

Smart Homes - US - 2023

Report Price: £3695 | \$4995 | €4400

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This report looks at the following areas:

- Economic factors that impact the smart home market
- Key players and competitive strategies
- How Matter and generative AI will impact the smart home landscape
- Smart home device ownership, purchase intent and important features
- Reasons to buy smart home devices and barriers to purchase
- Consumer attitudes toward their homes and smart home tech

Although smart home hardware sales are estimated to have increased in 2022, consumers' perception that their residence is a "smart" home has remained steady at about four in 10. While consumers are adding smart tech to their homes, their expectations for what these devices accomplish has evolved – a few devices working independently from one another is insufficient in driving wide-scale adoption as consumers are looking for integration along with control.

Only 16% of consumers who do not have or are not interested in smart home tech are unconvinced that smart home devices actually improve their lives, meaning the vast majority are aware of its benefits. This group's top barrier to purchase is price, with 41% seeing smart home devices as too expensive, demonstrating how smart home tech needs to prove value. Brands need to understand that the perception of value is based on multiple attributes and purchase prices are only part of the equation.

Persistent high inflation and a shaky economy have consumers holding off on smart home tech purchases, but demand for tech hardware increases as more aspects of life turn digital. Further, developments in the sector will make some consumers reconsider their decision to wait – smart home tech will get a boost in sales from Matter interoperability and new lower-cost entrants into the market.



"2023 will be a transitional year for smart home tech. Matter is shifting the landscape, paving the way for new entrants and forcing top brands to retool their offerings and strategies for market share."

- Jenni Nelson, Analyst, Tech, Media and Entertainment

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