Smart Home Channel Strategies and Business Models

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Sr. Director Product
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Time Warner Cable
Barriers to Smart Home System Adoption - Awareness

Smart Home Familiarity (Q2/14)

- Very familiar (Rating 6-7)
- Not familiar (Rating 1-3)

<table>
<thead>
<tr>
<th>Service/Products</th>
<th>% Very Familiar</th>
<th>% Not Familiar</th>
</tr>
</thead>
<tbody>
<tr>
<td>Smart home services</td>
<td>10%</td>
<td>62%</td>
</tr>
<tr>
<td>Smart home products</td>
<td>11%</td>
<td>62%</td>
</tr>
<tr>
<td>Where to buy smart home services</td>
<td>8%</td>
<td>72%</td>
</tr>
<tr>
<td>Where to buy smart home products</td>
<td>9%</td>
<td>69%</td>
</tr>
</tbody>
</table>

Source: American Broadband Households and Their Technologies Q2 2014
N=10,000 broadband households, ±0.98%
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Barriers to Adoption - Interoperability

Importance of Interoperability (Q2/14)

% Reporting "Very Important" (Rating 6/7 with 7 = "Extremely Important")

- 1st device purchased (n=736, ±3.61%) = 51%
- 2nd device purchased (n=573, ±4.09%) = 58%
- 3rd device purchased (n=520, ±4.3%) = 60%

Source: American Broadband Households and Their Technologies Q2 2014
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Two Paths to Market

**Products**
- ecobee
- nest
- CHAMBERLAIN®
- hue
- Hunter
- PHILIPS
- Honeywell
- Whirlpool

**Systems**
- AT&T
- ADT Pulse
- Vivint
- Comcast
- TIME WARNER CABLE
- IRIS
- NEXIA
- STAPLES®
Two Paths to Market

Smart Home Devices as System or Stand Alone (Q2/14)

- Door locks: 58% (system), 32% (stand alone)
- Security camera: 52% (system), 34% (stand alone)
- Combination sensor: 48% (system), 39% (stand alone)
- Water leak detectors: 50% (system), 41% (stand alone)
- Smoke detectors: 46% (system), 41% (stand alone)
- Door bells: 48% (system), 45% (stand alone)
- Lights: 50% (system), 47% (stand alone)
- Garbage door openers: 48% (system), 48% (stand alone)
- Outlet/plug: 39% (system), 54% (stand alone)
- Programmable thermostat: 36% (system), 55% (stand alone)
- Blinds or drapes: 37% (system), 55% (stand alone)
- Power strip: 32% (system), 55% (stand alone)

Source: American Broadband Households and Their Technologies Q2 2014 | N=10,000 broadband households, ±0.98% | © 2014 Parks Associates
Growing the Smart Home and Beyond

- Transform the End to End Experience
- Integrate security and automation capabilities
- Utilize AT&T Core Strengths
- Open Platform with countless possibilities

SPEAKER

Curt Schacker
VP and Managing Director, Connected Products
EVRYTHNG
@EVRYTHNG
What smart homes can learn from a can of Coke

IoT Smart Products Platform

Value Proposition | Ecosystem | Business Model

**SMARTER APPLIANCES**
- HEY FRIDGE, ORDER MORE CREAM FOR THIS RECIPE

**CONNECTED SERVICES**
- COOKING INSTRUCTIONS SENT TO THE MICROWAVE

**REAL-TIME RULES**
- AVG TEMP FOR ALL ROOMS CHECKED – RPM DOWN

**PERSONALIZED REWARDS**
- NEXT SCAN UNLOCKS GAME LEVEL 5

**PRODUCT TRACKING**
- HOW FAR I’VE TRAVELLED, WHAT I’M MADE OF...
SPEAKER

Marcus Scheiber
CEO & Co-Founder
ROC-Connect, Inc.
complete, branded, today

Smart Home as a service
everything your company needs to create a smart solution for your customers

Increasingly smarter

Simply connect things
SPEAKER

Brian Seemann
President
Resolution Products, Inc.

@Resolution_Tech
Convergence in the Smart Home
Why Resolution is in the Game....

Professional Security
- Proven Recurring Revenue Model
- Hardened Security
- Proven Relevance
- Established, Proven Wireless
- Struggling to Expand Mkt
- User Interfaces – Static & Dated

IoT Automation
- Struggling to Monetize
- “Soft” Security
- Innumerable Products
- Uncertain Relevance
- Wireless Standard Shakeout
- Consumers Energized
- User Interfaces – Evolving
Steve Shapiro
Vice President, Industry Relations
ADT

@stevenshapiro @ADTstaysafe
The ADT Smart Home = The Safe Home

Customer Network of Nearly 7 Million, including more than 1 Million ADT Pulse Customers

- Delivers professionally installed and monitored security
- Answers approximately 19M alarms each year
- Offers home automation and control with ADT Pulse interactive services with security at the core, providing flexibility for remote
  - System arm / disarm
  - Lighting and appliance control
  - Door lock and garage door control
  - Custom notifications and scheduled events
  - Temperature and energy monitoring
  - Video monitoring and video clips
- Holds strategic partnerships with companies such as McAfee, Life360 and IFTTT for enhanced solutions and services

"With more than one million ADT Pulse interactive security customers, we believe that the smartest smart homes must also be safe. Simply put, our view is that safety and security is something that you should not compromise on."

Arthur Orduña, senior vice president and chief innovation officer for ADT

Steve Shapiro VP of Industry Relations
January 6, 2015
Christopher Williams
Sr. Director Product Strategy and Development
Time Warner Cable
@twc
Time Warner Cable IntelligentHome

- IntelligentHome is TWC’s **home management** system that delivers **next-gen home security, automation, video surveillance** and **energy management**

- IntelligentHome is delivered on a **flexible platform** for innovation, incremental revenue streams and the ability to provide customers **value and control** in ways that are **simple and easy**

- Time Warner Cable is rapidly evolving the **ecosystem** using **iControl OpenHome** DDK’s and API’s to enable **compatibility** with best in class partner solutions

- Support is provided for **both professional install and DIY** for certain components (e.g. LG Light Bulb, Kwikset 914 door lock available online from Best Buy)

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- See the IntelligentHome CES partner demonstration @ **LG Electronics Booth #8204**
- iControl OpenHome partner program: [www.icontrol.com/developers](http://www.icontrol.com/developers)
- View OpenHome compatible solutions: [www.openhome.io/home](http://www.openhome.io/home)
- Time Warner Cable IntelligentHome: [www.twc.com/intelligenthme](http://www.twc.com/intelligenthme)
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THANK YOU

FOR MORE INFORMATION:

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