

Introduction

Increasing desires for home security, energy savings, convenience and overall peace of mind are driving the growth of home automation services. Though many consumers are familiar with home automation, their awareness can often differ from interest. In addition, interest can differ significantly from purchase intent – especially by age segment. Given the varied differences between age groups, it is important home automation manufacturers, retailers and providers evaluate all needs and wants for home automation services, especially for consumers ages 50 and over, considering both their market size and spending power.

This AARP-sponsored analysis brief examines key findings from CEA's *Consumer Perspective on Home Automation* study to provide insights into how this age segment differs from younger counterparts.

Consumer Awareness and Interest

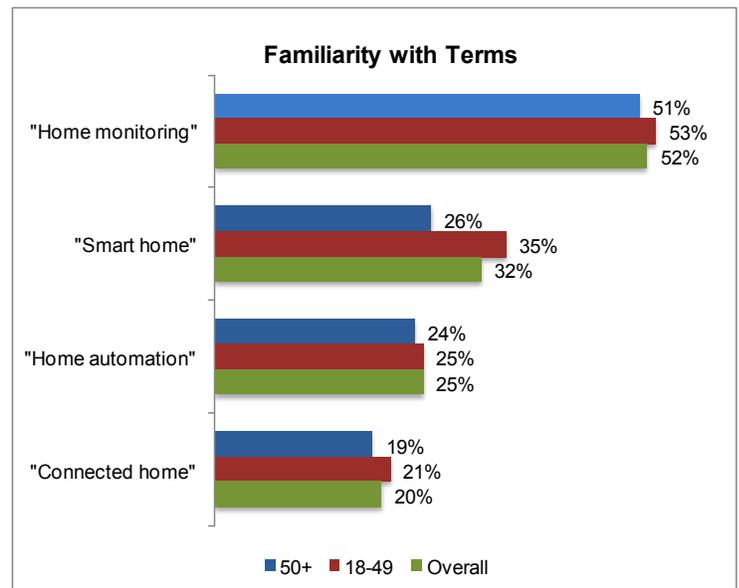
- Overall, online U.S. adults are moderately familiar with home automation and terms associated with home automation. While, 40% of online adults 50 and older are familiar with home automation systems themselves, over half (51%) are familiar with the term "home monitoring" and a quarter are familiar with the term "home automation" (24%) and "smart home" (26%). Older adults are less familiar with the term "smart home" than younger adults (26% vs. 35%).
- Among those familiar with home automation, adults 50 and older are most likely to have seen or heard information through commercials on TV (47%), the Internet (37%), magazine/newspaper articles and advertisements (27%) and friends, family members or co-workers (19%). One in four aware adults 50 and older (23%) has seen a demonstration of home automation. However, there is a noticeable lack of consumer awareness among many in this age bracket with one-third (37%) indicating they are unfamiliar with home automation.
- One in four online U.S. adults ages 50 and older (25%) express interest in learning more about home automation compared one-third (37%) of online U.S. adults.

Market Size

- Over 100 million people ages 50 and over currently reside in the United States. This segment represents nearly one third of the overall U.S. population.
- This age segment is projected to increase to about 135 million people by 2030 and constitute approximately 37% of the overall U.S. population (a 5% increase).
- The highest expenditures for this age segment compared to younger age groups include healthcare, personal care, and entertainment.

Source: U.S. Census Bureau / AARP

Figure 1



Q. Prior to this survey, how familiar or unfamiliar were you with each of the following terms?

Base: Online U.S. adults: n=1006; Online U.S. adults age 18-49: n=644; Online U.S. adults age 50 and over: n=362



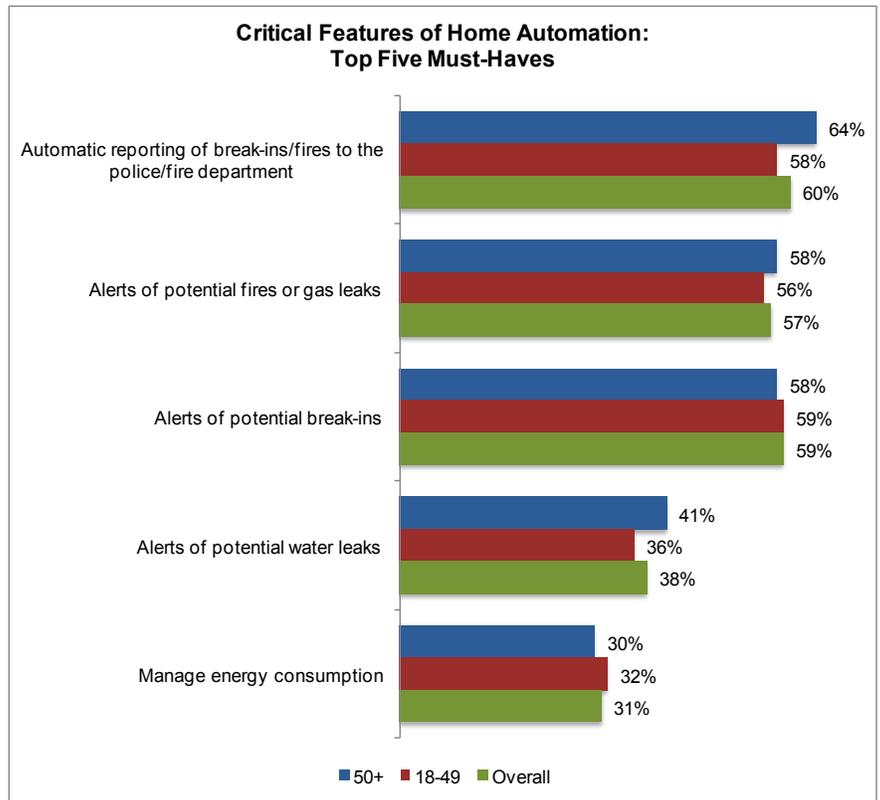
- Regardless of age, consumers are most interested in home automation capabilities that allow them to be alerted about changes at home, remotely. Almost half of online adults ages 50 and older are interested in home automation capabilities that notify them if a home smoke alarm went off while away (49%), allow them to see who is at the front door (48%) or notify them if someone entered or exited their home while away (45%) (both alerts being sent via email, phone, or text).

Home Automation Preferences

- Among online U.S. adults 50 and over indicating some interest in learning more about home automation, wireless systems are clearly preferred to those requiring additional wiring even at the expense of fewer capabilities. Eighty-three percent (83%) preferred no additional wiring with limited capabilities compared to 17% who want the most capabilities with additional wiring. Adults 50 and over prefer wireless systems to a greater extent than the rest of the population as only 53% of 18-49 years prefer wireless solutions which are more limited in capabilities.

Figure 2

- Adults 50 and over are more likely to prefer professional installation of home automation technology compared to their younger counterparts (73% among those 50 and older compared to 45% 18-49 years of age).
- Online adults over 50 have a clear sense of the home automation features most important to them. Topping their must-have list are features including automatic reporting to key authorities of fires or home break-ins (64%). Adults 50 and over also say alerts of fires (58%), potential break-ins (58%) and water leaks (41%) are critical and must be included in the home automation systems they would consider purchasing.
- Similar to their younger counterparts, adults 50 and over would prefer to control their home automation systems while at home using a remote control (65%). This population is more likely to prefer managing their home automation system via a website they can access through a desktop or laptop computer when they are away from home (69%) versus when they are at home (47%). Older adults are less interested in using “apps” on a tablet or smartphone to manage their home automation systems than their younger counterparts.



Q5. Please indicate how much you would like each of the following capabilities listed below to be included in your system.

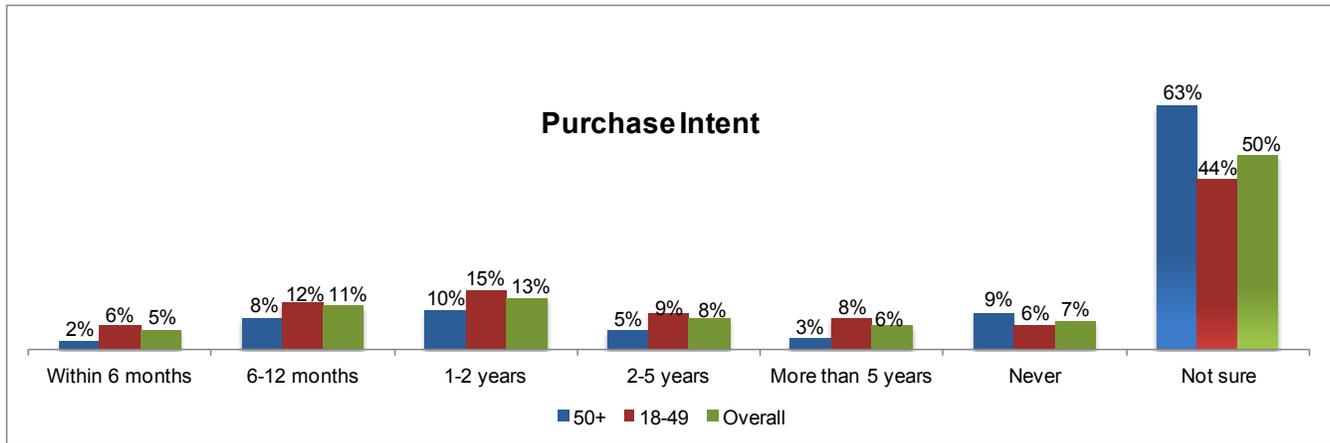
Base: Online U.S. adults interested in learning more about home automation (TOP 3 BOX): n=651; Online U.S. adults age 18-49: n=452; Online U.S. adults age 50 and over : n=199



Purchasing Behaviors

- Among online consumers ages 50 and older interested in learning more about home automation, most (61%) indicate they would primarily purchase for the security aspect. In addition, one in four (24%) report they would purchase mainly for the energy savings features.
- Among online US adults 50 and older interested in learning about a home automation system, one-fifth (20%) anticipate purchasing within 2 years. This age segment expresses more uncertainty about when they will purchase this technology compared to the 18-49 age segment (63% compared to 44%).

Figure 3



Q12. When, if ever, do you anticipate purchasing a home automation system?

Base: Online U.S. Adults: n=651; Online U.S. adults age 18-49: n=452; Online U.S. adults age 50 and over: n=199

- While some older adults have not yet heard about home automation, many indicated that if they wanted to learn about home automation, they will utilize the internet to do so. Four in ten online adults 50 and older indicate they would likely obtain information about home automation from manufacturer websites (44%) or internet news sites/product reviews sites (38%) and three in 10 will go to retailer websites (30%). Older adults (44%) are more likely to turn to consumer report publications as a source of learning about home automation than their younger counterparts. Four in ten adults over age 50 (42%) would turn to people they know own home automation products or systems to learn about home automation if they wanted to learn more compared to only 34% of younger adults (18-49) who would turn to that same source, and 35% of older adults would seek an in-store demonstration given by a salesperson, compared only 24% of younger adults who would do the same if interested in learning about home automation.
- Among online U.S. adults 50 and over, about one in five (22%) would choose to go to a security system company when shopping for home automation products, which was not surprising seeing as many U.S. consumers interested in learning more about home automation are most interested in home security from their systems. A similar percent will also shop for these products at home improvement centers (21%). Still about a quarter of this population is not sure where they would go to shop for a home automation system (27%).
- Not surprising, the majority of online adults 50 and over trust professional installers (67%) and home security companies (62%) the most for installing their home automation system. Home security companies were viewed as most trustworthy with managing their home automation systems (indicated by 70% of this population).



Recommendations

Increase Consumer Education

U.S. adults over age 50 have some familiarity with either home automation technologies (40%) or terms associated with it. Nearly a quarter are interested in home automation and monitoring. However, a majority (88%) say they have never seen a demonstration of a home automation system and therefore are unable to realize how it can benefit them. This suggests a need for more demonstrations on how home automation systems work. This should prove to be a valuable opportunity to educate consumers about what home automation is, what it offers, and how a home automation system can prove advantageous for homeowners.

Focus on Critical Features

The features and services the 50+ age segment perceives as being important in a home automation system include automatic reporting of break-ins/fires to authorities, alerts of fires/gas leaks, potential break-ins and water leaks. Clearly features related to home security and peace of mind are critical. Educating the 50+ consumer on basic and advanced security features of home automation and focusing on this population's "must-have" features will not only increase awareness but may motivate interest and purchase.



CEA
Consumer Electronics Association

Spotlight on Americans 50+

Methodology

The report described herein was designed and formulated by the Consumer Electronics Association (CEA)[®]. Data from this analysis brief was sourced from CEA's *Consumer Perspective on Home Automation* study. The quantitative study was administered via an internet survey to a random national sample of 1,006 U.S. adults between September 10 and 17, 2012. The margin of sampling error at 95% confidence for aggregate results is +/- 3.1%. For Americans 50+ the sampling error is +/- 5.2%.

CEA members can access CEA's *Consumer Perspective on Home Automation* study at <http://members.CE.org>.

Non-members may purchase the full study which includes analysis and data crosstabs at <http://mycea.ce.org/>

About CEA

The Consumer Electronics Association (CEA) is the preeminent trade association promoting growth in the \$195 billion U.S. consumer electronics industry. More than 2,000 companies enjoy the benefits of CEA membership, including legislative advocacy, market research, technical training and education, industry promotion, standards development and the fostering of business and strategic relationships. CEA also owns and produces the International CES - The Global Stage for Innovation. All profits from CES are reinvested into CEA's industry services.

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About AARP

AARP is a nonprofit, nonpartisan organization with a membership that helps people age 50 and over have independence, choice and control in ways that are beneficial and affordable to them and society as a whole, ways that help people 50 and over improve their lives. Since 1958, AARP has been leading a revolution in the way people view and live life.

About AARP's Innovation@50+ initiative:

The Innovation@50+™ initiative aims to spark entrepreneurial activity across public and private sectors. Anchored by the AARP social mission – to enhance the quality of life for all as we age – the initiative enlists the expertise of visionary thinkers, entrepreneurs, the investment community, industry and not-for-profits to spur innovation to meet the needs and wants of people over 50.

On the ground, the initiative catalyzes research and helps shape a marketplace ethos by promoting core, unifying principles such as "design for all." It stimulates new business models that reflect the broad transformation in how the 50-plus life is being re-imagined.

Lastly, the initiative prepares 50-plus people to communicate with, access, engage and thrive in a new "longevity economy."

For more information please visit: www.aarp.org/innovation50plus

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