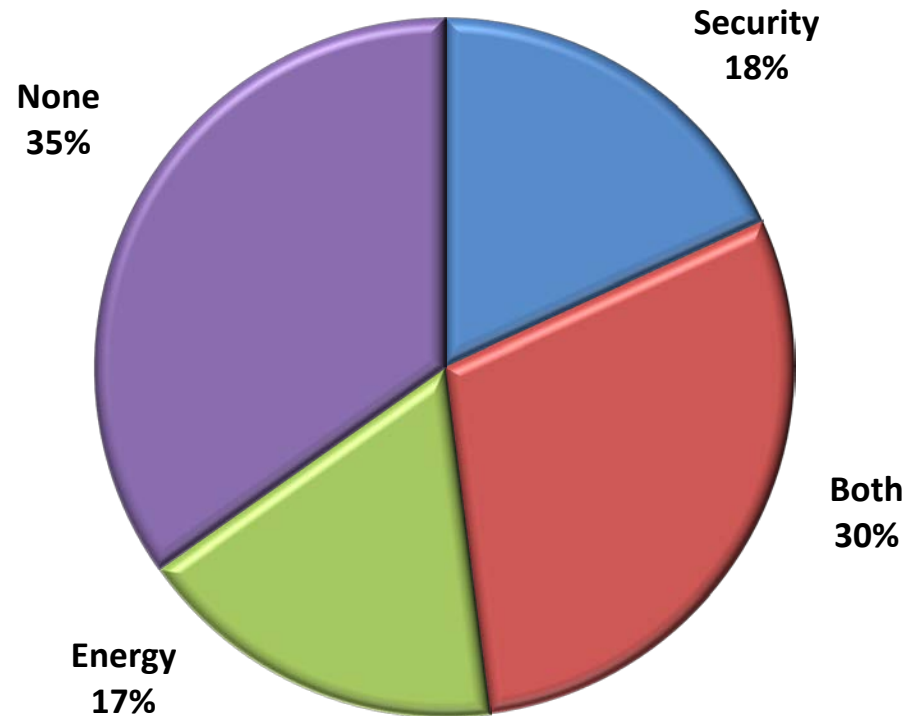
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## Appeal of Specified Services (Q4/11)

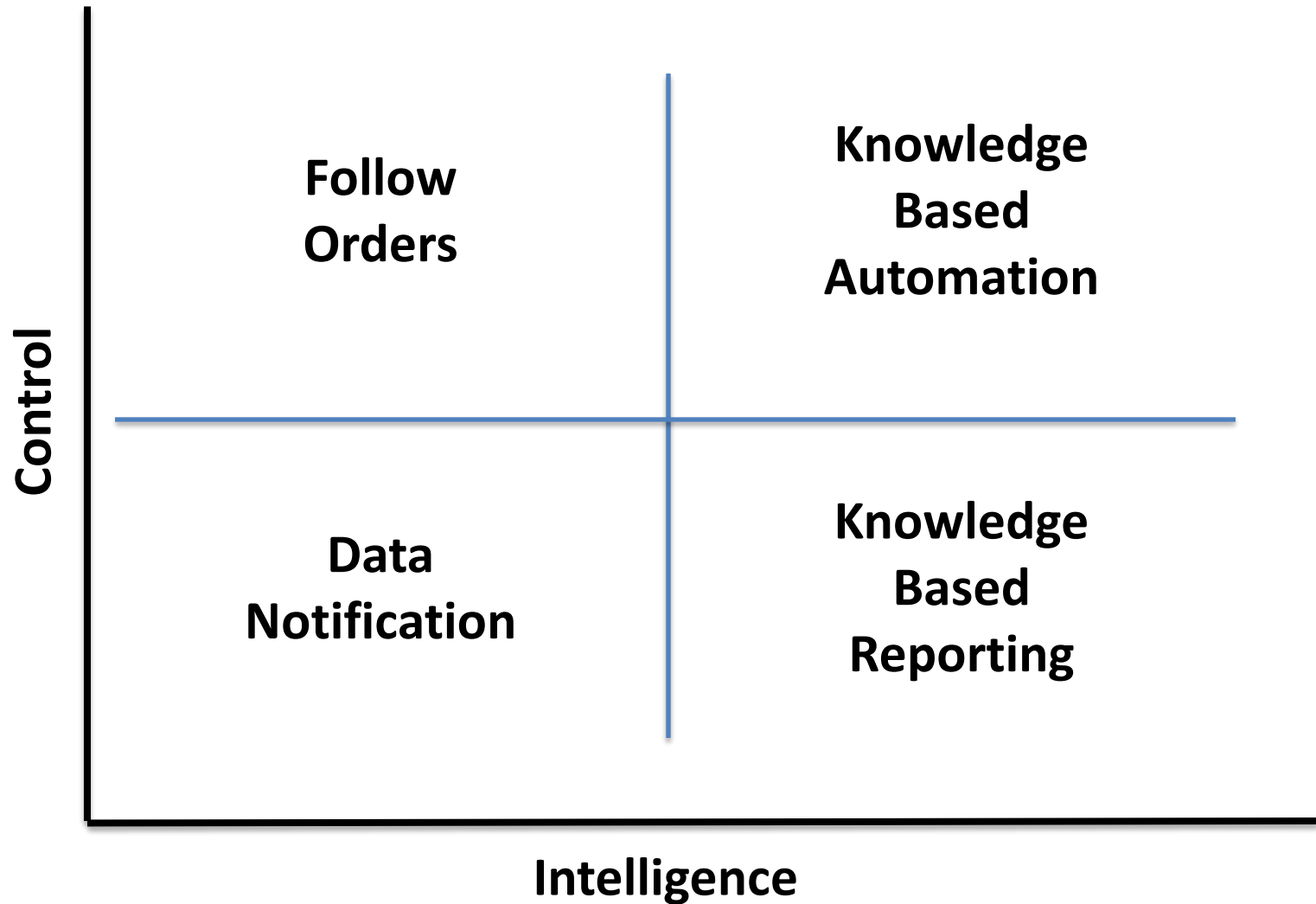
"Q500. Please rate the appeal of each of these services?"

High appeal of at least one security service, energy service, both energy & security, or neither.

(Among All BB HHs, n=1,500, ±2.53%)



# Expanding the Home Security Value Proposition





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**How are automated  
energy control  
capabilities impacting the  
home security industry?**

# Telecom and Cable Operators Entering the Market



Strategy: Basic package targets households without monitored security

- » Home Monitoring Kit: indoor camera, lighting module. Add-ons for energy, door locks, appliances, thermostats, etc.
- » TV is the primary interface
- » Self-installation



Strategy: Full featured offering

- » Includes touchscreen UI, professional monitoring, keychain remote, sensors. Opt. thermostats, smoke detectors, and lighting
- » News, entertainment and info content is available on the keypad
- » Professional installation



Strategy: Ease of use and simplicity

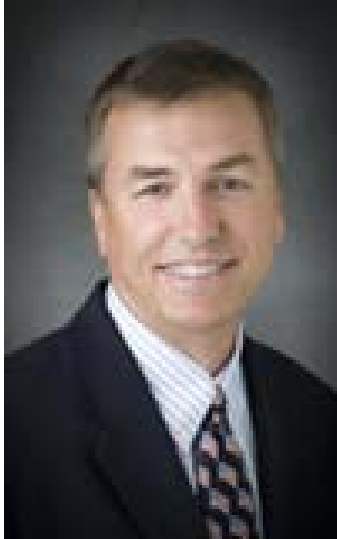
- » Professionally monitored security is the core service
- » Add-ons for automation, and energy
- » Sold through 2000+ retail outlets
- » Professional installation



Strategy: Tiered packages and broadband-bundled pricing

- » Basic tier – Professional monitoring, touchscreen control, and security sensors
- » Mid tier – camera and additional security HW
- » Top tier – automation, energy, and lighting
- » Professional installation

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**The home security channel is using Z-Wave products. Yet the cable industry has chosen ZigBee. What impact with that have?**

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**ADT**

**Do you think this will  
confuse consumers?**

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**How are motivations for these new entrants different than for the traditional security industry? What are the implications?**

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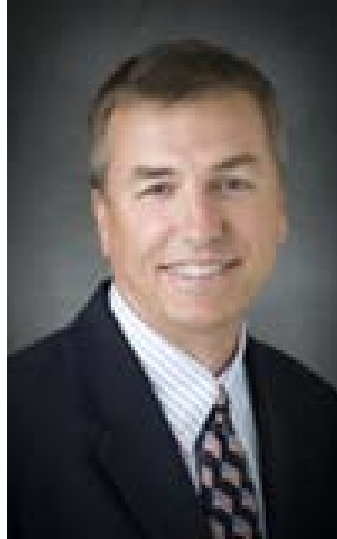
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**Product Management**  
**ADT**

**What is the impact of  
the new competitors  
entering the market for  
home security?**

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# Thank You!





# Grow Revenues Now and in the Future

**CONNECTIONSEUROPE**  
AMSTERDAM

MONETIZING THE CONNECTED

home ))

CROWNE PLAZA Amsterdam South



13 NOV Utilities & Service Providers: Partners in Home Controls

14 NOV Video Value-Added Services

**Top Leaders & Expert Analysts** focus on the evolution of **Managed Home Automation** and **Consumer Video Services**



*“The event surprised me with the depth of the knowledge shared, the variety of companies present and the length of the panel discussions: just right to get a good grasp of what was on the mind of adjacent industries, **getting a good insight in what is moving and shaking the business.**”*

**Ziggo Executive**

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**Thank You!**

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