“Growth in the connected home market is primarily being driven by voice-controlled smart speakers, with Amazon continuing to dominate the sector with its expanding Echo range. Competition in the smart speaker market and improving sound quality will support further growth over the next year.”

– Matt King, Category Director, Technology and Media Research

This report looks at the following areas:

In the wider connected home market, many people still need convincing of the necessity of such devices, although heating, lighting and security are all delivering promising year-on-year ownership growth, with security showing most short-term potential among non-owners.

- The success of voice-controlled smart speakers must be used to drive the wider connected home
- Maximising the potential of the smart security market

DID YOU KNOW?

This report is part of a series of reports, produced to provide you with a more holistic view of this market
Table of Contents

Overview

What you need to know

Products covered in this Report

Executive Summary

The market

Connected home growth largely reliant on desire for voice commands

Potential insurance savings drive interest in smart security

Companies and brands

Amazon dominates three quarters of voice-controlled speaker market

Total connected home advertising spend falls in 2018

The consumer

Over four in 10 people have a connected home device

The expense of smart home devices is the main limit to growth

Security and safety devices are the most likely to attract new smart home customers

Video doorbells top the smart home security wish list

Online-only retailers the first port of call for smart security

Six in 10 people keen to use smart security for parcel deliveries

What we think

Issues and Insights

The success of voice-controlled smart speakers must be used to drive the wider connected home

The facts

The implications

Maximising the potential of the smart security market

The facts

The implications

The Market – What You Need to Know

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

BUY THIS REPORT NOW

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533  |  Brazil 0800 095 9094
Americas +1 (312) 943 5250  |  China +86 (21) 6032 7300
APAC +61 (0) 2 8284 8100

EMAIL: reports@mintel.com
Connected home growth largely reliant on desire for voice commands
Proportion of people renting could limit connected home investment
Amazon investing heavily in the connected home
Smart speakers becoming a key part of major sale events
Potential insurance savings drive interest in smart security

**Market Drivers**

Connected home growth largely reliant on desire for voice commands
Figure 11: Use of new technology in the last three months, April 2017-December 2018

Proportion of people renting could limit connected home investment
Figure 12: Home ownership, by age, March 2019

Amazon investing heavily in the connected home

Smart speakers becoming a key part of major sale events

Potential insurance savings drive interest in smart security
Figure 13: Ownership of smart devices for the home, October 2018

**Companies and Brands – What You Need to Know**

Amazon dominates three quarters of voice-controlled speaker market
Apple’s late entry to the market has limited HomePod take-up
Google rebrands Home Hub and launches Nest Hub Max
Amazon upgrades Echo range and launches Echo Sub
Total connected home advertising spend falls in 2018

**Brand Ownership – Voice-controlled Speakers**

Amazon dominates three quarters of voice-controlled speaker market
Google continues to expand range to challenge Amazon
Apple’s late entry to the market has limited HomePod take-up
Figure 14: Brand of voice-controlled speakers in household, March 2019

**Launch Activity and Innovation**

Google rebrands Home Hub and launches Nest Hub Max
Figure 15: Google’s Nest Hub Max

Amazon upgrades Echo range and launches Echo Sub...
...alongside its first smart plug
Figure 16: Amazon Smart Plug

Samsung set to enter voice-controlled speaker market with Galaxy Home
Figure 17: Samsung’s Galaxy Home smart speaker

Apple expected to release second-generation HomePod in 2019
Echo devices begin supporting Apple Music
Amazon rolls out Alexa Guard security in the US
Bang & Olufsen brings Google Assistant to the luxury speaker market
Figure 18: Bang & Olufsen’s Beosound 1 and 2 speakers
The Connected Home - UK - June 2019

Advertising and Marketing Activity

Total connected home advertising spend falls in 2018
Amazon remains by far the largest smart home advertiser

Nearly two thirds of connected home advertising budgets focused on TV

Nielsen Ad Intel coverage

The Consumer – What You Need to Know

Over four in 10 people have a connected home device
Voice-controlled speakers now lead the connected speaker market
The expense of smart home devices is the main limit to growth
Security and safety devices are the most likely to attract new smart home customers
Video doorbells top the smart home security wish list
Twice as many would pay for professional installation than would do it themselves
Six in 10 people keen to use smart security for parcel deliveries

Ownership of Connected Home Devices

Over four in 10 people have a connected home device
Voice-controlled speakers now lead the connected speaker market
Smart domestic appliances struggling for growth...
...while connected security shows promise
The expense of smart home devices is the main limit to growth
Convenience and function must overcome technological overload
Privacy remains an issue with concerns over device hacking
Whole-home cybersecurity potential

Interest in Connected Home Devices

Security and safety devices are the most likely to attract new smart home customers
Control of heating and lights is key market for the connected home
Interest in connected speakers points to further market growth
Long lifecycle of domestic appliances limits upgrades to smart devices
Men showing more interest in the connected home...
...while high interest among younger demographics points to long-term growth
Half of parents of under-18s interested in voice-controlled speakers

BUY THIS REPORT NOW

VISIT: store.mintel.com
CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094
Americas +1 (312) 943 5250 | China +86 (21) 6032 7300
APAC +61 (0) 2 8284 8100
EMAIL: reports@mintel.com
Security and the Connected Home

Video doorbells top the smart home security wish list
Far greater interest in house alarms than damage prevention sensors
Half of those interested in connected security considering smart locks
  Figure 27: Smart home security devices buying intention, March 2019
Online-only retailers the first port of call for smart security
  Figure 28: Smart home security purchase location, March 2019
Twice as many would pay for professional installation than would do it themselves
  Figure 29: Smart home security installation, March 2019
Security subscriptions find favour with the under-45s
  Figure 30: Smart home security subscriptions, by age, March 2019

Attitudes towards the Connected Home

Six in 10 people keen to use smart security for parcel deliveries
  Figure 31: Attitudes towards the connected home, March 2019
Automated household orders could drive the connected home
  Figure 32: The connected home – CHAID – Tree output, March 2019
Over half of 16-34s keen to use voice commands to shop online

Appendix – Data Sources, Abbreviations and Supporting Information

Abbreviations
Consumer research methodology
CHAID analysis – Methodology
  Figure 33: The connected home – CHAID – Table output, March 2019