

CONNECTIONS™ SAN FRANCISCO

MAY 13-15 2014

THE PREMIER CONNECTED HOME CONFERENCE

KEYNOTES

MAY 13 1:45 PM



“Differentiating TV with Apps in a Competitive, Multi-Screen Market”

GW Shaw, Vice President, U-verse & Video Products, AT&T

MAY 14 9:45 AM



“Gateways & Set-Top Box Evolution: Powering the Future of Home Infotainment”

Charles Cheevers, CTO, Customer Premises Equipment, ARRIS

MAY 14 11:45 AM



“How Can the Internet of Everything Enable Connected Life”

Joe Chow, VP/GM—Connected Devices, Cisco Systems, Inc.

MAY 14 4:45 PM



“The Internet of Toothbrushes? A Look at the Connected Home Market”

Greg Roberts, Vice President, Marketing, iControl Networks

MAY 15 9:45 AM



“The Car...Just Another Connected Device?”

Ken Durand, Vice President, Innovation and Business Development, Ericsson

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CONNECTIONS™ host Parks Associates is an international market research and consulting company specializing in emerging technologies for consumers, including new media, Internet of Things (IoT), digital entertainment and gaming, home networks, Internet and TV services, digital health, mobile applications and services, CE, energy management, and home systems and security. www.parksassociates.com | CONNECTIONSUS.com

CONNECTIONS™ Research Highlights

ACCESS AND ENTERTAINMENT

In 1Q 2014, 34% of U.S. broadband households subscribe to an OTT service, an increase of two percentage points from the prior year.

Nearly 24% of U.S. broadband households are likely to upgrade their broadband service, which positively correlates with consumers who watch Internet video on a TV.

“TV Everywhere users have several characteristics that set them apart from average pay-TV subscribers and make them valuable to service providers. These qualities include younger age (on average, seven years younger), more likely to have children at home, a higher rate of connected device ownership, higher monthly ARPU, and higher spending on all types of video.”

- Brett Sappington, Director, Research, Parks Associates
 @BrettsView

ADVERTISING

In 2014, free apps supported by advertising will account for 87% of the total number of apps downloaded in the U.S.

In 2013, 6% of U.S. broadband households reported seeing the AdChoices Icon displayed with an Internet-based ad, virtually unchanged from 5% in 2011.

“Advertising is a core business model employed by app content owners and publishers to support the development and publication of app products. As consumer demand for free apps intensifies, mobile apps have emerged as an effective channel to reach and engage target audience segments.”

- Heather Way, Senior Analyst, Parks Associates @hcway

APP ECOSYSTEM

In-app purchases revenue will comprise 57% of total app revenues in 2014. Free apps will account for 30% of total app revenues.

55% of U.S. smartphone owners and 61% of tablet owners use a TV-related app at least once a month.

“App consumption among consumers 18-34 is consistently higher than app use among consumers over 35. Young app users are more likely to use the popular app types, but they are less likely to use news and information-based apps than their adult counterparts.”

- Heather Way, Senior Analyst, Parks Associates @hcway

CONNECTED CE & PLATFORMS

82% of U.S. broadband households now have at least one HDTV, and 80% of flat-panel TVs will be smart-enabled by the end of 2015.

43% of Google Chromecast owners stream Netflix to their TV set on a daily basis.

“More U.S. broadband households use a gaming console for streaming Internet content than any other streaming device, but console manufacturers need to keep their focus on core gamers. Competing devices, such as streaming media players, are less expensive and easy to use, so innovation that appeals to core gamers is critical in maintaining the strength of the console product category.”

- Barbara Kraus, Director, Research, Parks Associates
 @BarbaraAtParks

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Research from @ParksAssociates

DIGITAL HEALTH

28% of U.S. broadband households have used some type of virtual care communication tool, increasing to 65% by 2018.

More than 32 million U.S. consumers will actively track their personal health and fitness online or via mobile by 2016.

U.S. sales of connected wellness and personal health products and services will exceed \$8 billion in 2018.

“For companies in the wearable technology market, this new category creates new market opportunities. Technology will always drive cost downward and entice vendors to compete on price or features. But it’s high time for them to think about their product not as a tech gadget, but a fashion brand.”

- Harry Wang, Director, Health and Mobile Product Research, Parks Associates @HarryatParks

DIGITAL HOME SUPPORT SERVICES

55% of smartphone owners want a service that protects their device from viruses and identity theft, and approximately 50% want a service that repairs or replaces their device if accidentally damaged.

About 40% of computer owners and one-quarter of tablet and smartphone owners in U.S. broadband households report a preference for self-help methods to resolve problems.

“The Internet of Things is taking shape, and as consumers adopt new categories of devices, including home automation and home monitoring devices, new support opportunities emerge. Successful premium support services will take a comprehensive approach to address consumer needs and help consumers get the most out of their devices.”

- Patrice Samuels, Research Analyst, Parks Associates @PatriceatParks

DIGITAL MEDIA

Cord cutting has yet to play out strongly, with fewer than 5% of U.S. broadband households having cut the cord and then relying exclusively on OTT video.

41% of U.S. broadband households receive personalized video viewing recommendations from at least one source. Netflix and Hulu are the most common.

“The Supreme Court decision in ABC v. Aereo could drastically reshape the licensing environment for retransmission. A win by Aereo may set legal precedent for a method to rebroadcast without compensation.”

- Glenn Hower, Research Analyst, Parks Associates @GlennatParks

Newsletters

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HOME ENERGY MANAGEMENT

6% of U.S. broadband households are currently participating in a demand response (DR) program; one-third are “very likely” to participate in a hypothetical DR program when the benefits are clearly explained.

16% of U.S. broadband households are highly likely to purchase a renewable-energy power generator over the next five years. Nearly 60% of these households plan to purchase solar panels, the most popular option among renewable-energy power generators.

52% of U.S. broadband households are likely to purchase a smart thermostat if offered a \$75 rebate in exchange for participation in a DR program.

“Consumers are notoriously reluctant to adopt variable-rate plans; over 50% expect their electric bill would increase under these plans. But once a home with a TOU plans adapts consumption patterns to off-peak times, consumers will see lower electricity bills, which could contribute to higher satisfaction.”

- Tom Kerber, Director, Research, Home Controls and Energy, Parks Associates @TomAKerber

MOBILE & PORTABLE

80% of U.S. wireless service subscribers own at least one smartphone, and 46% of smartphone owners began using one for the first time within the last 2 years.

37% of U.S. broadband households access the Internet at home using a mobile phone.

Usage of mobile proximity or mobile e-commerce wallets will increase to nearly 113 million, or 43% of all smartphone users, by 2017.

“Smartphones are not only disrupting the personal computing space but are also serving as a digital bridge for a host of technological innovations that are leveraging the mobility and ubiquitous connectivity of the smartphone to deliver an ever-increasing range of services to the consumer.”

- Tejas Mehta, Research Analyst, Parks Associates @TejasatParks

SMB TECH SUPPORT SERVICES

37% of U.S. SMBs are highly interested in support services that automatically fix problems before they occur.

31% are highly interested in services that routinely tune-up their devices and make sure their devices are working optimally.

“New generations of computing devices are proving to be more reliable than those of previous generations, resulting in a reduction in break/fix service needs. Therefore, support providers have increased their focus on services that improve the usability of devices.”

- Patrice Samuels, Research Analyst, Parks Associates @PatriceatParks

INTERACT LIVE:

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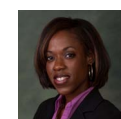
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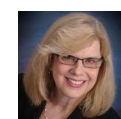
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