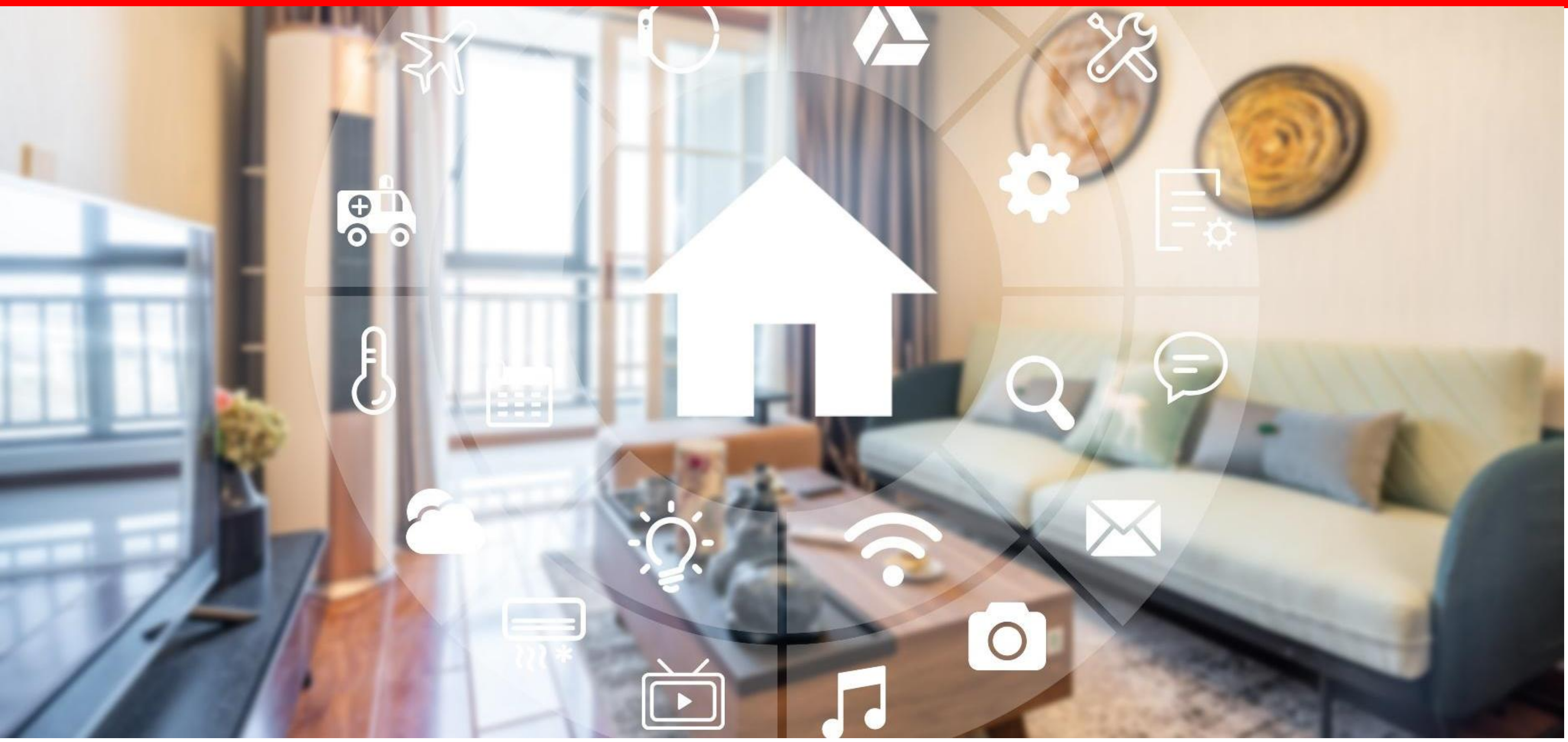
ASHB
Association for Smarter Homes & Buildings

2024 Smart Home Trends & Technology Adoption

LANDMARK RESEARCH PROJECT

EXECUTIVE SUMMARY



ASHB AND THE FOLLOWING ASHB MEMBERS FUNDED THIS RESEARCH PROJECT

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Introduction

In support of ASHB's research and analysis of smart home opportunities, Harbor Research fielded a comprehensive survey on smart home technologies and trends. The 2024 Smart Home Technology Trends Survey includes feedback from 760 consumers spanning the U.S. and Canada. The primary objective was to deeply explore residential renter and owner perceptions, preferences, and reservations regarding the adoption and usage of smart home technologies. The insights garnered from this study present a picture of the prevailing trends, challenges, and opportunities in the face of growing connectivity, data, AI, and sustainability technologies.

The 2024 ASHB Smart Home Survey saw a reported smart home tech adoption rate of 47%. Readers of the 2023 Smart Home Survey will notice this is a decrease from the 74% adoption rate reported in 2023. Although alarming, Harbor Research identified two main contributing factors for this reported decrease. The first is a significant increase in lower-income respondents sampled, who tend to have lower adoption rates. The second is more carefully framed survey language that is less likely to bias respondents to misrepresent whether they have smart home technology. For example, last year's survey was titled "Smart Home Tech Consumer Survey," which likely pushed respondents to report adoption to increase their chances of survey qualification.

Despite this year-over-year sampling and methodology change, the survey provides valuable insights into trends, challenges, and opportunities for smart home technology.

Smart Home Technology Adoption Trends & Challenges

In terms of adoption, entertainment (smart TVs, displays, and speakers) leads with 61% of adopters reporting some adoption here. Following entertainment, energy, and security followed (thermostats with 32%, and security alarms with 31%). Lighting (smart lights and controllers) and safety (smoke, gas, chemical detection, and sensors) then round out the top five with 28% and 27%, respectively.

When examining barriers to adoption, cost dominates. A full 42% of adopters reported cost as a barrier, with 52% of non-adopters also reporting it as a barrier. Following cost, implementation, and setup challenges are the most commonly reported challenges. Interestingly, 21% of non-adopters reported no challenges anticipated, compared to 13% of adopters, suggesting a sense of apathy among that minority of non-adopters.

The survey explored the topic of smart home hubs: devices or platforms that allow for monitoring and/or coordination of multiple smart home devices. The survey found the most preferred method of interaction for smart home devices to be smartphone apps, with 54% of adopters wanting *at least* some form of unity among their smart home devices. Another 27% of adopters more straightforwardly preferred unified control of their devices, hinting at the growing importance of smart home hub ecosystems to consumers.

Although non-adopters are expected to be less enthusiastic towards technology, the survey found this cohort to be not necessarily "avoidant" towards smart home technology. Instead, most described their approach to technology as "wait and see," or "adopt new technology as it is proven, or as friends and family recommend it." This suggests a potential for solution providers to increase adoption through strategies that can lead to "snowballing effects." For example, if solution providers can trigger an initial adoption of new technologies, it is possible other consumers may adopt from word of mouth and exposure.

What about the value proposition of emerging technologies and capabilities like data sharing, cybersecurity, and sustainability? The survey found a clearly discernable pattern of increasing appeal as age decreased. For example, while sustainability is only highly preferable among 5% of respondents aged 65+, it is highly preferable for 31% of consumers between 18 and 34.

Outlook & Solution Development

When assessing data-related solution development, smart home solution providers find themselves in a relatively advantageous position with regard to consumer trust. When asked about what companies respondents were most comfortable sharing personal data with, companies associated with smart home technology (electric and water utilities, security, smart devices, HVAC/air quality) all fared better than contractors/electricians/plumbers, property management, cloud services, and social media/streaming companies. Similar results were found when asking about data *types* as well. This points to the potential for smart home solution providers: if they can provide transparent, valuable data applications, they may find a fruitful path to value-added differentiation.

Looking ahead at priorities, the survey provides clues to potentially fruitful opportunities. The most cited preferred outcome for smart home tech investment was financial savings at 41%, followed by safety and security at 37%, and then convenience and time savings at 19%. When looking at where customers think automation would be most useful, security came in first at 44%, followed by safety at 38%, and then climate control/HVAC at 22%.

The smart home landscape is impacted as much by market solutions as it is by varying consumer preferences and priorities. Entertainment systems are increasingly becoming a common entry point for consumers, with safety and security being top interest areas, Climate/HVAC is similarly a top adoption area, possibly motivated in part by the appeal of potential financial savings. Costs remain the largest barrier, but difficulties in setup also contribute heavily to hesitancies. For non-adopters, a “wait and see” approach to technology indicates uncertainty concerning value, potentially an area solution providers can focus on improving.

As smart solution providers look to the future, reducing costs, simplifying setup, and providing ROI-focused solution messaging could spur more adoption. Further, as smart home technologies advance and mature, consumers increasingly want some degree of unity among their devices. Younger consumers, meanwhile, hint at trends to come, with markedly more interest in the value that emerging technologies and capabilities bring (cybersecurity, data sharing, sustainability). With smart home solution providers also in a relatively advantageous position concerning consumer trust in data sharing, solution providers should consider building on these capabilities and demonstrating their ROI and general effectiveness in the home.

For more information on the survey and related report, please visit ASHB’s website at https://www.ashb.com/