



### OPEN SOURCE COMMUNITY

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## How to sell the Internet of Things to consumers

A new survey shows that consumers are warming up to the Internet of Things.



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Despite the tech industry's best efforts over the past few years, the Internet of Things (IoT) has only slowly begun to gain a foothold in consumer markets. Consumers do, however, still represent a massive opportunity for IoT, and the companies in this space will be paying close attention to consumer acceptance of the technology.

Today, machine-to-machine company ThroughTek released results from its recent consumer survey on the IoT and smart home technology. The survey was conducted last month by research firm YouGov, and included 1,181 U.S. adults.

### See also: [Smart home hacking is easier than you think](#)

Consumers appear to be growing more optimistic about the IoT in the near future. Thirty-one percent said they believe a "fully connected smart home" will be achievable in the next year, while 60% say it's possible within five years, according

to the survey.

How the market gets to that point, however, remains to be seen. The survey delved into consumers' preferences and trepidations about the smart home. Based on how consumers responded to the survey, here's what the market should keep in mind when trying to bring consumers on board the Internet of Things.

## **Keep it cheap**

When considering that even the most fervent early adopters are already spending hundreds on smartphones, tablets, and now wearables, smart home companies might have a difficult time asking consumers to spend hundreds more on home appliances just because they connect to the internet.

The survey estimated that \$125 was the "golden price point," with male respondents willing to spend \$140 and women \$108 on smart home technology, on average. Depending on the device and the market it intends to target, there is definitely some wiggle room there. However, a full 88% of respondents said they are unwilling to pay more than \$250 for an IoT device.

It should be noted that the Nest thermostat, arguably the best-known smart home device on the market, currently retails for \$249 on the company's website. Similarly, the Dropcam internet-connected home security camera, also offered by Nest, costs \$199, and offers an optional cloud recording subscription service for at least \$99 per year.

## **Keep it secure (for now)**

Cybersecurity was the top concern of the smart home, as cited by about 25% of respondents. This shouldn't come as much of a surprise. The smart home brings the same paranoia from the early days of online banking into the home. Just last summer a website emerged that provided links to live footage from more than 73,000 internet-connected security cameras that allowed users to install them without changing their default usernames and passwords. And some issues with

restricting access to internet-connected home devices have led to some horror stories, like the guy who claimed to use a Wi-Fi thermostat to drive up his ex-wife's heating bills. Consumers are going to keep that in mind.

However, those in the younger generation may have short memories. While more than 32% of respondents age 55 and up cited cybersecurity as a chief concern for the IoT, just 22% of 18-to-34-year-old respondents said the same. It'll be interesting to see how that number changes as that demographic ages.

## **Go green or provide home security**

Google bought Nest for a reason. Improving energy efficiency was the most sought-after goal for those considering embracing the smart home, at 27% of total respondents. This was especially common among millennials (between 18 and 34) at 32%, compared to just 21% of those 55 years old and up. Home security was next on the list, as cited by 23% of overall respondents, followed by home entertainment and media, at 16%.

## **Focus on longevity, not simplicity**

Surprisingly, 84% of respondents to the survey said they are not concerned that smart home products will be too complex to set up, and don't think difficulty with installation will prevent them from purchasing one of these devices. Just 14% of respondents said they were worried the installation process would be too complex.

What consumers are concerned about, however, is device longevity, meaning that they don't want to buy a bunch of smart home products just to see them go obsolete soon after. About a quarter of the survey's respondents mentioned this concern, suggesting some worry that the smart home market might go the same way as the smartphone market, in which devices are often made obsolete by software upgrades within just a few years. People just aren't going to buy new light switches every two years.

If nothing else, this most recent survey brings some hope to a market that had long struggled even to be noticed in consumer markets. Less than a year ago, Acquity Group released a survey of 2,000 consumers that found 87% of respondents hadn't even heard of the term "Internet of Things."



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Colin Neagle writes about emerging technologies and the internet, among other things, and also manages Network World's blogs.



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