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Smart Home, Healthy Home

Smart Home, Healthy Home is a Parks Associates Research Report commissioned by ESA and sponsored by Resideo to deliver the latest facts and trends to help you make informed decisions on capturing new customers through careful business strategy evolutions.

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SMART HOME, HEALTHY HOME

“A smart home is a healthy home” is a phrase we’ll hear increasingly in the months and years ahead. The COVID-19 pandemic has accelerated a trend that was already well underway: leveraging smart home technology for health and wellness use cases. The residential healthy home movement is an extension of the commercial green building movement that began with concerns over energy efficiency and sustainable materials and processes, which then evolved to include concerns over toxic chemicals, indoor air quality, and the multitude of ways the built environment influences occupants physically, emotionally, and socially. Companies throughout the smart home ecosystem, including security and smart home dealers, will find opportunities to help consumers improve the health of the home environment as well.

Key components of the healthy home being addressed in the market today, include:

- **Indoor air quality (IAQ)** – air freshness, purity, temperature, humidity, and control
- **Water quality** – purity, water damage risk mitigation (e.g. avoiding health issues from mold)
- **Lighting** – lighting that supports healthy circadian rhythms, sleep, mood, and metabolism; lighting that provides safe movement to mitigate fall risks and other injuries
- **Surface contamination** – surfaces free of dust, contaminants, pathogens, and pests
- **Safety** – intrusion, fire, carbon monoxide, gas leaks, electrical hazards, toxic chemicals, medication security and adherence, firearm security
- **Social isolation** – communication with loved ones living alone and inhibited from leaving home and/or normal social interactions
- **Activity monitoring** – remote monitoring of activities of daily living that might indicate a health decline or other need for attention among vulnerable persons
- **Health monitoring** – remote monitoring of vital signs and wellness metrics for those managing general wellness, chronic diseases and/or post-operative care
- **Emotional health** – remote access to mental health care; coping and mindfulness activities; access to information that provides peace of mind and reduces anxiety, worry, and fear; entertainment

COVID-19 Impact on Consumer Interest

In a Parks Associates consumer study from Q3 2020, consumers reported they found the experience of COVID-19 has increased their interest in a variety of healthy home use cases for smart home technology. Safety, clean air, clean water, energy management, and elder care lead the list. For example, 23% report increased interest in air filtration and 20% were more interested in water purification. These use cases are served by a wide range of connected devices, including access control devices, cameras, smart thermostats, air and water purification systems, PERS and independent living systems, smart speakers, and wearables. Many, though not all, of these device categories are included among the ecosystem partner integrations of interactive services platforms, such as Resideo.

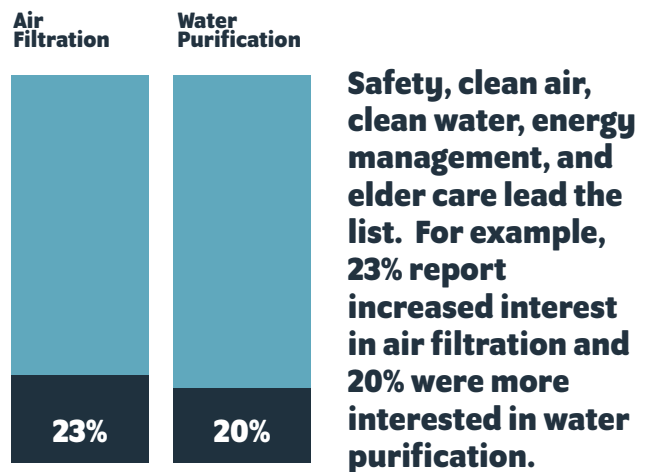
On the services side of these use cases, the same study found that 49% of interactive security system owners are highly interested (rating 6-7 on a 7-point scale) in fire and gas safety monitoring, 46% are highly interested in a personal emergency response service, and 45% are highly interested in a water sensor monitoring service. When asked how many would pay an additional \$5/month for each service, 20-27% agreed, depending on the service.

Consumer interest in health-related use cases is increasing and may well provide an on-ramp to new security dealer customers and extension of services to the existing customer base.

PERS and Independent Living Solutions

Personal Emergency Response Systems (PERS) have been one of our earliest applications of connected technology to health and safety in the home. PERS devices are well established in the senior care market. Currently, 9% of US broadband households over the age of 75 have a PERS device or system. Over one third of those owning a PERS device also subscribe to professional monitoring of the device. Seniors,

particularly those who are younger and healthier, are reluctant to adopt technology that may give the appearance of frailty or incompetence. This explains, in part, why seniors age 75 and above adopt PERS devices at 3x the rate of younger seniors. Selling senior care technology to younger or pre-seniors requires leveraging other use cases that are perceived by the seniors as enhancing their daily living. The most successful companies in the space use messages of empowerment and dignity, in contrast to prior efforts often prone to emphasizing vulnerability.



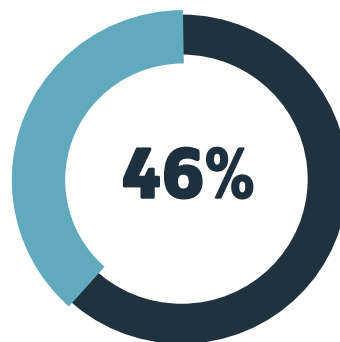
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Caregivers are perennially concerned about a range of issues affecting their senior loved ones: ongoing health issues, accidents and emergencies, disability and mobility challenges, declining cognitive ability and memory. This concern translates into substantial caregiver interest in smart technology services with 59% interested in an emergency panic button that can detect falls and contact help, and 49% interested in a smart home system with sensors that monitor activities of daily living.

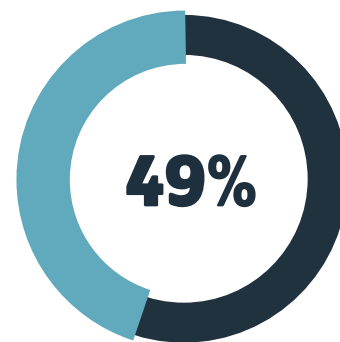
Builder Interest in Healthy Home Technology

“Healthy home” has emerged as a new value proposition for builders. Healthy home features, such as indoor air quality, provide an emerging value-added strategy for builders similar to their past emphasis on energy efficiency. In a Q1 2020 study of builders, Parks Associates found over a third of production builders rank indoor air quality/healthy home features in the top 3 most important features. Smart temperature control, water purification, zoned HVAC and lighting systems top their interest for healthy home products. In the wake of COVID-19, many builders of single-family homes and MDUs also are rethinking touchless control systems such as voice, air filtration, and UV light sanitization.



46% are highly interested in a personal emergency response service

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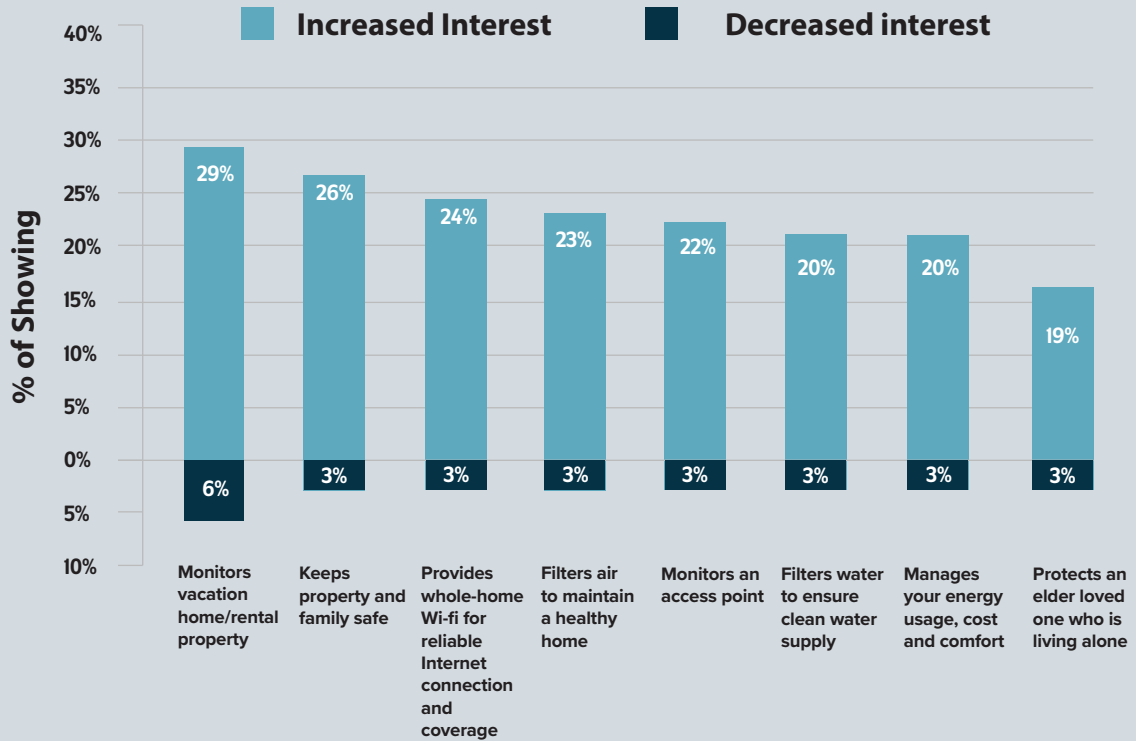
49% of interactive security system owners are highly interested in fire and gas safety monitoring

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Implication for Dealers: *The security industry is still in the early stage of integrating devices and systems that serve healthy home use cases. In the short term, fire and water safety, smart lighting, PERS, and independent living solutions are available and integrated today with the leading interactive services platforms.*

In the COVID-19 era, messaging around keeping seniors and loved ones physically safe will resonate strongly with caregiver concerns. Selling with sensitivity to the highly personal and often private nature of health concerns requires specialized training and consultative approaches. Dual decision-makers also pose challenges and often slow down the sales process as buy-in is patiently achieved. In the future, dealers will likely have many more options for attaching health-related devices to their core security offering. As with other agencies, the promise of a simple, unified smart home experience provided by an integrated smart security platform with the added peace of mind from 24/7 monitoring will be attractive to consumers who find healthy home use cases compelling.

COVID-19 Impact on Interest in Smart Home Solutions



* Among US BB HHs Having Another Property, n=1,538, ±2.5% | Among All US BB HHs, N=10,021, ±0.98% | "CV2805A/B. How has COVID-19 influenced your interest in smart home solutions offering the following benefits?" | Source: American Broadband Households and Their Technologies July 2020 | N=10,021, ±0.98% | © 2020 Parks Associates

Figure 1: COVID-19 Impact on Interest in Smart Home Solutions

Actions Taken for Older Family Members Due to COVID-19 (Q2/20)

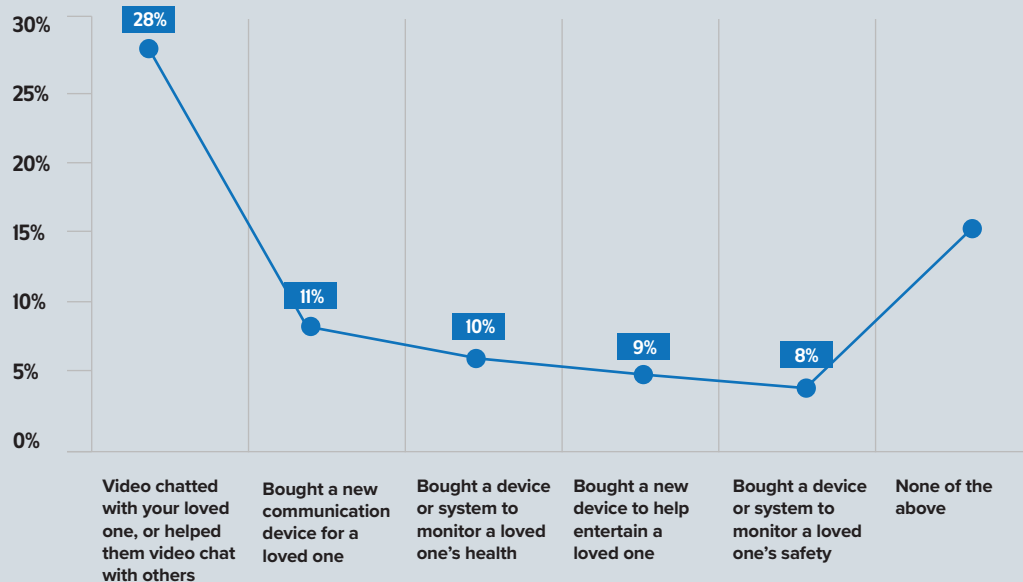
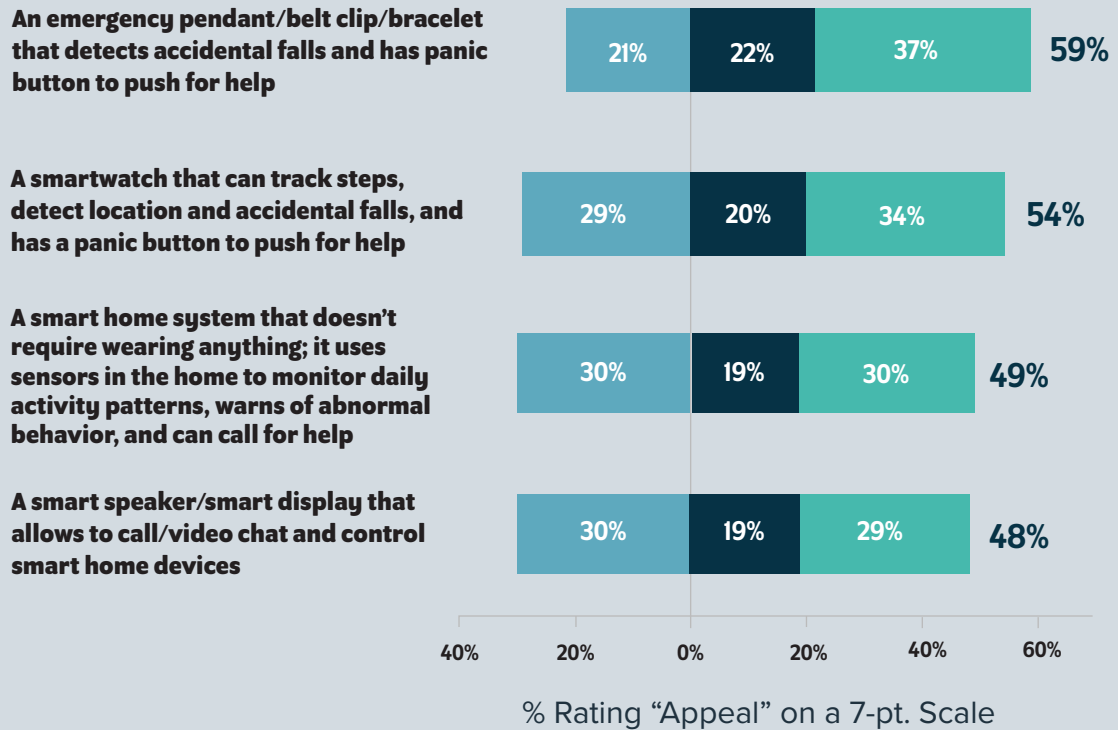


Figure 2: Actions Taken for Older Family Members Due to COVID-19

Appeal of Caregiving Solutions (Q2/20)

Among 20% Respondents Who are Current or Future Caregivers, n = 504, ±4.37%

■ Not appealing (Rating 1-3)
 ■ Appealing (Rating 5)
 ■ Very appealing (Rating 6-7)



"H4537. How appealing are the following products that can help care for your loved one?" | Asked of a Subgroup of 2,508 US BB HHs | Source: American Broadband Households and Their Technologies May 2020 | N=5,008, ±1.38% | © 2020 Parks Associates

Source: Parks Associates Forecast | © 2020 Parks Associates

Attribution:

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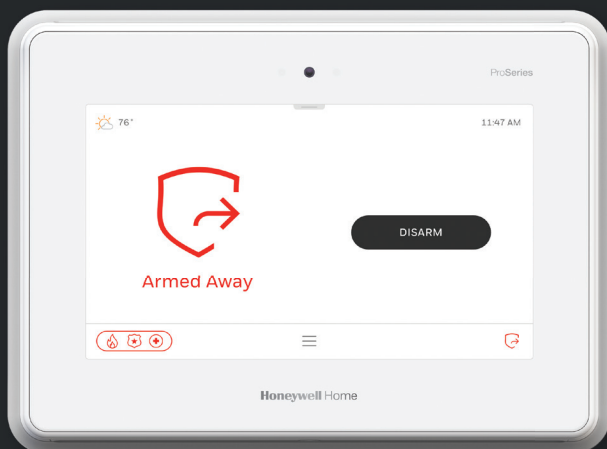


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