

Engaging Consumers: IoT and the Smart Home



CONNECTIONS™ Summit is in the Venetian Hotel, Level 4, Room Marcello 4405.
Visit Parks Associates at Booth #41073 in Sands A-D.

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CONNECTIONS™ Summit focuses on emerging areas critical to the growth of the connected home, including the smart home, the Internet of Things (IoT), tech support, connected health, privacy/data security, and more. CONNECTIONSSummit.com

THURSDAY, JANUARY 5

9:00 AM **Creating New Value in the Connected Home: Integration, Partnerships, and Privacy**

Audio Analytic • Carrier • Comcast • EVRYTHNG, Inc.
Nest Labs • NXP Semiconductors

10:30 AM **IoT Crossover: Smart Home, Entertainment, Appliances, Cars, and Energy**

Earth Networks and Whisker Labs • Ericsson • General Motors
Greenwave Systems • Icontrol Networks • Sears Holdings Corporation

11:45 AM **The Role of Connected Health Services in the Smart Home**

A&D Medical • Alarm.com • Care Angel • Independa • Philips

1:15 PM **IoT and Smart Home: Seamless Interoperability**

Arrayent, Inc. • Cirrent • eQ-3 AG • Galaxywind Network Systems Co., Ltd
Qualcomm • Thread Group

2:30 PM **IoT: Support Services and Managing the Experience**

Dixons Carphone • F-Secure Corporation • OnProcess Technology
Support.com • Sutherland Global Services, Inc. • Vodafone

3:45 PM **IoT and Smart Home: Changing Business Models**

American Family Ventures • ROC-Connect • Samsung Electronics America
Target • TROVE • Vivint Smart Home

5:30 PM **CONNECTIONS SUMMIT Networking Reception**

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New research & interactive discussions on business and monetization strategies

VOICE CONTROL

44% of U.S. broadband households use voice controls on Internet-connected devices.

46% of U.S. millennials with smartphones use voice recognition software such as Apple's Siri, Google Now, or Microsoft's Cortana.

CE

73% of U.S. broadband households connect one or more in-home entertainment devices to the Internet, an increase of 11% from the beginning of 2015.

Nearly one-third of consumers use two or more Apple products.

CONNECTED CARS

58% of U.S. car owners are very concerned about hidden fees associated with connected car features and services.

Nearly 50% of all car owners in U.S. broadband households are very concerned about the security of their location data in a connected car, while 43% share the same level of concern about the security of their personal driving data, such as speed, mileage, and hours driven.

The U.S. connected vehicle market will grow to 183 million cars, or 61% of the light vehicle fleet, by 2021.

62% of U.S. car owners would prefer to bundle vehicle data charges with their mobile data bill, while only 12% prefer a direct billing relationship with the auto OEM.

64% of car owners in U.S. broadband households who own a smartphone want embedded access to connected car features in their next vehicle.

MOBILE

Nearly 90% of U.S. broadband households own a smartphone.

Only 19% of U.S. smartphone owners have used a mobile payment app with their device.

42% of smartphone/tablet owners use at least one fitness app.

25% of U.S. broadband households use a tablet to access online video content and 20% use a smartphone.

WEARABLES/SMART WATCHES

11% of U.S. broadband households now have a smart watch, and approximately one million use their watch to control devices.

18% of U.S. broadband households own a wearable fitness device such as a smart watch or fitness tracker.

Two-thirds of wearable fitness device owners use the device daily or almost daily.

31% of Apple Watch owners search for information using voice commands on a weekly basis. 45% make or receive phone calls with their device. 50% check the weather on a weekly basis.

Only 15% of smart watch owners have used a mobile payment app with their device.

SMART HOME DEVICES

26% of U.S. broadband households own a smart home device.

11% of U.S. broadband households own a smart thermostat.

5% of U.S. broadband households own a smart plug/adaptor module.

U.S. broadband households with smart light bulbs own 2.4 of these products on average.

19% of U.S. broadband households plan to buy a smart major appliance in the next 12 months.

Overall adoption in Western Europe for smart home devices is 10-15%.

70% of U.S. broadband households with smart energy devices report saving money due to reduced energy consumption.

42% of U.S. broadband households would select electric utilities as their first choice for energy management services.

51% of U.S. broadband households find an IoT device that alerts them to smoke and fire highly appealing and 41% find a device that alerts them to a water leak to be highly appealing.

More than 30 million U.S. broadband households will have a home security system by 2019.

51% of U.S. broadband householders find an IoT device that alerts them to smoke and fire to be highly appealing.

44% of U.S. broadband households are concerned about hidden costs associated with energy management systems.

STREAMING MEDIA

Over 63 million U.S. broadband households subscribe to an OTT video service.

66% of U.S. broadband households use a streaming audio service; 26% of U.S. broadband households subscribe to a paid streaming audio service.

63% of U.S. broadband households subscribe to an OTT video service as of the third quarter of 2016, up from 57% at the beginning of 2015.

Roku is the most popular brand of streaming media players, accounting for 30% of the players purchased from 1Q 2015 to 1Q 2016. Amazon moved into a virtual tie with Google at 22% of sales. Along with Apple TV (20%), the four major players account for 94% of the streaming media players purchased, up from 86% in 2014.

Thirty-six percent of U.S. broadband households have at least one streaming media player, up from 27% last year.

The top 10 list of subscription OTT video services for the U.S. market at the end of the third quarter of 2016 includes Netflix, Amazon Video (Amazon Prime), Hulu, MLB.TV, WWE Network, Sling TV, HBO Now, Crunchyroll, Showtime, and CBS All Access.

PRIVACY AND DATA SECURITY

45% of U.S. broadband households, including both owners and non-owners, are very concerned that someone will get access to a smart home product/devices.

Nearly 60% of U.S. broadband households are bothered when their online viewing history is used for advertising.

Nearly 40% of U.S. broadband households worry about the safety and usage of their personal data through an online video service.

VIRTUAL REALITY/AUGMENTED REALITY


4% of millennials (heads-of-household ages 18-34) own a VR headset, compared to 2% ownership among average households.

50% of consumers who try a VR headset enjoy it and make plans to purchase one, 15% who try one enjoy the experience and then buy a headset.

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Consumer research, industry perspectives, & expert discussions on the connected home

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Parks Associates' UPCOMING EVENTS

Smart Energy Summit: Engaging the Consumer

February 20-22, 2017
Austin, TX



CONNECTIONS™: The Premier Connected Home Conference

May 23-25, 2017
San Francisco, CA



Connected Health Summit: Engaging Consumers

August 29-31, 2017
San Diego, CA



RESEARCH SERVICES

Connected Health Tracker Service
Analyzes consumer adoption and usage of healthcare solutions and current business opportunities.

www.parksassociates.com/healthtracker

OTT Video Market Tracker
Blends company profiles with industry research data and analysis of competing players' strengths and weaknesses.

www.parksassociates.com/ott-tracker

Consumer Research, Adoption, Revenue Forecasts, and Business Strategies

Broadband TV News - December 9, 2016

"5% Of Consumers Who Try A VR Headset Buy One"

A new market snapshot by **Parks Associates** reveals 50% of consumers who try a VR (virtual reality) headset enjoy it and make plans to purchase one, while 15% who try one enjoy the experience and then buy a headset.

This research highlights the importance of personal experience in driving the success of virtual reality headset sales and the need to expand demos beyond industry events such as CES® and into retail settings, especially during the holiday shopping season. At last year's CES, VR headsets and hardware drew attention, but this year, content and apps will be the focus for the technology.

ComputerWorld - December 8, 2016

"Bluetooth 5 Is Out: Now Will Home IoT Take Off?"

Range has quadrupled in Bluetooth 5, so users shouldn't have to worry about getting closer to their smart devices in order to control them. Also, things like home security systems -- one of the most common starting points for smart-home systems -- will be able to talk to other Bluetooth 5 devices around the house, **Parks Associates** analyst **Tom Kerber** said.

San Francisco Chronicle - December 7, 2016

"Fitbit Buys Smartwatch Pioneer Pebble Amid Wearables Shakeup"

The smartwatch market has also slumped. Apple Watch sales are down this year, and Lenovo's Motorola brand has dropped out of the market. Most people simply aren't finding reasons to buy them: Smartwatches are expensive, and they generally don't provide functions other than those already available in a cell phone.

The market slowdown particularly hurt Pebble, which did not have the resources to wait for things to pick up. That might not happen until 2019 or 2020, when other functions touted by smartwatch makers, such as controlling smart home devices and paying without a debit or credit card, become more readily available, said analyst **Harry Wang**, digital health research director for **Parks Associates**.

The Street - December 5, 2016

"Fox CEO James Murdoch Says Streaming Platforms Better Business Than Going Direct-to-Consumer"

Nonetheless, Dish Network's (DISH) Sling TV is said to have attracted about 1 million subscribers since launching nearly two years ago, according to **Parks Associates**, a Dallas industry monitor.

D Magazine - November 30, 2016

"How Digital Service Providers Are Challenging AT&T"

"New routers are seeking to address several key areas of concern for home networking infrastructure; namely performance, coverage, aesthetics, and security," says **Brad Russell**, a research analyst at **Parks Associates** in Dallas. "New models are also designed for over-the-air updates that keep the router up to date with security patches and also enable them to roll out new features, such as [Google] OnHub's recent integration of IFTTT for smart home control recipes."

The Boston Globe - November 30, 2016

"For Cord Cutters, AT&T's New Virtual Cable Service An Unlikely Solution"

Each is a decent enough product, but they've generated hardly any interest from consumers. Research firm **Parks Associates** estimated in October that after 18 months, Sling TV had signed up only 1 million subscribers. PlayStation Vue only had about 100,000 according to a guesstimate served up by Bloomberg BusinessWeek in June.

Wall Street Journal - September 22, 2016

"What Yahoo Users Can Do After the Hack"

Internet users with email or online-service accounts they no longer use should log into them and close them out. "They just create more points of vulnerability," said **Brad Russell**, a research analyst at **Parks Associates**. Sometimes that might mean having to go through steps to recover an old password you might not remember, but it's worth it.

USA Today - June 20, 2016

"Best Wi-Fi Options For Travelers"

Almost nine of 10 U.S. households have a smartphone, and more than one-third use Wi-Fi calling to stay in touch, according to research by **Parks Associates**. "To many travelers, including my teenage daughter, the three life essentials are food, water and Wi-Fi," says **Harry Wang**, a senior research director at **Parks Associates**.

The New York Times - February 8, 2016


"TV Producers May Start Making You Wait For New Shows Online"

The changes are especially noticeable at Hulu, which is owned by parents of the very television networks — Fox, ABC and NBC — threatened by changes in the way we watch TV. Hulu has set itself apart by offering new TV episodes faster than its rivals; making viewers wait longer could limit its appeal. "Hulu's DNA has been recent episodes of TV shows," said **Glenn Hower**, an analyst at the research firm **Parks Associates**.

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