SMART HOME DEVICE ADOPTION

Agile Attitude & Usage™ Study

June 2018

GutCheck®

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BACKGROUND & OBJECTIVES

By the end of 2017, there were an estimated 16.3% of homes that were considered "smart homes." To be considered a smart home, the home has to include more than one internet-connected device, such as a TV, lights, appliances, locks, thermostats, cameras, and more. With companies like Amazon, Google, and others coming out with new and improved smart home technology we can expect more consumers to adopt the use of smart devices in the home. In fact, the annual growth rate for the connected home industry is 31% and only expected to increase.

Further, new construction of homes are often incorporating smart home devices. However, it's difficult to understand how and if these devices are integrated into consumers' daily lives. Smart appliances (smart refrigerator, washer/dryer, etc.) and smart smoke detectors are among the smart home products with the highest year-over-year growth, with 267% and 250% respectively—but how might brands in the smart home space encourage more adopters?

To answer these questions, we sought to conduct an Agile A&U™ on various smart home adopter and intender consumer segments. The research focuses on identifying what barriers and triggers to usage exist for smart home device adoption, and what categories of smart home devices provide the greatest opportunity for technology brands. For those who have yet to adopt smart home devices, we sought to determine what motivations and concerns exist, and what messaging and marketing tactics would help increase their smart home device adoption.

What does the current adoption of smart home devices look like and what messaging and tactics can brands in the smart home space do to drive adoption of smart home products?

Research Objectives:

- Determine who the current smart home device adopters are compared to those who haven't adopted smart home devices but are likely to do so in the future
  - Topics to explore: current smart device usage, smart home device awareness, purchase intent of various smart home devices
- Identify the barriers and triggers to usage for smart home devices among both segments of consumers
  - Topics to explore: benefits, motivations, concerns
- Uncover how consumers learn more about smart home devices and what messaging or communication brands should use to drive adoption

METHODOLOGY

This study was conducted via an online quantitative survey. Each survey lasted approximately 12 minutes.

Audience	
Age	18 to 64
Gender	Males and Females
Capture	Marital Status, Children at Home, HHI, Ethnicity, Education, Type of Home, Location, and Region
Smartphone Owner	Screen
Smart Home Devices	Open to smart home devices
Capture	Other smart devices owned
Capture	Smart home devices currently owned and used
Capture	Likelihood to purchase smart home device in the next 12M

Method	# of Respondents
Agile Attitudes & Usage™	700

Survey clicks were balanced to population level data on Age, Gender, and Region, to ensure a natural fallout of the sample.

Key word coding captures recurring themes in responses and groups them under shared topics.

1 Open-ends are automatically coded into themes based on the subject of the open end

I love the graphics!

I have no opinion on this.

The design is awesome!

I like this brand

This is a cool brand!

I like the package

2 Recurring themes are captured and grouped

Design

I love the **graphics**!

I like the **package**

The **design** is awesome!

Brand

I like this **brand**

This is a cool **brand**!

3 The number of responses under a topic determines the size of its name in the cloud

Brand

Product

Package

Design

Understanding How GutCheck looks at Barriers & Triggers

	SIZE		POWER
Barriers	Which of the following, if any, prevented you from purchasing [category/brand] or purchasing [category/brand more often]?	+	Among the things that have led you to purchase this [brand/category], rank the items in terms of **how likely you would be to purchase the product if the issue were resolved** (where 1 is the thing that would make you most likely to purchase this product if it were addressed)?
Triggers	Which of the following, if any, have led you to purchase [brand/category]?	+	Among the things that have led you to purchase this [brand/category], rank the items in terms of **how likely you would be to purchase the product if it occurred** (where 1 is the thing that would make you most likely to purchase this product)?

Barriers and Triggers can be segmented into four types. These types inform how impactful any work you put against them will be.

High Power

Small Size

Tiny but Mighty
Not impacting as many people but might be worth doing if it is easily addressed

Big Opportunities
Focus your time and energy on these

Small and Inconsequential
Do not focus your time or energy on these. Nothing to be gained.

Red Herrings
These seem like they matter because of how prevalent they are, but they really aren't having that much of an impact – leading to potential wasted resources

Big Size

Low Power

EXECUTIVE SUMMARY:

ADOPTERS AND INTENDERS

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EXECUTIVE SUMMARY: **CURRENT ADOPTERS + INTENDERS**

Current adopters + intenders own more than one smart home device and are likely to purchase another in the next year; they are the best opportunity to increase adoption since they are current users or early adopters of technology

More Likely to Be

Men and women with children in the household, Millennials and Gen X'ers, more ethnically diverse, college educated, and homeowners with a single-family home.

Devices Owned

71% currently own a smart TV, 51% own a smart home hub / speaker, 44% own a gaming console, and 22% own a connected thermostat.

Future Adoption

Most intend to buy a video doorbell, smart home hub, remote video surveillance, or connected lighting and smart TV in the next year.

Barriers

While concerned about devices being too expensive, and hackers and data privacy, they're also concerned technology is still developing and there are many potential glitches.

Triggers

Trustworthy brands, low monthly costs, free trials, discounts, in addition to recommendations from friends and family would encourage adoption or trial.

To appeal to smart home device adopters + intenders, brands should leverage brand equity through TV communications among existing customers who own other smart home devices and be sure to acknowledge any technical or product development concerns in addition to their privacy policy.

Non-adopters but intenders have yet to purchase a smart home device, but plan to in the next year; they are not early adopters but will likely enter the market soon

More Likely to Be	Future Adoption	Barriers	Triggers
Both men and women of a wide range of ages and those in more urban locations.	Most intend to buy devices in the entertainment category (such as a smart TV) in addition to a smart home hub / speaker.	While concerned about devices being too expensive, and hackers and data privacy, they're also concerned the technology will be difficult to install.	Low monthly costs, free trials, trustworthy brands, and discounts on the product would encourage adoption or trial.

To increase adoption among smart home device intenders, use social platforms to appeal to their desire for entertainment while showcasing how the devices are easy to install and fun to use—offering a discount or free trial early on will likely go further with this segment.

Non-intenders have yet to purchase a smart home device and/or are unlikely to do so in the next year

More Likely to be	Interested In	Barriers	Triggers
Lower income, no children in the house, aged 50+, female, and more likely to be Caucasian.	Though they have no intention to purchase in the next year, some are interested in the safety and entertainment categories down the road.	Most don't see the need, in addition to devices being costly, concerns about data privacy, and not wanting to invest in a home they don't own.	Though some select no triggers, having a low monthly cost, free trials, and discounts could help in the future.

To change their mindset about smart home devices or appeal to non-intenders in the future, brands will need to effectively highlight how their products make a difference and are necessary to daily life, and how they are worth the investment.

EXECUTIVE SUMMARY:

CATEGORY OVERVIEW

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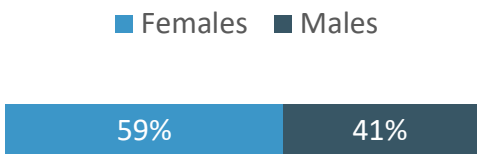
Home Management Category Profile

Demographics of Home Management Smart Home Device Intenders

Gender



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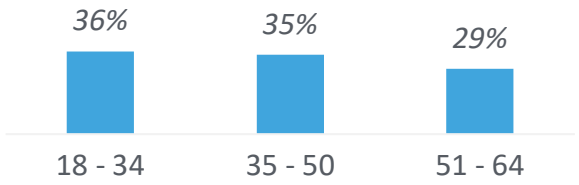

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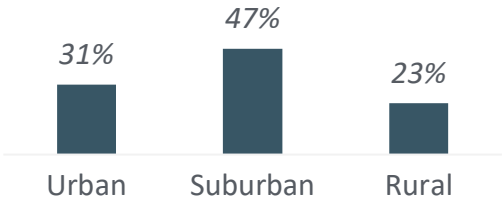

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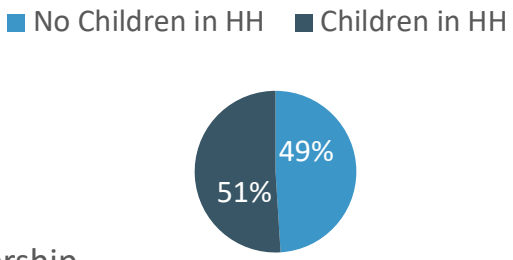
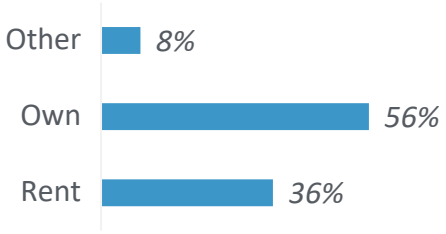
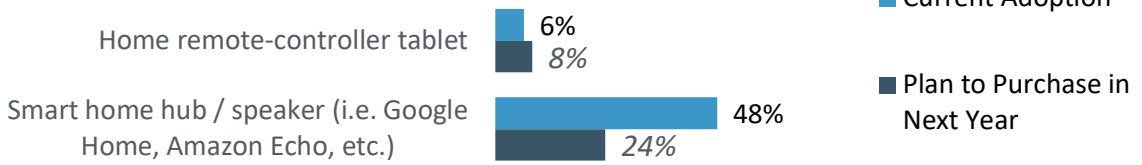


Home Ownership

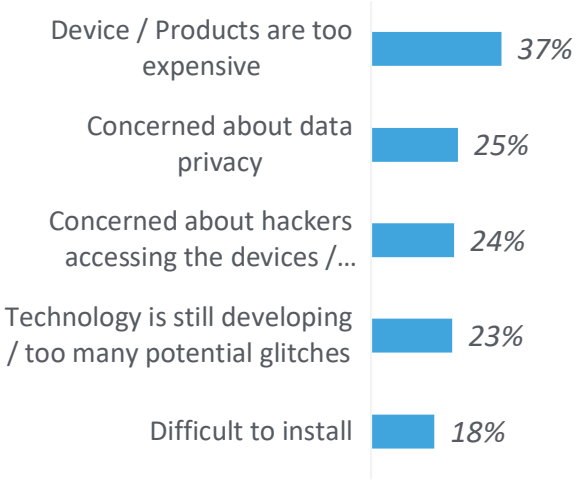


Category Adoption

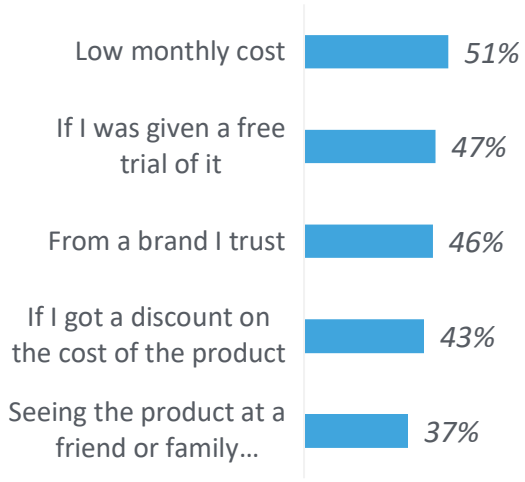
Adoption



Top Barriers Among Home Management Intenders



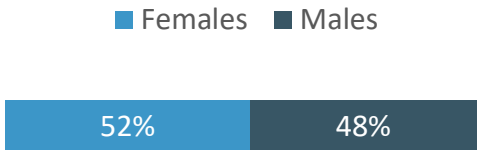
Top Triggers Among Home Management Intenders



Security / Safety Category Profile

Demographics of Security / Safety Smart Home Device Intenders

Gender



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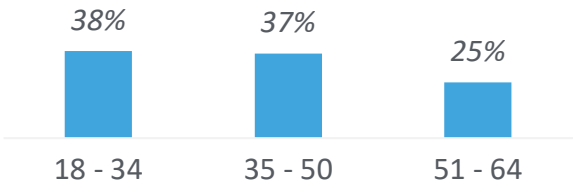

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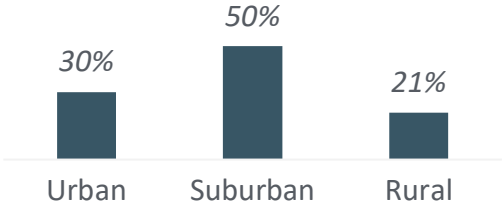

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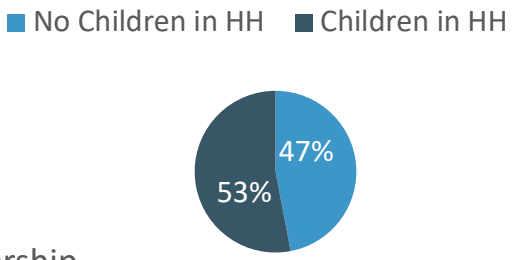
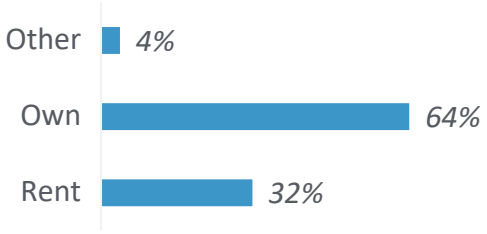
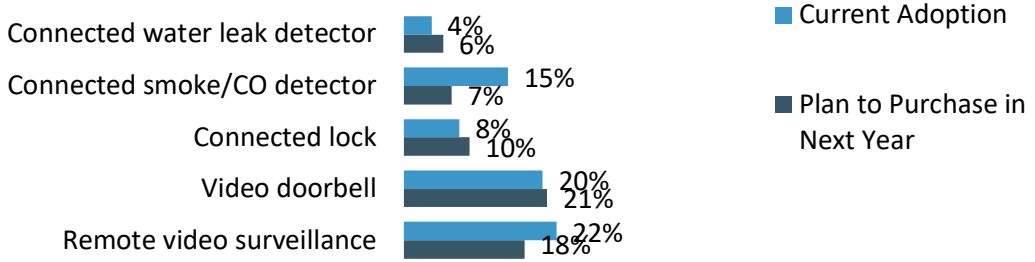


Home Ownership

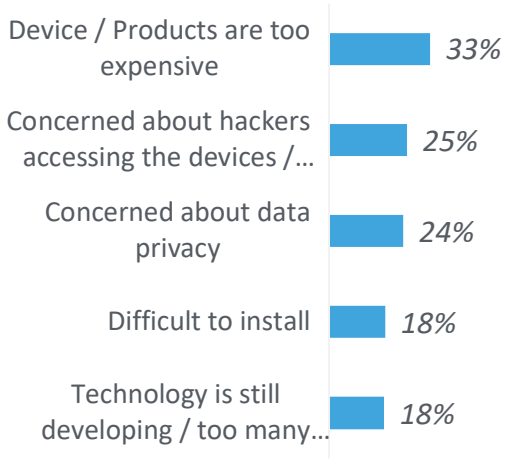


Category Adoption

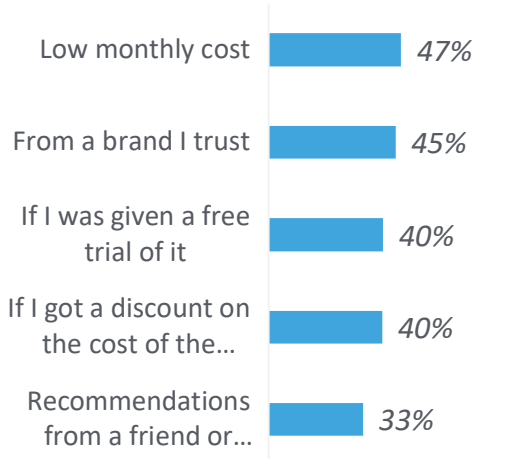
Adoption



Top Barriers Among Security / Safety Intenders



Top Triggers Among Security / Safety Intenders



Utility Management Category Profile

Demographics of Utility Management Smart Home Device Intenders

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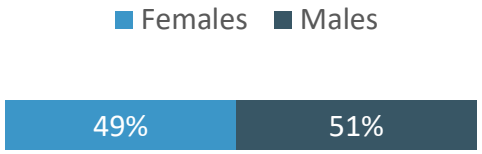
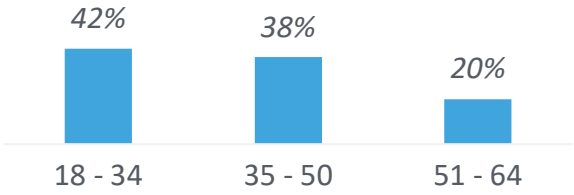


Age



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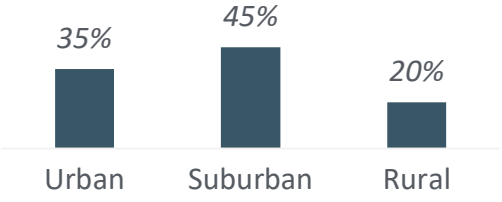

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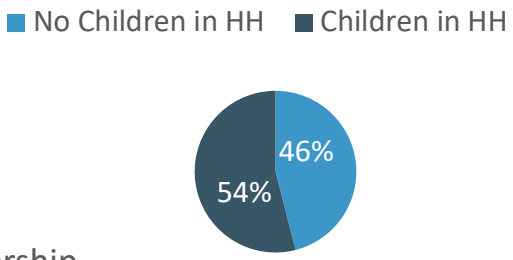
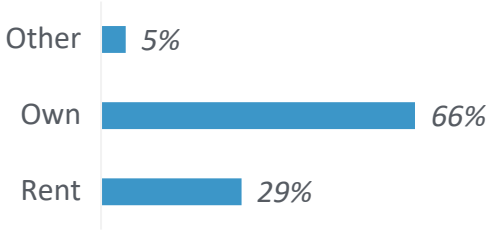
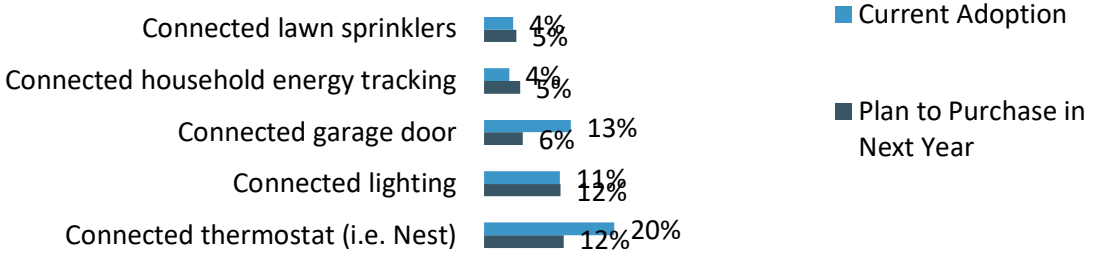


Home Ownership

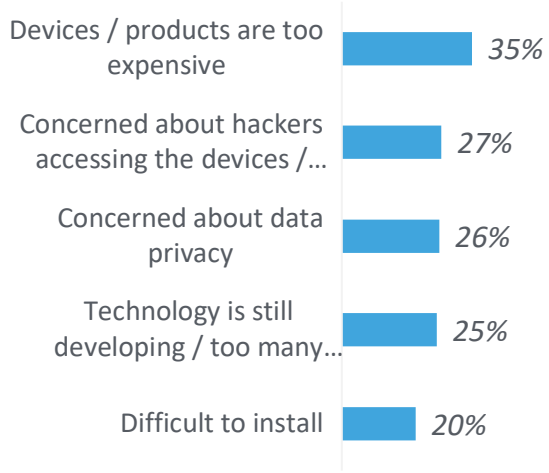


Category Adoption

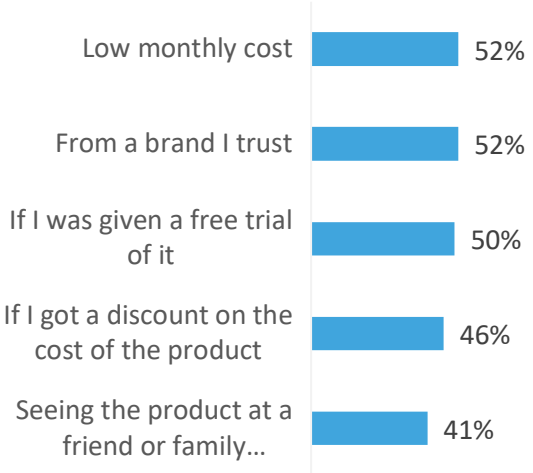
Adoption



Top Barriers Among Utility Management Intenders



Top Triggers Among Utility Management Intenders



Appliances Category Profile

Demographics of Appliance Smart Home Device Intenders

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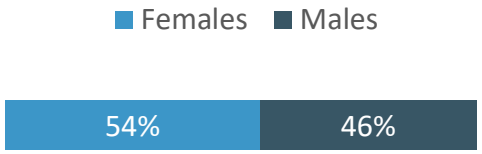

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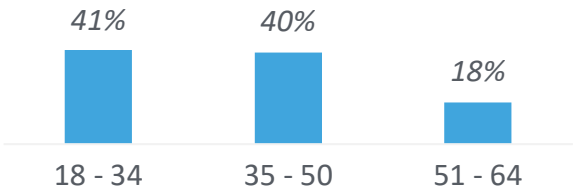

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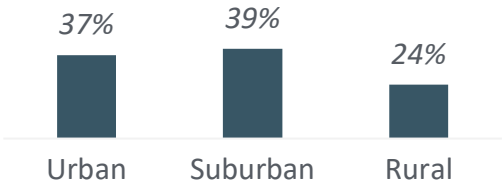

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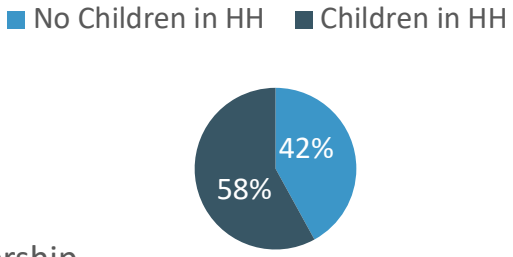
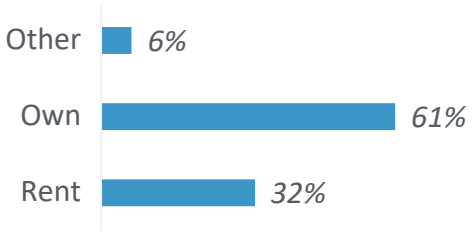
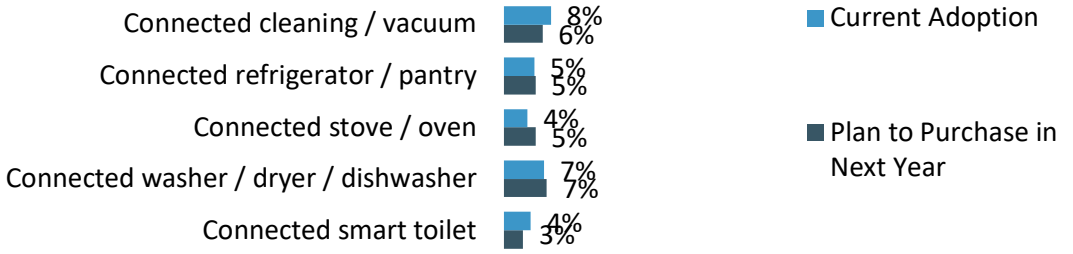


Home Ownership

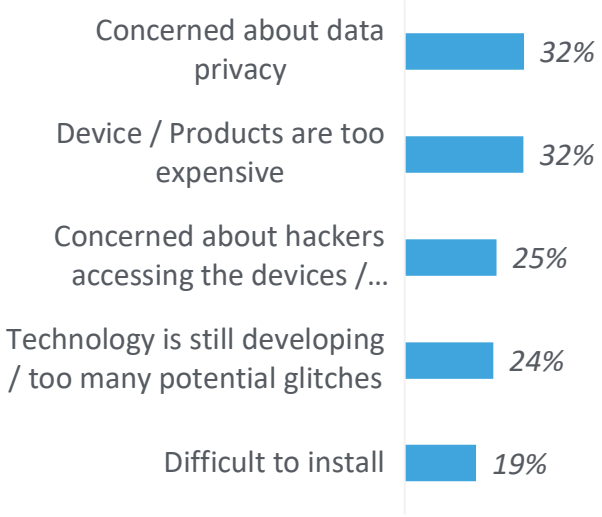


Category Adoption

Adoption



Top Barriers Among Appliance Intenders

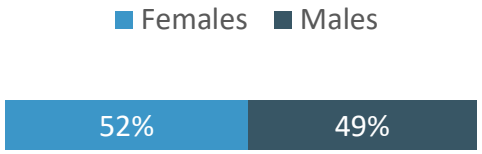


Top Triggers Among Appliance Intenders

Entertainment Category Profile

Demographics of Entertainment Smart Home Device Intenders

Gender



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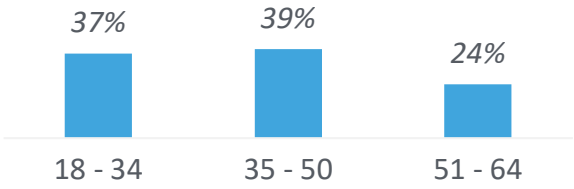

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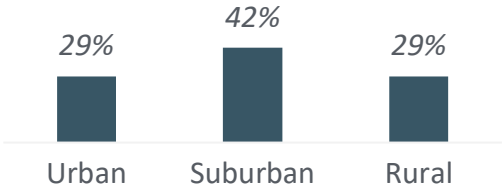

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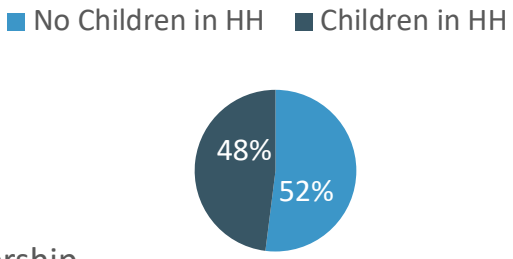
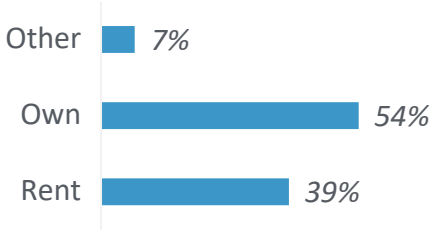
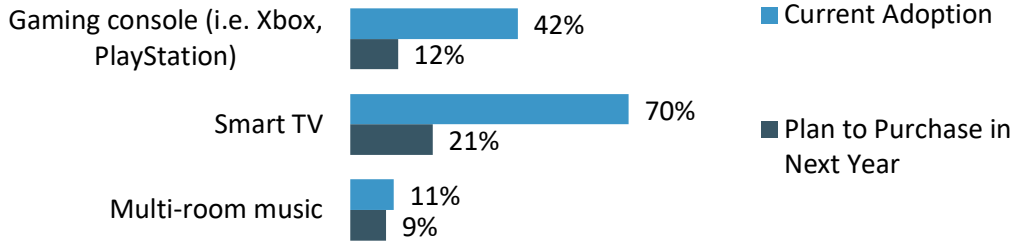


Home Ownership

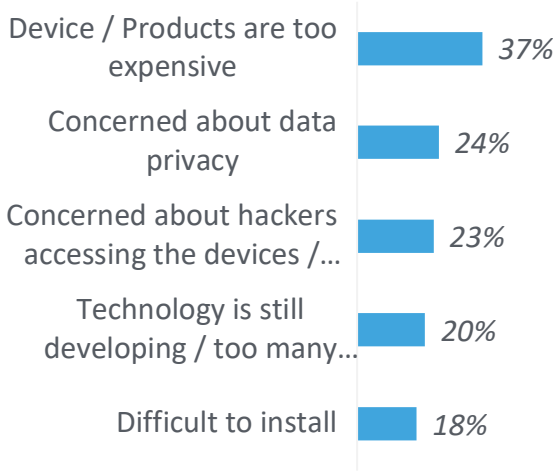


Category Adoption

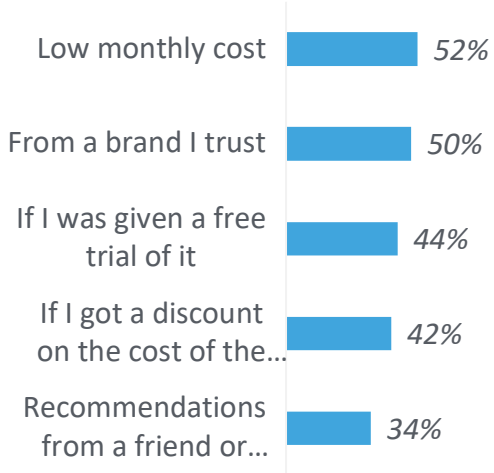
Adoption



Top Barriers Among Entertainment Intenders



Top Triggers Among Entertainment Intenders



DETAILED FINDINGS

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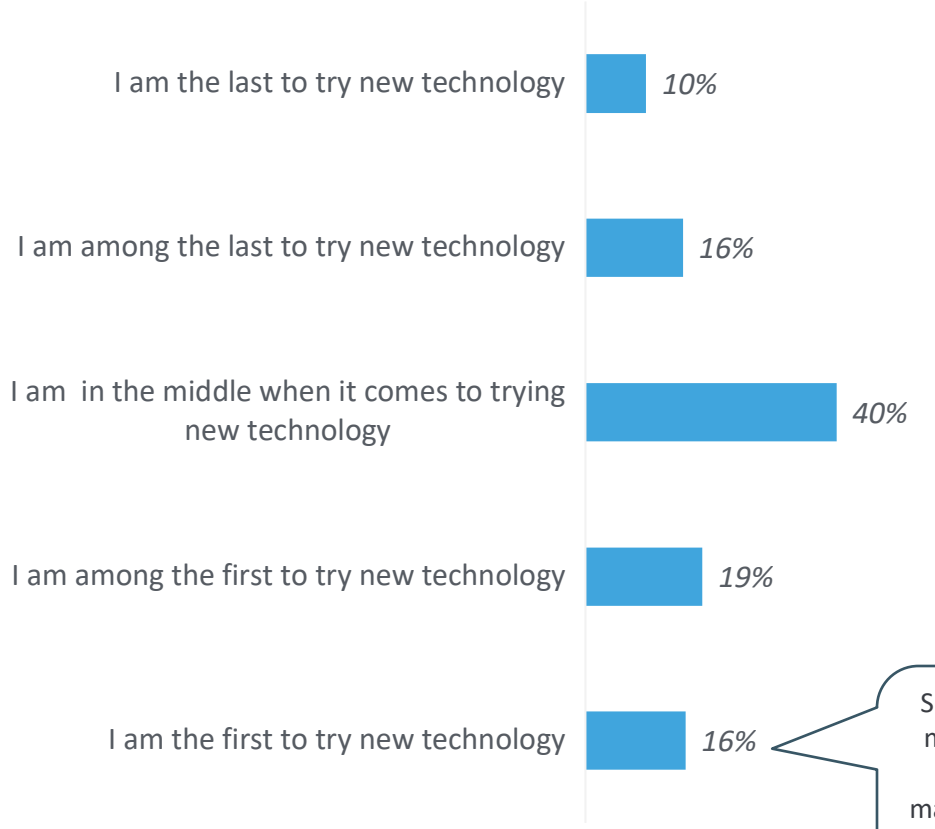
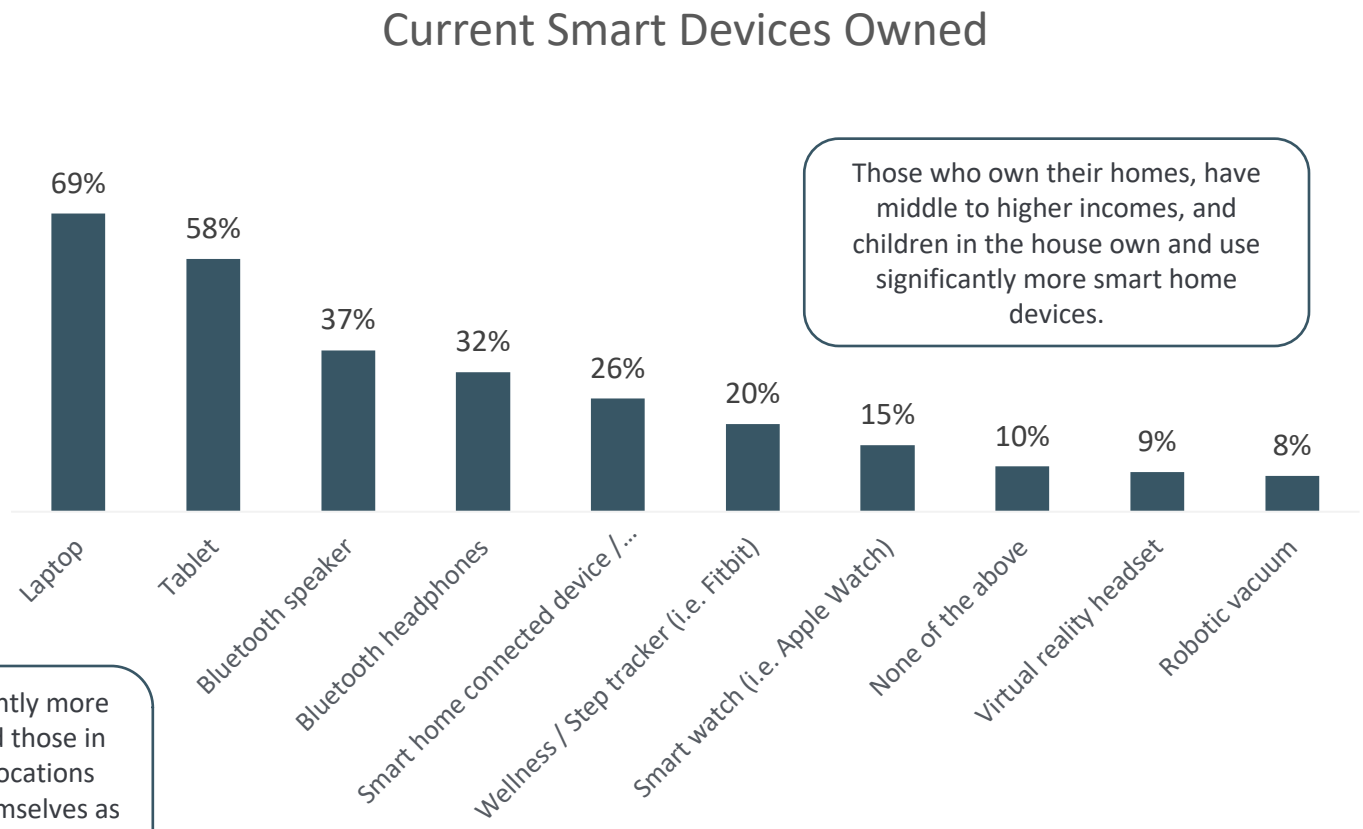
Consumers' current perceptions of their technology adoption is consistent with the types of smart technology devices they currently own



Significantly more men and those in urban locations mark themselves as early adopters of technology.



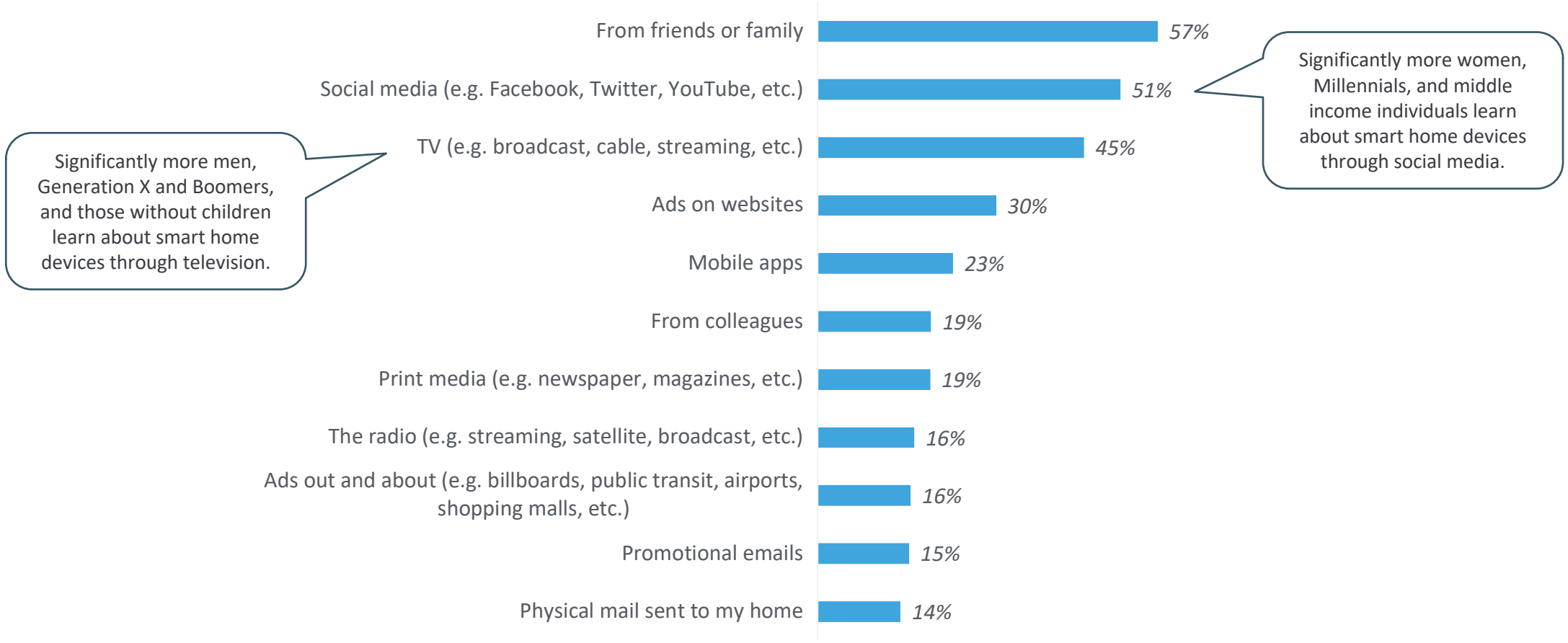
Those who own their homes, have middle to higher incomes, and children in the house own and use significantly more smart home devices.

Compared to other people you know, how would you best describe yourself in terms of when you try out new technology products?

Which of the following items, if any, do you currently own and use?

LEARNED ABOUT

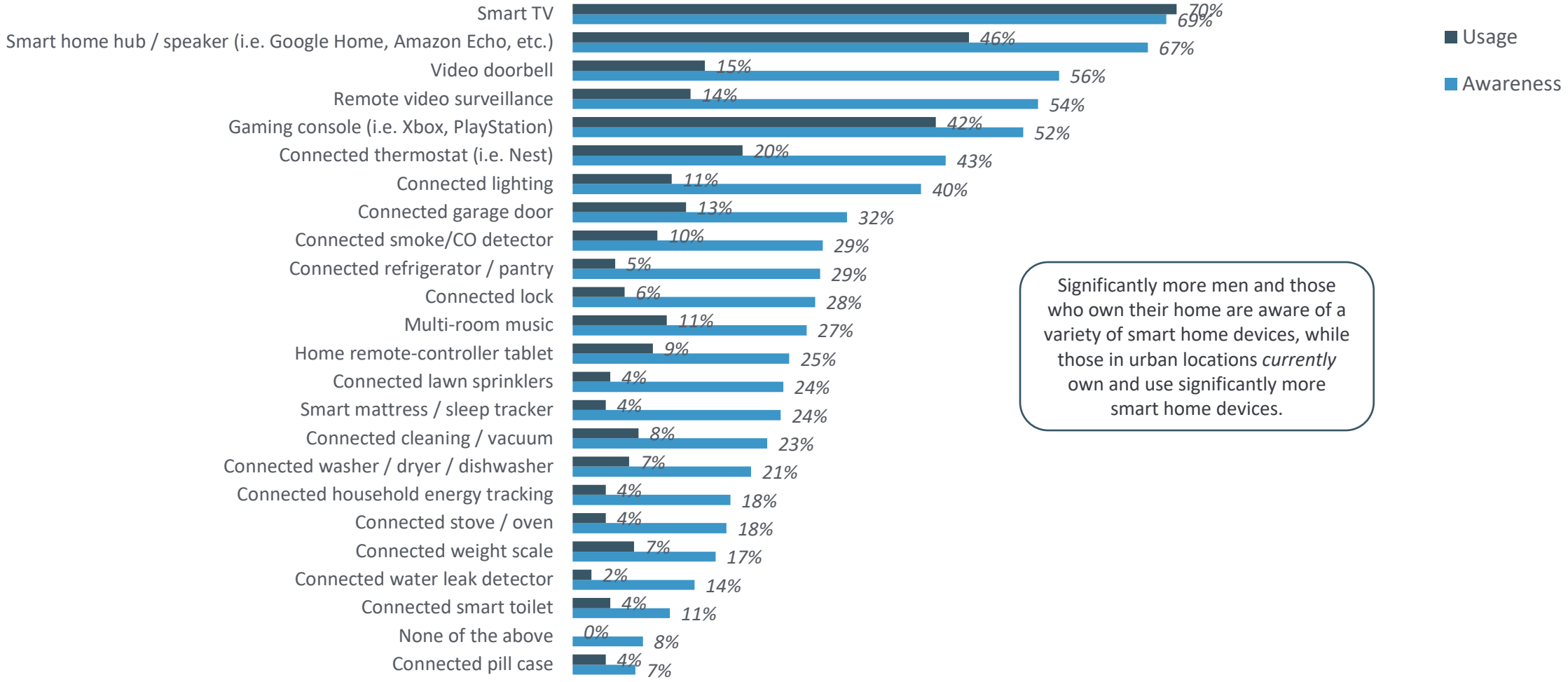
Besides word-of-mouth, consumers learn about new technology from social media and TV more than any other outlet



Where do you typically learn about new technology products?

AWARENESS VS. USAGE

Smart home hubs likely have the easiest opportunity to increase adoption based on their greater awareness versus usage compared to other categories

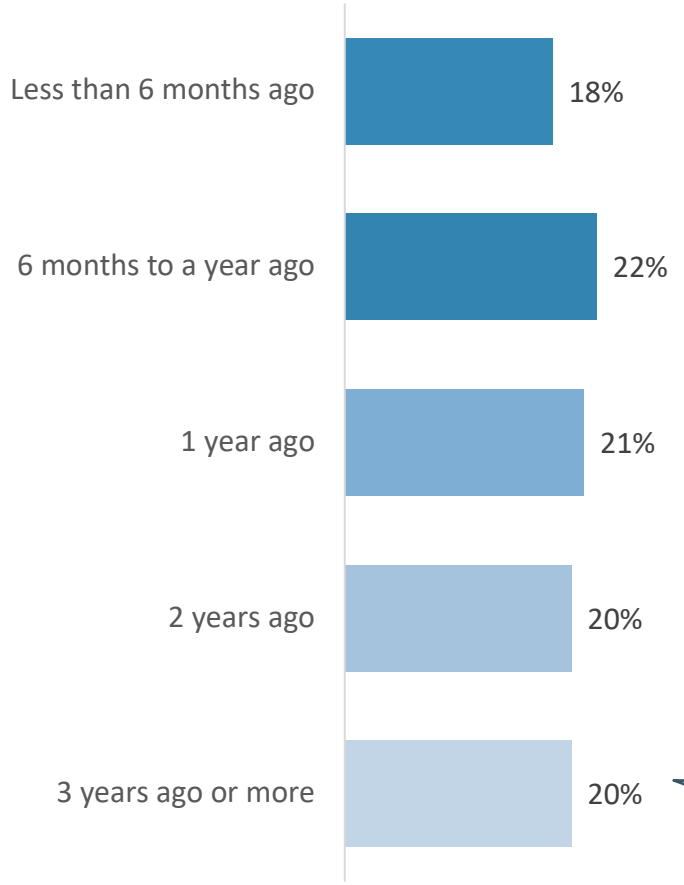


Significantly more men and those who own their home are aware of a variety of smart home devices, while those in urban locations *currently* own and use significantly more smart home devices.

Which of the following smart home devices / products have you heard of or seen before? You mention you own a smart home device / product. Which of the following smart home devices / products do you currently own and use?

Consumers are evenly distributed when it comes to when they first adopted smart home devices

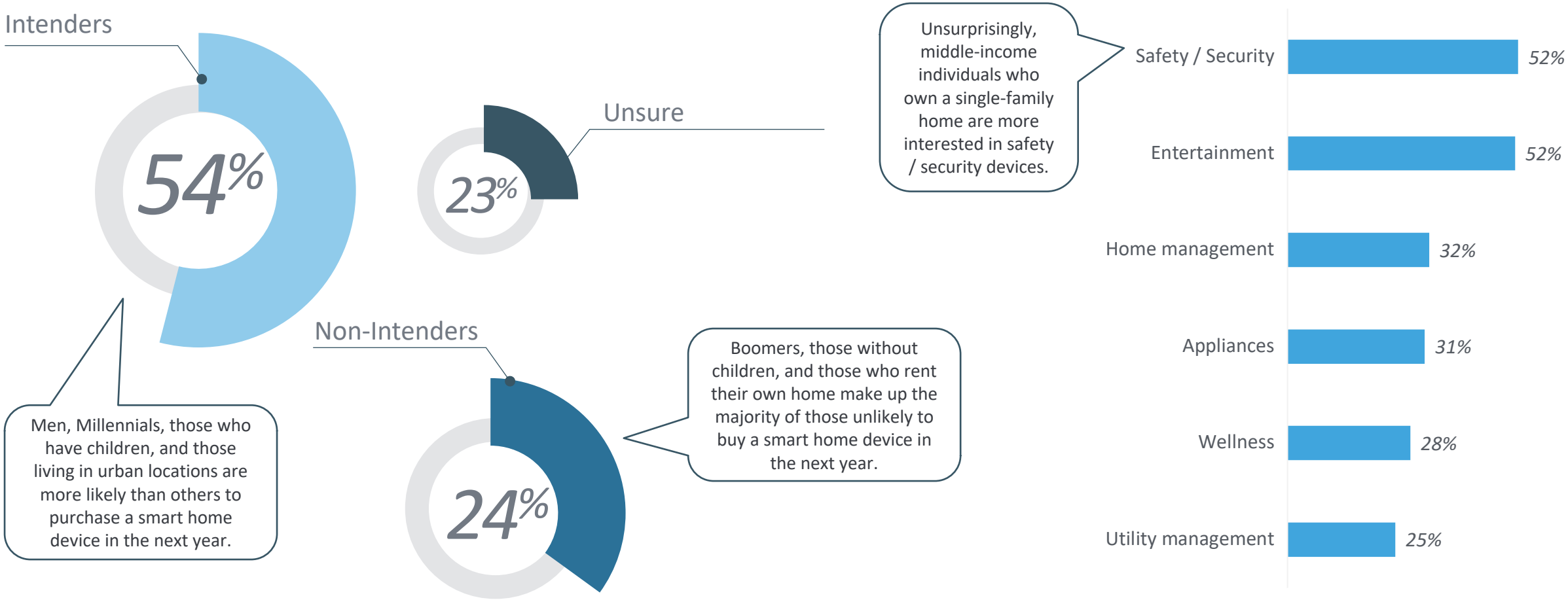
Significantly more women are likely to have adopted smart home devices less than 6 months ago.



Significantly more Boomers state they adopted smart home devices 3 years ago—perhaps among the first to adopt smart TVs.

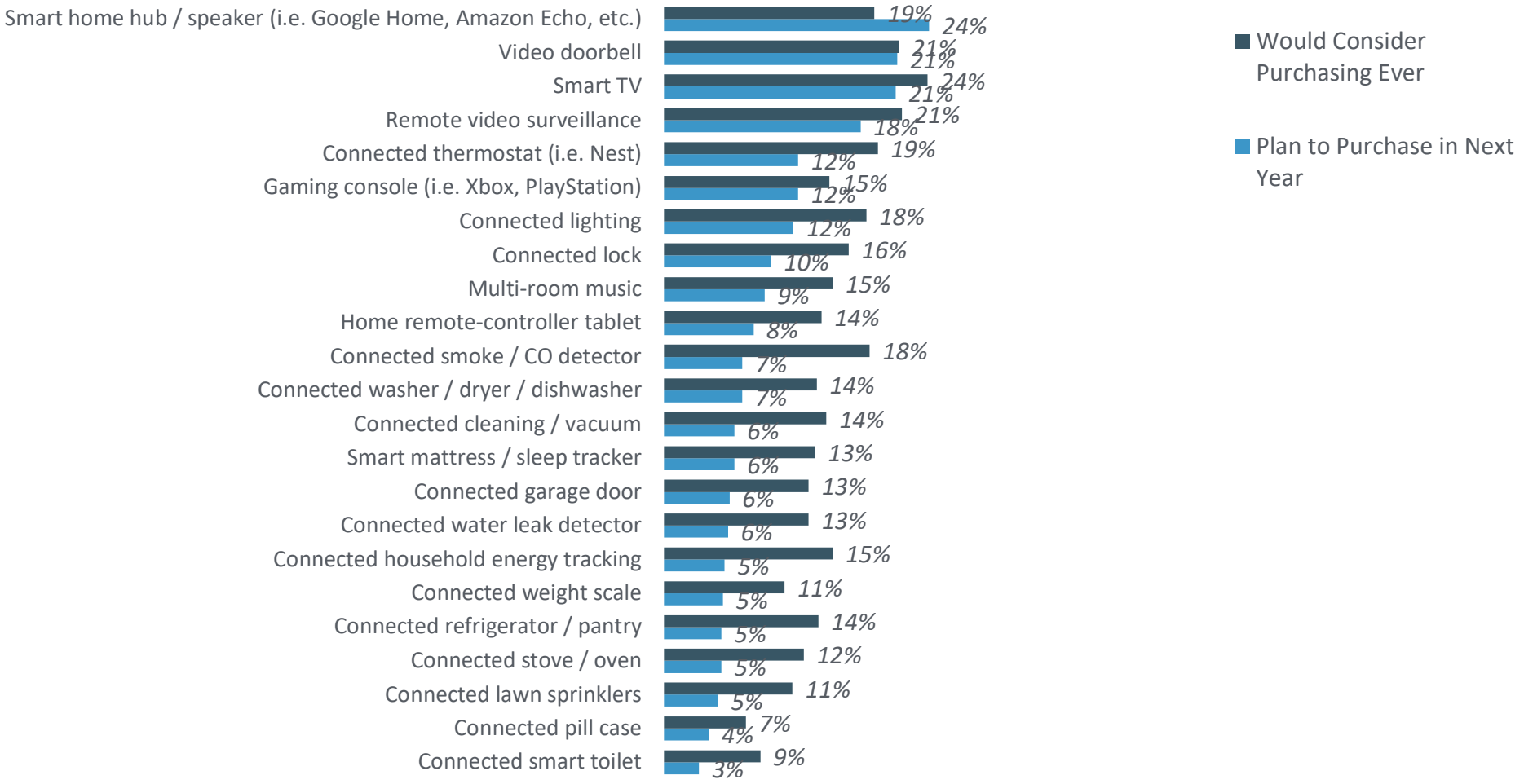
When did you purchase your first smart home device / product?

More than half of consumers are likely to buy a smart home device in the next year; safety / security and entertainment devices are the most enticing categories of devices



How likely or unlikely are you to purchase a smart home device in the next year (whether it be your first purchase of a smart home device or another one)? What category of smart home devices / products are most you most interested in using?

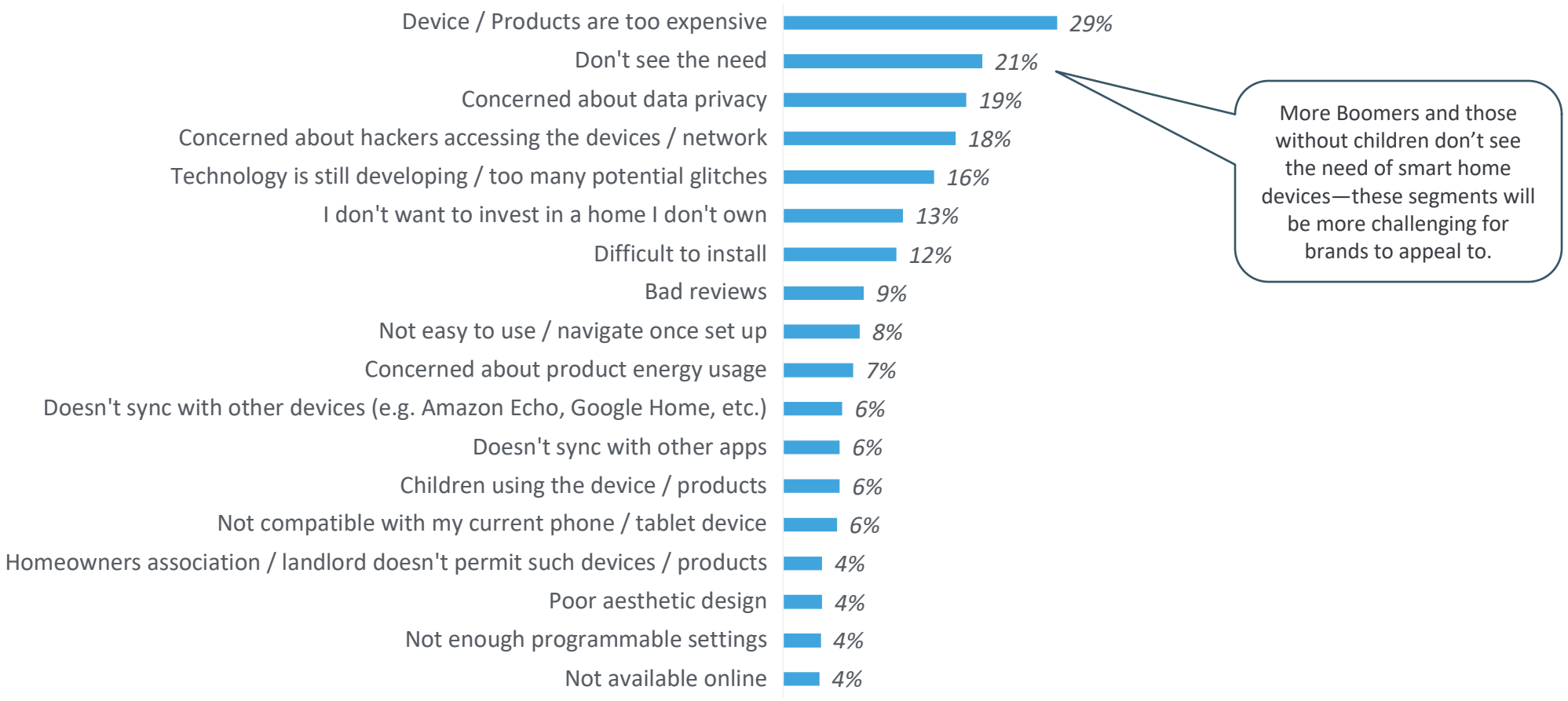
Those who plan to purchase a smart home device in the next *year* are most likely going to be purchasing a smart home hub, TV, or video surveillance devices



Which of the following smart home devices / products, if any, do you intend to purchase in the next year? Which of the following smart home devices / products, if any, would you consider purchasing in the future?

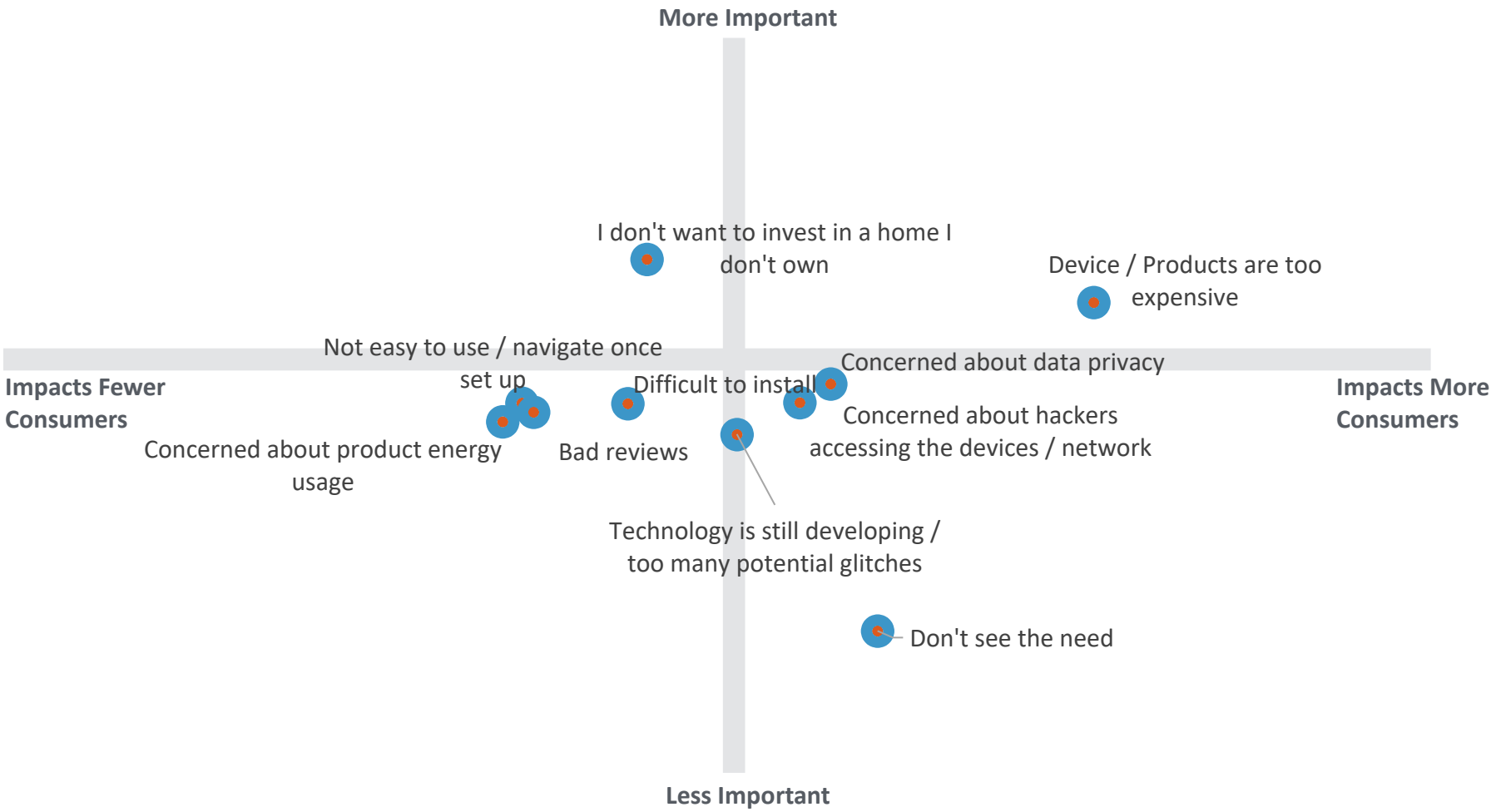
BARRIERS

Balancing cost by providing a clear benefit and reasons-to-believe is going to be essential for smart home device brands to increase adoption



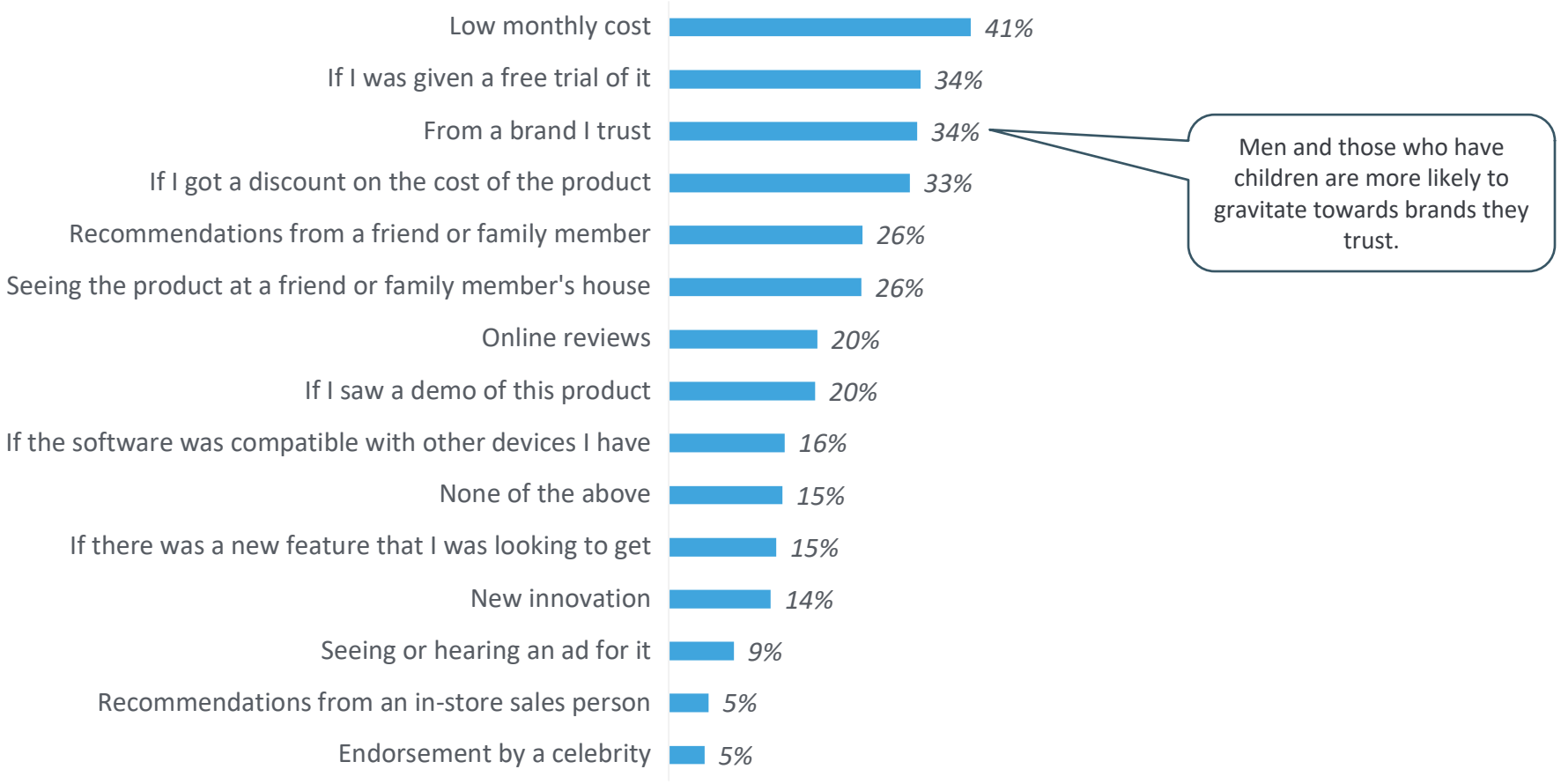
Which of the following, if any, has prevented you from purchasing smart home devices / products or purchasing more smart home devices / products?

While managing the tradeoff between cost and benefit, smart home devices must also address data security and hacking concerns



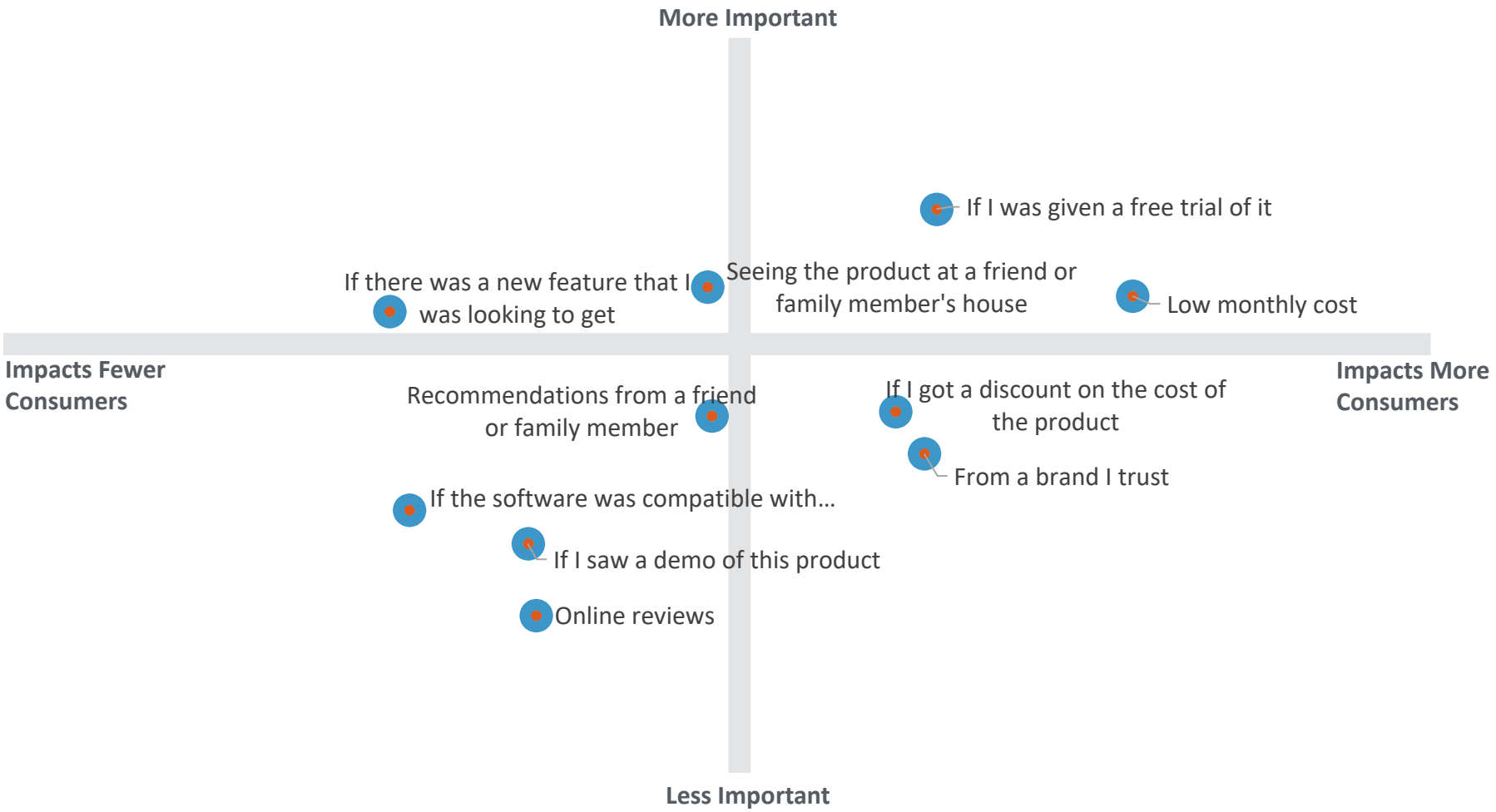
N Size varies by question response.

Tactics to reduce the cost would likely encourage adoption; however, brands that highlight their trustworthiness will also appeal to consumers



Which of the following, if any, have or would encourage you to purchase or try a smart home device / product?

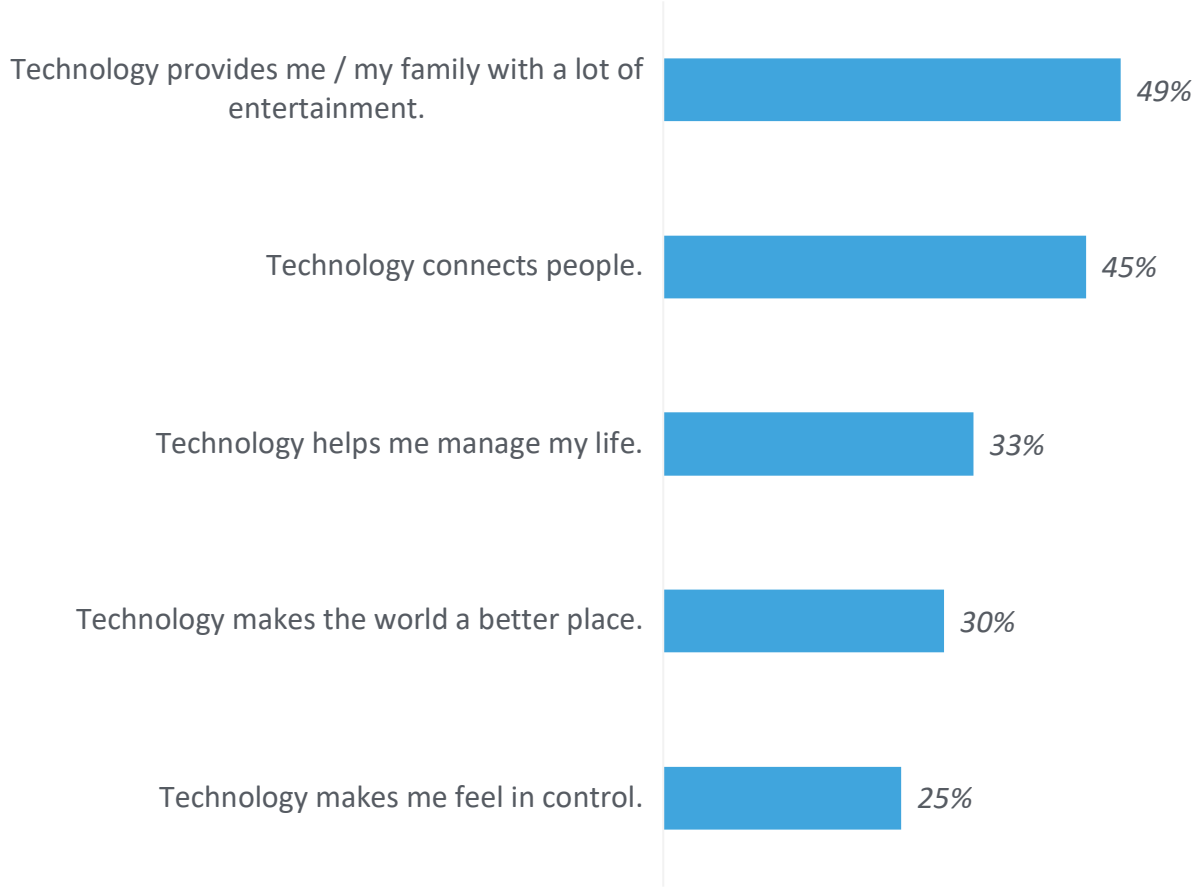
A free trial is most likely to be successful in triggering adoption among the most consumers



N Size varies by question response.

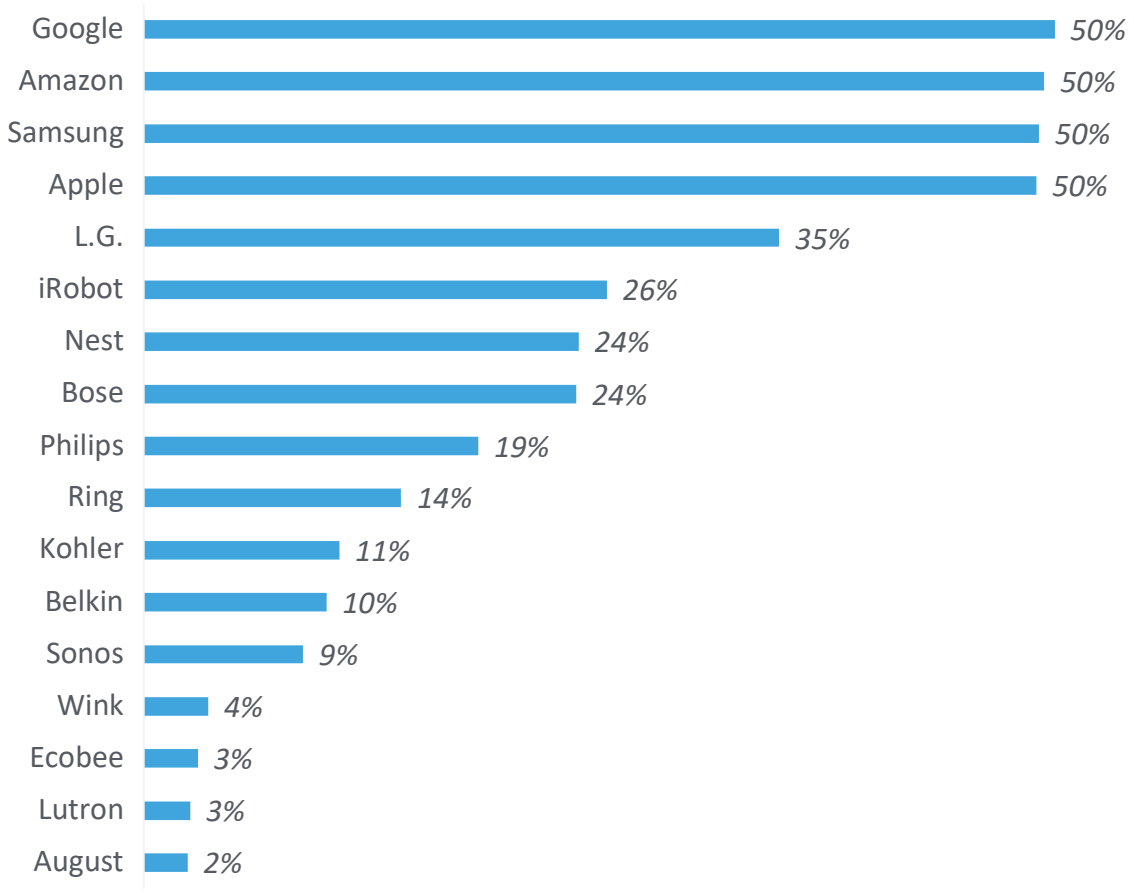
STATEMENT AGREEMENT, TOP BOX: STRONGLY AGREE

The entertaining and social aspect of technology is most applicable to consumers—highlighting these aspects in communications will likely resonate well



Please select your level of agreement for the following statements.

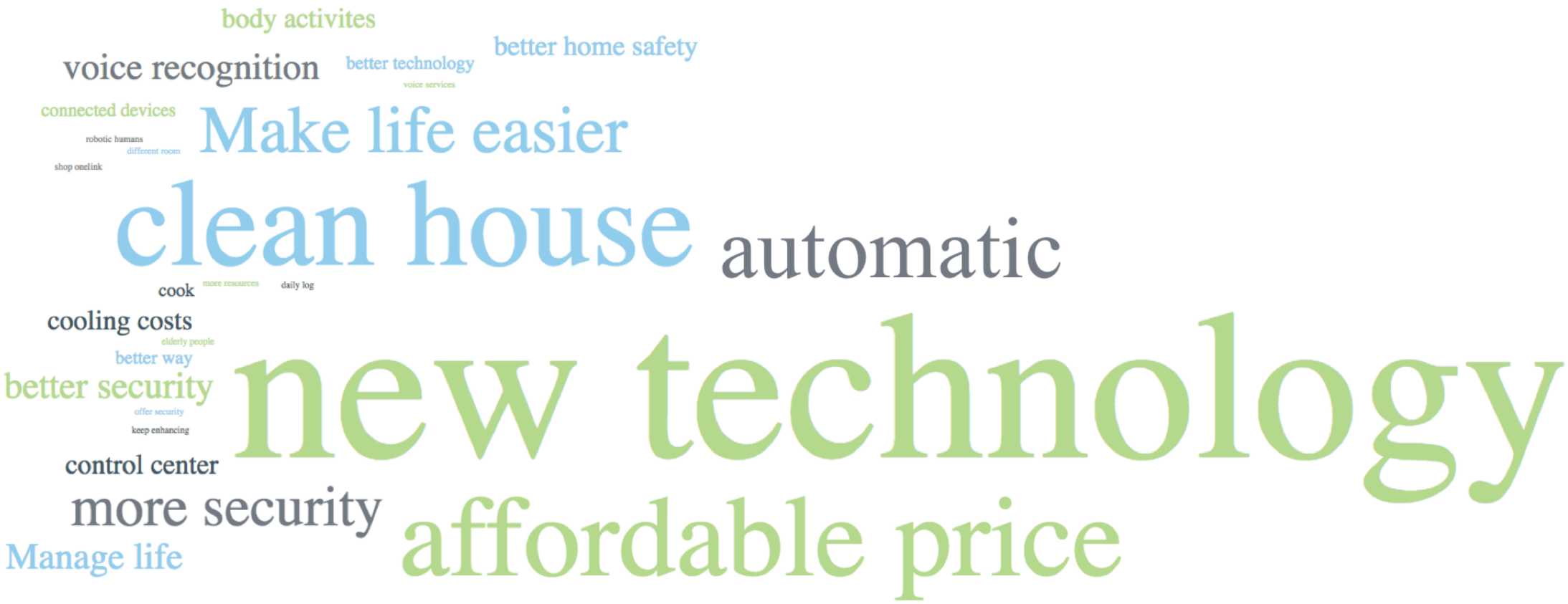
Unsurprisingly, Google and Amazon are seen as industry leaders in the smart home space—but equally so are Samsung and Apple



Which of the following brands do you feel are leaders in the smart home technology space?

UNMET NEEDS, (n=700)

Consumers want new, affordable, and automatic smart home technology when it comes to things like home security, cleaning, and managing daily life



Thinking about the possibilities of smart home technology, what, if anything, would you like this technology to be able to do/offer in the future?

APPENDIX

GutCheck®

APPENDIX: SAMPLE DEMOGRAPHICS

Gender	
Male	42%
Female	58%

Age	
13-17	--
18-34	32%
35-50	36%
51-64	32%
65+	--

Household Income	
Less than $20,000	18%
$20,000 - $29,999	11%
$30,000 - $39,999	13%
$40,000 - $49,999	10%
$50,000 - $59,999	11%
$60,000 - $69,999	6%
$70,000 - $79,999	5%
$80,000 - $89,999	3%
$90,000 - $99,999	4%
$100,000 - $124,999	6%
$125,000 - $149,999	3%
$150,000 - $249,999	4%
$250,000+	2%
I prefer not to say	3%

Ethnicity	
African American	12%
Asian	5%
Caucasian	72%
Hispanic / Latino	8%
Other	3%

Employment	
Married	46%
Single	29%
Divorced	10%
Widower	3%
Separated	2%
Living with Partner	10%

APPENDIX: SAMPLE DEMOGRAPHICS

Children in HH	
0	58%
1	18%
2	16%
3	5%
4	2%
5 or more	1%

Education	
Less than high school	4%
High school graduate	25%
Some college	25%
Associate degree	14%
Bachelor degree	21%
Advanced degree	10%

Home Ownership	
Rent	40%
Own	53%
N/A - I do not pay rent or own my own home but live with friends/family	7%

Responsibility	
Midwest	24%
Northeast	19%
South	40%
West	17%

Location	
Urban	28%
Suburban	46%
Rural	26%

Type of Home	
Single-family home	72%
Condo	3%
Townhouse	5%
Apartment	18%
Other (please specify)	2%