

MARKET FOCUS

SERVICE: CONNECTED HOME SYSTEMS AND SERVICES

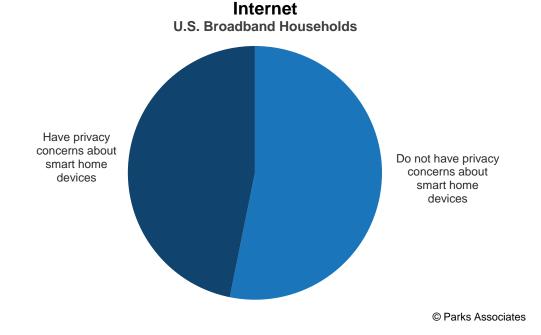
1Q 2015

By John Barrett, Director, Consumer Analytics, Yilan Jiang, Manager, Consumer Research, Harry Wang, Director of Research, Home Controls & Energy, Maia Hinkle, Research Analyst, and David Mitchel, Research Analyst, Parks Associates

Privacy or Security Concerns with Connecting Devices to the

SYNOPSIS

Privacy Concerns about the Smart Home assesses the potential for privacy concerns to inhibit the adoption of smart home devices and systems. It highlights current adoption trends and gauges the level of concern with a variety of device categories. It identifies specific concerns with each type of device as well as the potential for privacy guarantees to alleviate concerns and then explores the impact privacy concerns are having on purchase decisions.



ANALYST INSIGHT

"Privacy and security concerns will be an obstacle to smart home adoption. Consumers are afraid smart home devices will make their home vulnerable to both online and physical dangers."

- John Barrett, Director, Consumer Analytics, Parks Associates

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About the Research

Previous Research

- Consumer Segmentation: Smart Home Packages (Q4/14)
- · Growth in Self-Installed Energy and Smart Home Systems (Q4/14)
- · Monetizing Connected Products and Services (Q4/14)
- · 360 View: Residential Security and Smart Home (Q3/14)
- The Internet of Things: Business Models & Opportunities (Q3/14)
- Winning Business Models from a Consumer Perspective (Q1/14)





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Key Findings

Industry Insight

Recommendations

Segmentation Overview:

- Segmentation Overview
- Segmentation Methodology
- Smart Home Segments (Q2/14)
- · Segment Demographic Profile

Overview of Smart Home Adoption:

- Smart Home Device Ownership (2014)
- · Smart Home Device Ownership by Smart Home Segments (2014)
- · Smart Home Device Adoption Rate (2014)
- % of BB HHs Intending to Purchase Smart Home Devices (2014)
- · Intentions to Purchase Smart Home Devices (2014)
- · Smart Home Device Purchase Intention by Segmentation (2014)
- · Intentions to Purchase Smart Home Devices (2014)

Privacy Concerns about the Smart Home:

- Privacy or Security Concerns with Connecting Devices to the Internet (Q4/14)
- Privacy or Security Concerns with Connecting Devices to the Internet (Q4/14)
- Privacy or Security Concerns with Connecting Device to the Internet by Device Ownership (Q4/14)
- Privacy or Security Concerns with Connecting Device to the Internet by Smart Home Purchase Intention (Q4/14)
- · Specific Privacy or Security Concerns Related to Smart Home Devices (Q4/14)
- % with Burglary Concerns by Ownership of Smart Entry Point and Security Devices (Q4/14)
- Concerns About Connecting Devices to the Internet (Q4/14)
- Concerns About Use of Door Locks (Q4/14)

Impact of Privacy Rights on Concerns:

- Effectiveness of Privacy or Security Rights to Relieve Concerns (Q4/14)
- Effectiveness of Privacy or Security Rights to Relieve Concerns by Smart Home Device Ownership (Q4/14)





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| | Willingness to Share Data: Owners of Smart Entry Devices (Q4/14) | | |
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| | Willingness to Share Data: Owners of Smart Safety Devices (Q4/14) | | |
| | Additional Research from Parks Associates | | |
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| Number of Sildes. 39 | | | |
| TOLL FREE 800.727.5711 | Published by Parks Associates | | |
| PHONE 972.490.1113 | © 2015 Parks Associates Dallas, Texas 75248 | | |
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| parksassociates.com | without permission in writing from the publisher. | | |
| sales@parksassociates.com | Printed in the United States of America. | | |
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