Consumer Insights from Over 7,000 Connected Product Users

Centercode Research 2019



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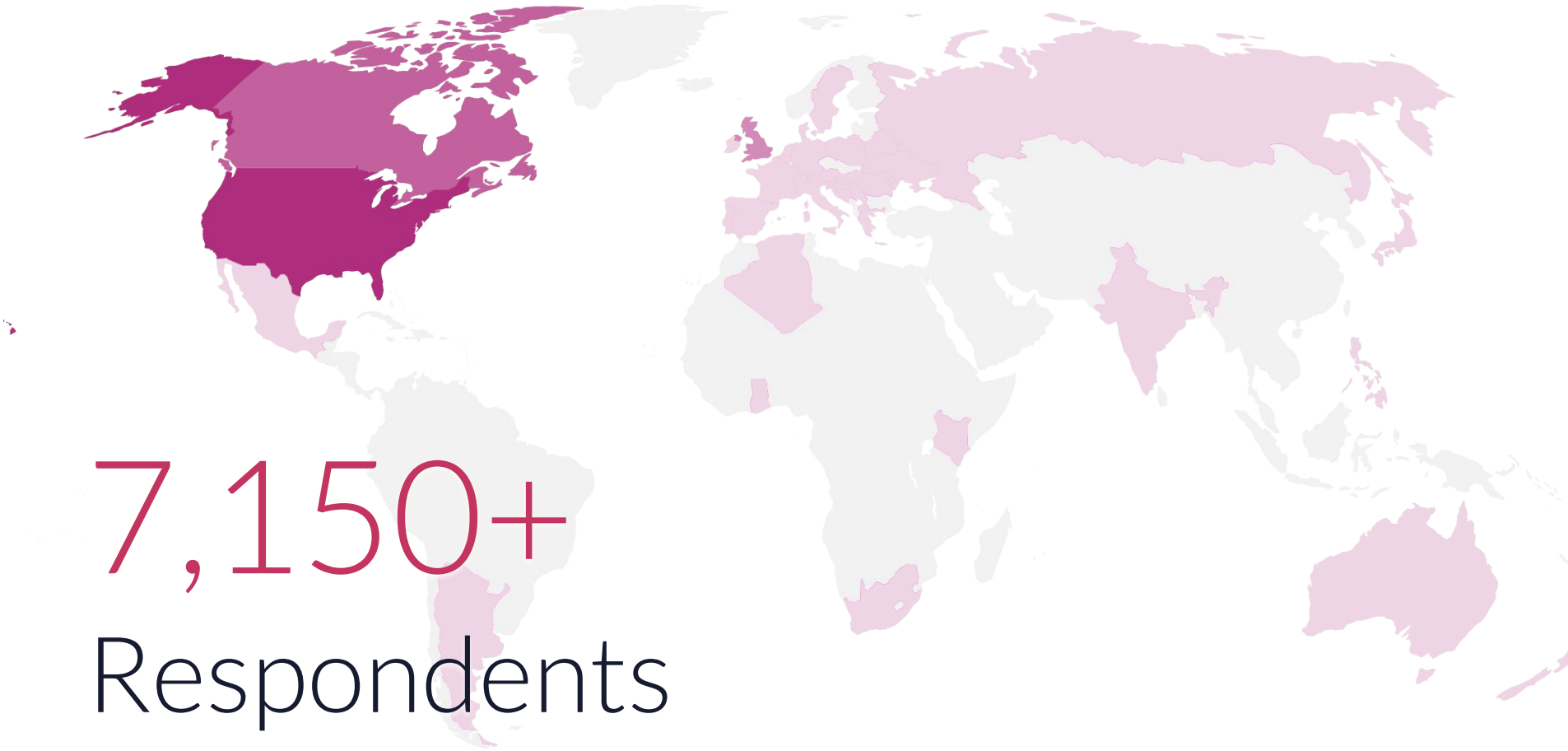
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Introduction

Centercode commissioned its tester network, Betabound, to run a study on trends and insights surrounding the installation experience of smart home products.

The online survey was completed by 7,151 respondents in 2019.

About the Respondents



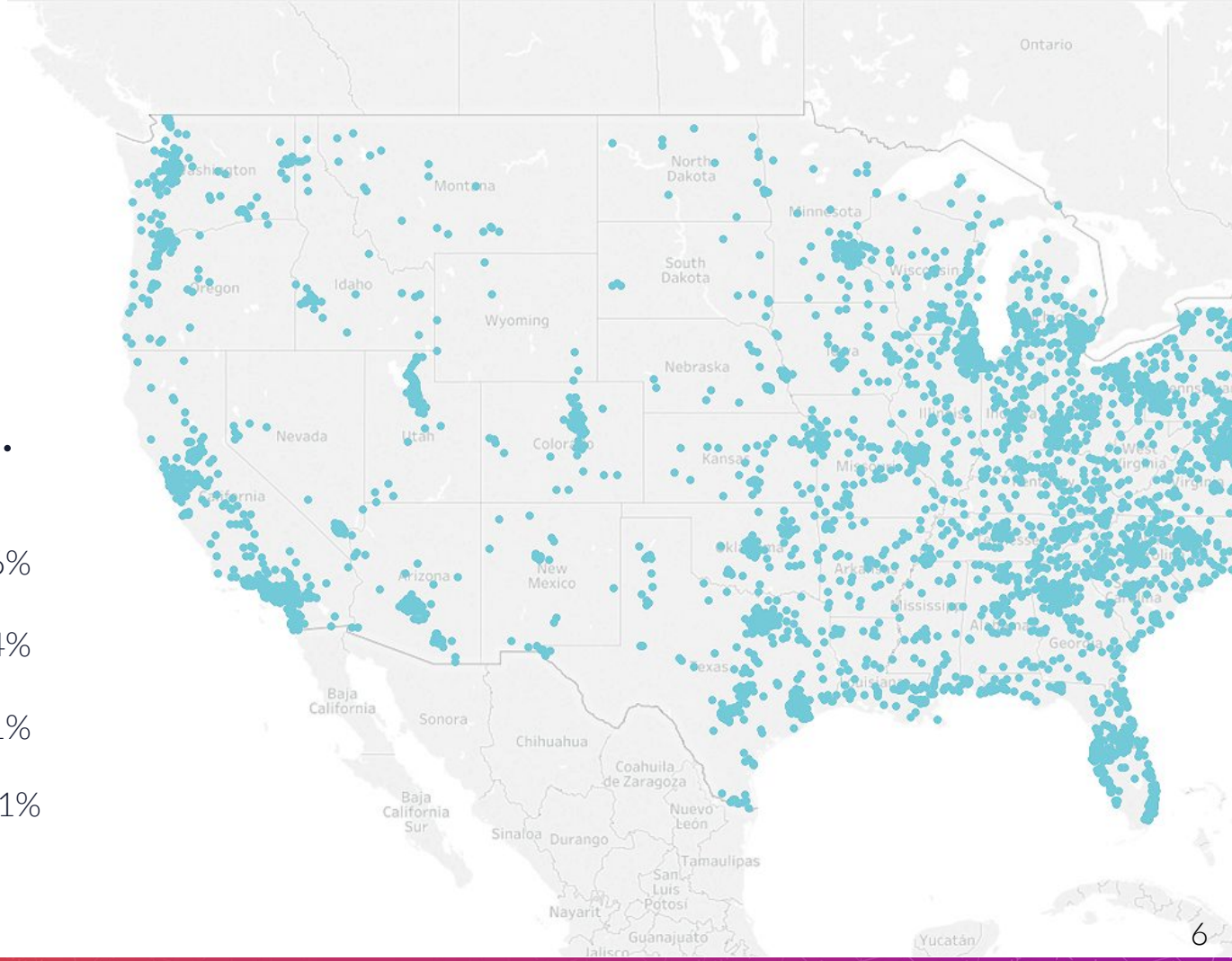
7,150+

Respondents

89%

from the U.S.

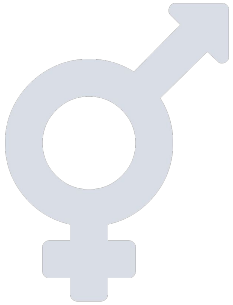
Canada	6%
United Kingdom	4%
Mostly Europe	1%
Other	<1%





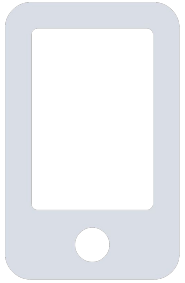
Home ownership by age group

Age (group)	Own	Rent	Total
18-25	3%	3%	5%
26-35	18%	10%	27%
36-45	28%	9%	37%
46-55	16%	5%	20%
55+	9%	2%	11%
Grand Total	73%	27%	100%



Gender by age group

Age (group)	Female	Male	Total
18-25	2%	3%	5%
26-35	11%	17%	27%
36-45	13%	24%	37%
46-55	8%	12%	20%
55+	5%	6%	11%
Grand Total	38%	62%	100%



Mobile by age group

Age (group)	Android	iOS	Total
18-25	3%	2%	5%
26-35	18%	10%	27%
36-45	23%	13%	36%
46-55	13%	7%	20%
55+	7%	4%	11%
Grand Total	64%	36%	100%

Key Consumer Trends and Insights

The analysis of the survey data uncovered two key trends:

1. Mainstream consumers are adopting an increasing variety of smart home products.

2. Consumer confidence is driving increased self-installations, which is opening up the setup process to more user error.

Expanded consumer adoption of diverse connected products

Our 2015 study found that the majority of early adopters were focused on purchasing thermostats. In addition, early adopters were interested in purchasing lighting, security, and resource management products at the time.

The International Data Corporation (IDC) forecasted that 833 million smart home devices will ship in 2019, with an estimated 17% annual growth until 2023. This statistic tells us that connected products aren't just appealing to early adopters anymore. Smart home companies are also reaching less tech savvy members of mainstream markets.

But which connected products are these mainstream buyers focused on purchasing in 2019?

2015 Smart Home Survey Results

Where Are Customers Going to Invest Next?

With a promising future ahead, customers are already planning their next purchase. Lighting and security products are poised for the most growth, but all product categories have users itching to take the plunge.



24% SMART LIGHTING



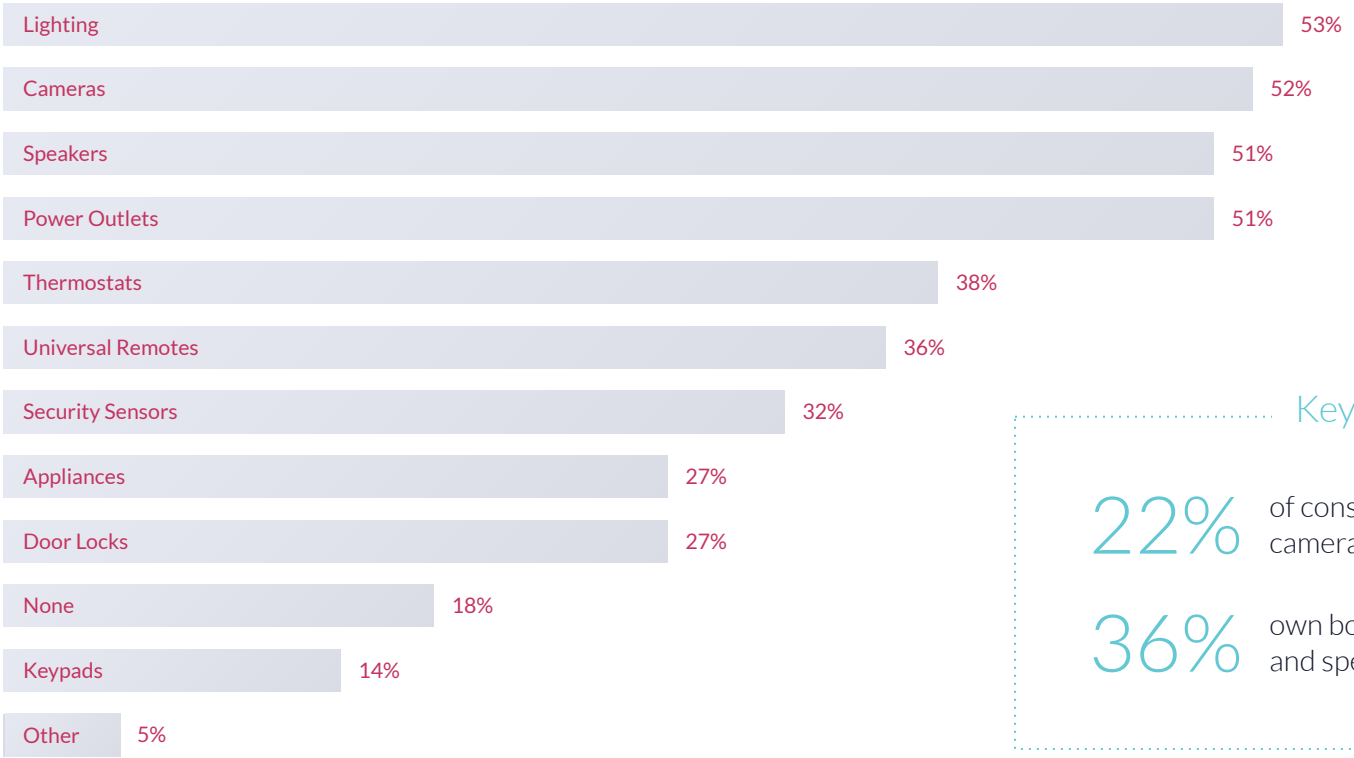
25% HOME SECURITY



12% RESOURCE MANAGEMENT

Which connected devices did consumers purchase last year?

(Shows purchases within the last 12 months)



Key Facts

22% of consumers own smart lights, cameras, speakers, and outlets.

36% own both smart lighting and speaker products.

Recommendations for reaching wider audiences

In order for companies to reach wider, less tech-savvy audiences, they are involving existing and new customers in the conversation at every stage of the product life cycle. They are using real market insights to adapt their product to consumer needs early and often. They know that in the fast-paced connected products space, waiting months for reviews and support engagements to surface customer insights gives competitors a head start on developing their own solutions to key market needs.



Integrate customer testing into product development

Customer Validation (CV) testing is a key practice in product development. It ensures that products reach their markets with minimal issues and delivers product experiences that delight customers.



Recruiting ideal testers for customer testing projects

Recruiting enthusiastic users from your target market ensures higher participation rates and generate the relevant feedback you need to proactively shape your product for new and existing markets.



Collecting and prioritizing actionable feedback

Not all feedback is created equal. Using a testing approach that generates issues, ideas, and praise about specific areas of the product will help you get the most value and direction from your CV projects.

Consumers feel confident about setting up their connected home products



Most respondents shared that they feel confident about their ability to successfully set up their connected products without the help of expert installation services.

Does that mean device makers are successfully providing customers with a satisfactory installation and setup experience?

Which challenges do users anticipate encountering during their first experiences with the product?

Most challenging Aspect	Female	Male	**Total**
Planning for the install and identifying the product's capabilities	45%	65%	**58%**
Properly setting up the hardware components	34%	15%	**22%**
Synchronizing the device to smart hub/smart home ecosystems	11%	15%	**13%**
Configuring the device to be used from a smartphone via mobile app	9%	5%	**6%**

According to a survey conducted by management service provider iQor, 33% of U.S. adults experience an issue while setting up their smart home products.

In fact, 99% of respondents expect to face issues with the hardware, compatibility, or integration aspects of their smart products during setup.

What this data tells us is that consumer confidence in product installation has more to do with an ability to overcome setup challenges than an overall improvement in the setup experience.

Which connected products are being installed professionally?

While a large majority of consumers are confident that they can overcome setup challenges independently, some are turning to professional services to help them set up their connected devices.

Here are the six devices that were installed most frequently by professionals:

1. Thermostats 
2. Cameras 
3. Power Outlets 
4. Lighting 
5. Security Sensors 
6. Safety Monitors 

Recommendations for meeting customer expectations and retaining consumer confidence

When consumers are confident in their ability to overcome challenges during the installation process, any issues encountered during setup are amplified as negative experiences in the minds of customers. As those negative experiences build up across your target market, your business will start to see the impact. This usually takes the form of increased support calls and returned devices, but can noticeably damage brand reputation as well. Here are a few recommendations for lowering the risk and leveraging the advantages of consumer confidence leading up to the setup experience.



Test the unboxing and setup experiences across markets

Be sure to recruit testers from different markets, and test early product experiences before release. Minor issues during initial product interactions might be brushed off, but serious issues will amplify customer dissatisfaction with your product.



Collect feedback that drives product improvements

Customer Validation is not just about bugs. Make sure to promote a healthy balance of different feedback types - like ideas, praise, discussions, and surveys - to improve the product experience before you put it in the hands of a broader audience.

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Delta Testing Solutions

WHY CENTERCODE?

Increase Revenue
½ ☆ INCREASE
in product ratings

Release Sooner
50% FASTER
test cycles

Gain Participation
75% INCREASE
in tester engagement

Save Time
40%+ DECREASE
in time managing tests



The Centercode Platform equips you with the automation and best practices you need to get actionable user insights for any use case.

PRODUCT LAUNCH

Engage your **Target Market** to successfully bring new products and services to market

USE CASES:

- Beta Tests
- User Acceptance Tests
- Field Tests

PRODUCT GROWTH

Recruit **Existing Customers** to continuously mature live products and services

USE CASES:

- Progressive Delivery
- Early Access
- Customer Advisory Boards

CUSTOMER ZERO

Gather **Employee** feedback to enhance your products while fostering a product culture

USE CASES:

- Alpha Tests
- Dogfooding
- Employee Tests

COMPETITIVE EDGE

Enlist **Competitors' Customers** to rapidly gain actionable intel about their products

USE CASES:

- Competitive Intelligence
- Market Testing
- Comparative Research