



The dawn of the connected home

YouGov current and future analysis of the smart home market

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Introduction

Smart home devices are becoming ever more present in UK households. Penetration has reached almost a quarter (23%) with smart speakers (11%) leading the way.*

However, more than three quarters (77%) do not currently own any device so there is still room for brands to greatly expand their market share.

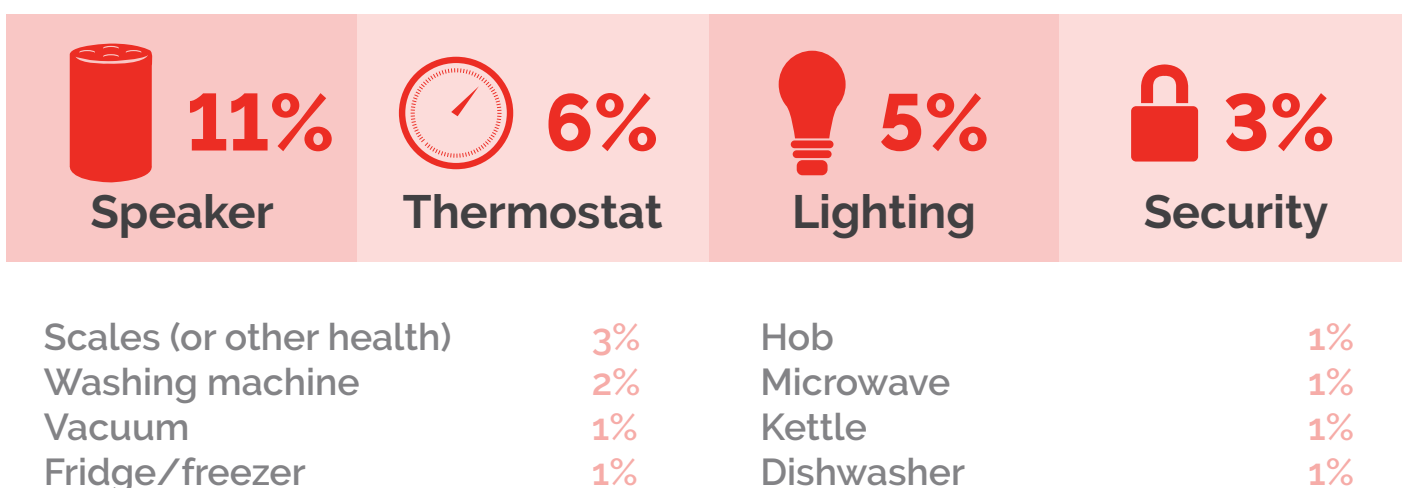
Due to major advertising campaigns and media reporting, the public are most familiar with smart speakers and their accompanying digital voice assistants, but other appliances are also gaining ground.

The insights in this paper have been put together by digital, media, and technology specialists within YouGov's custom research team, supplemented by data from brand tracking tool YouGov BrandIndex and audience segmentation tool YouGov Profiles.

It explores the public's perception of smart devices and the degree of success brands have had in encouraging take-up of various appliances.

Smart speakers are the most popular smart device

Which of the following smart devices do you own? Nat rep%



*More households (18%) own a smart meter but as these devices are given away free by providers rather than purchased they are not considered a part of the purposefully connected home.

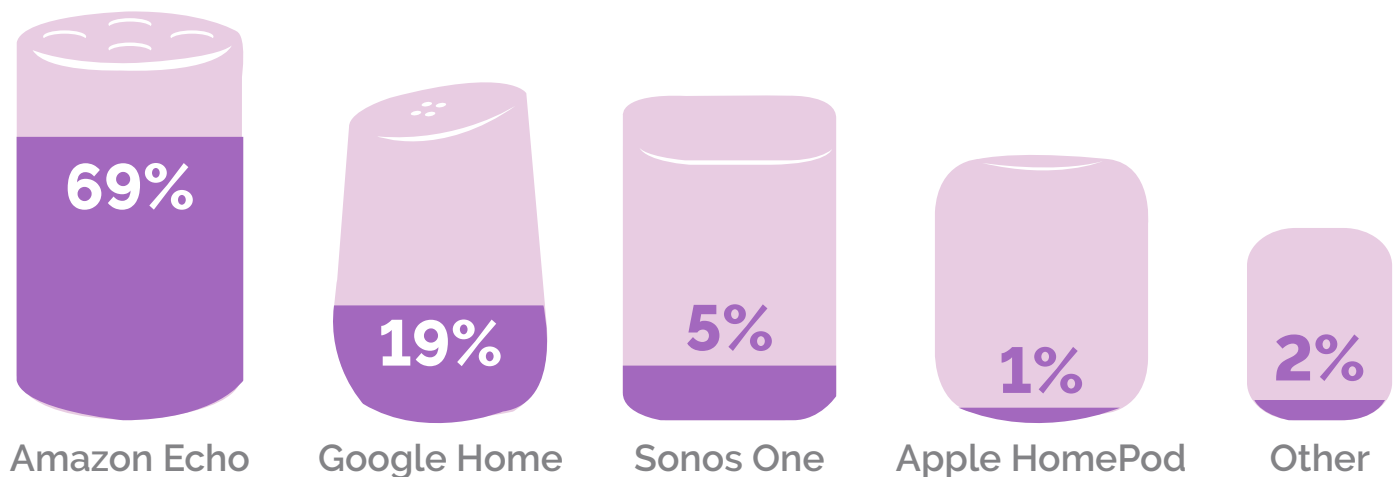
The rise of smart speakers

Smart speakers such as Amazon Echo and Google Home are the most widely-owned smart device among the UK public - despite only being released into the UK market in the last couple of years.

More than one in ten (11%) UK adults own a smart speaker, with Amazon Echo dominating. Of those who own smart speakers, almost seven in ten (69%) have an Amazon Echo, with second-placed Google Home some way behind on 19%.

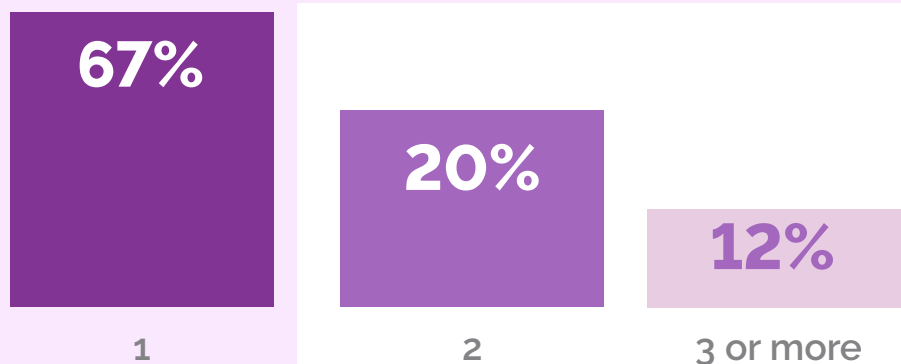
Amazon Echo dominates the smart speaker market

Which of these smart speaker brands do you own?



Almost a third of smart speaker owners have at least two of the devices

How many smart speakers do you own?



The rise of smart speakers

THE APPEAL OF SMART SPEAKERS: REASONS FOR OWNERSHIP

While there are various reasons that people buy smart speakers, the most cited reason for owning one is good features and working well with other devices in the household (both 24%). However, 29% of people who own smart speakers say they received it as a gift, rather than actively purchasing one themselves.

Good features and working well with other devices are the main motivations for buying a smart speaker

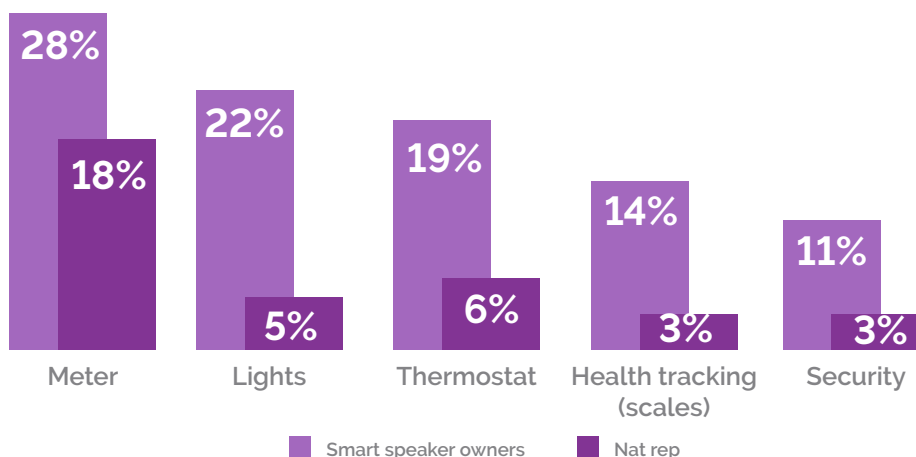
Which, if any, of the following are reasons why you bought a smart speaker

Good features	24%
Works with other devices	24%
Good price	23%
Good reviews	22%
Good reputation	22%
I trust it	15%
Familiarity with brand	13%
Best brand	13%
Apps integrated	12%

It makes sense that compatibility with other devices is considered one of smart speakers' most important features. Owners are much more likely to own other types of smart device than the nation in general.

Smart speaker owners are much more likely to own another smart device

Which, of the following smart devices do you own?



The rise of smart speakers

THE APPEAL OF SMART SPEAKERS: MAKING LIFE EASIER

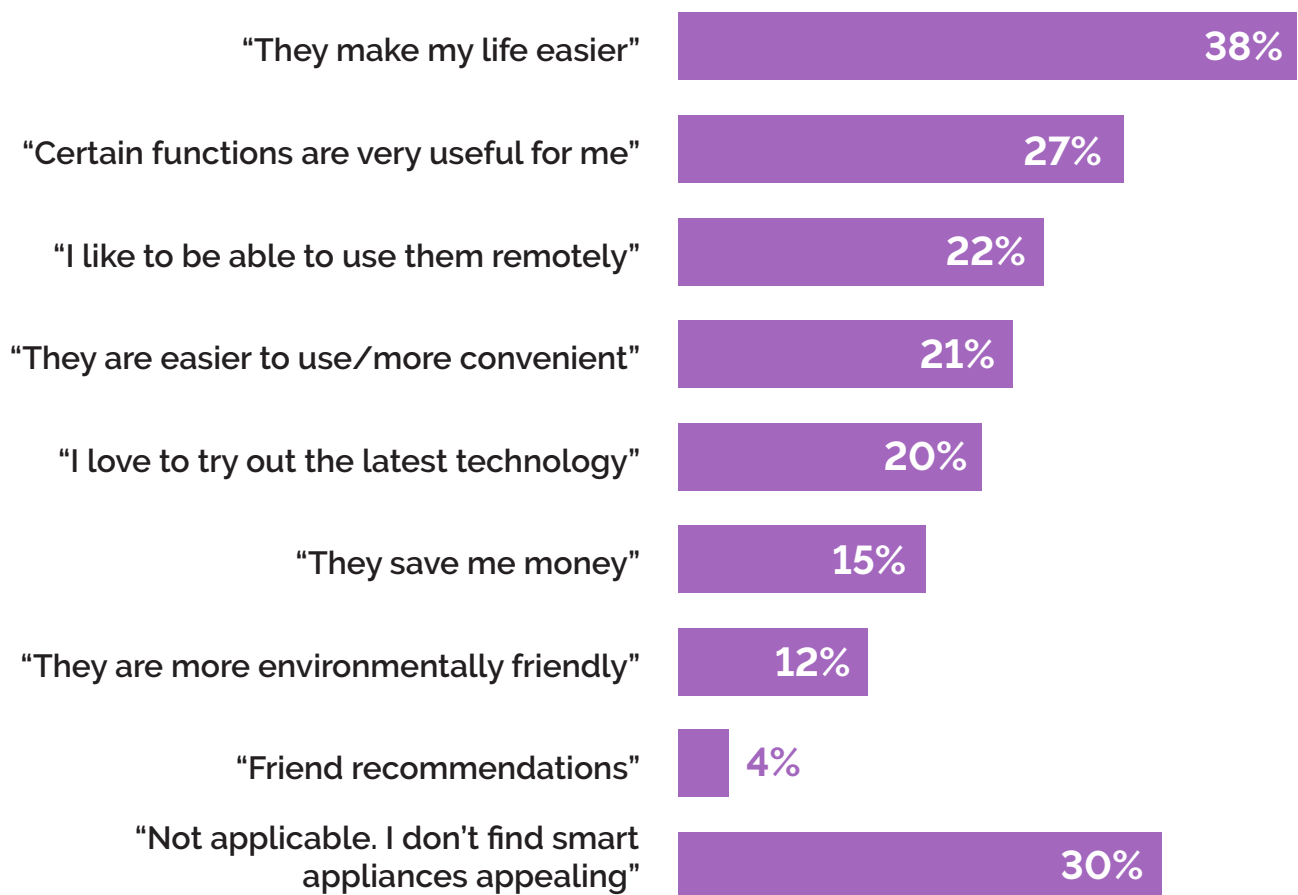
Among smart speaker owners, the greatest appeal of smart appliances in general is that they make life easier.

However three in ten (30%) smart speaker owners don't find smart appliances appealing at all.

This could be because they are happy with just owning a speaker or because they received it as a gift and are not interested in owning more smart devices.

Making life easier is smart appliances' most appealing function

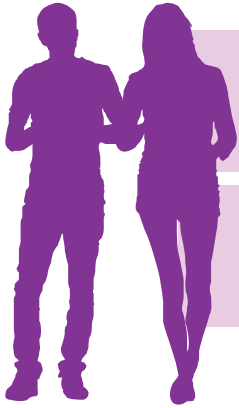
The reasons people find smart appliances appealing. Smart speaker owners %



The rise of smart speakers

PROFILE OF A SMART SPEAKER OWNER

Demographics and lifestyle



High income (over £30k)

52%

vs 37% nat rep

Over index among 25-39

33%

vs 25% nat rep

33%

vs 26% nat rep

MORE LIKELY TO OWN
THEIR OWN HOME

48%

vs 37% nat rep

MORE LIKELY TO LIVE IN
A HOUSEHOLD OF 3 OR
MORE PEOPLE

18%

vs 13% nat rep

MORE LIKELY TO HAVE
CHILDREN IN THE
HOUSEHOLD

MORE LIKELY TO
HAVE MADE A
LARGE PURCHASE
IN THE LAST YEAR

18%

vs 13% nat rep

BOUGHT A CAR

9%

vs 6% nat rep

MADE MAJOR HOME
IMPROVEMENTS

Attitudes to technology

17%

vs 8% nat rep

"I'm always keen to try
new technology products
as soon as they enter the
market"

58%

vs 47% nat rep

"I believe technology is a
force for good"

40%

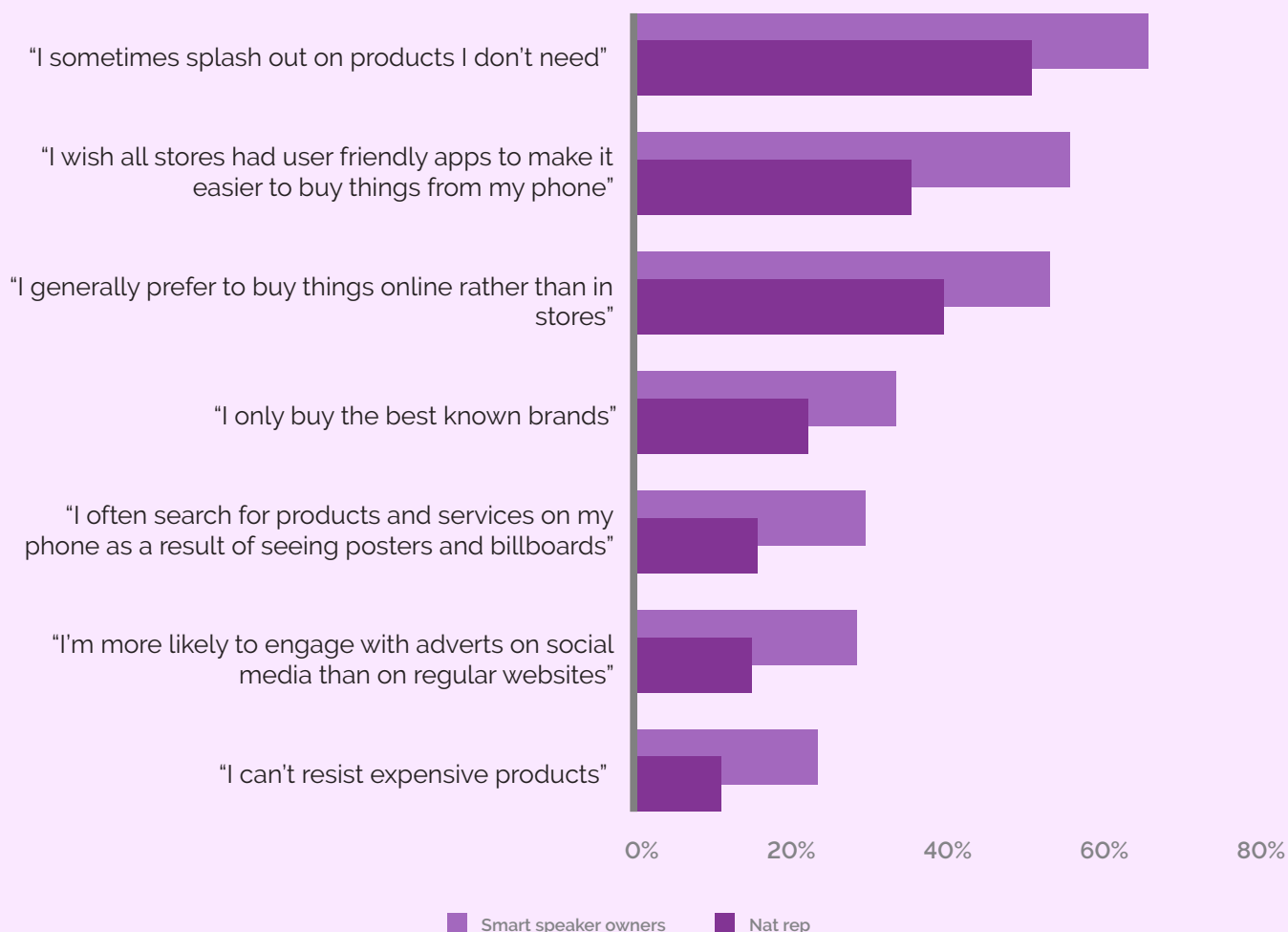
vs 32% nat rep

"I believe technology will
make communities more
connected in the future"

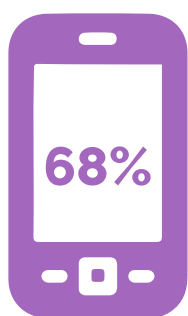
The rise of smart speakers

PROFILE OF A SMART SPEAKER OWNER

Attitudes to brands and purchasing behaviour



Social media usage



Visit Facebook daily
vs 60% nat rep

MORE LIKELY TO SAY THE FOLLOWING FORMS OF COMMUNICATION HAVE LED TO PURCHASES:

Social media

11%

vs 6% nat rep

Mobile advert

8%

vs 4% nat rep

Branded e-mail

24%

vs 16% nat rep

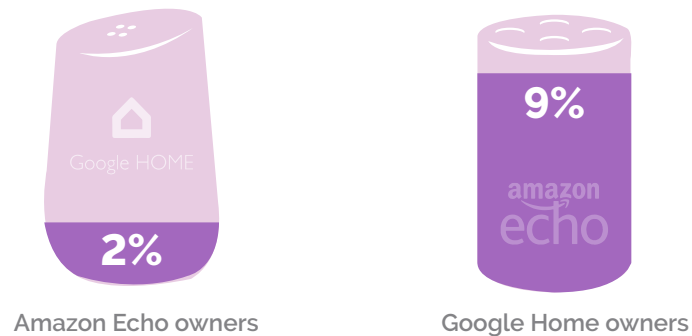
The rise of smart speakers

BATTLE OF THE SPEAKERS: AMAZON ECHO VS GOOGLE HOME

A larger proportion of Google Home owners say that Amazon Echo is their main speaker than the other way around (9% vs 2%).

Are Google Home owners switching to Amazon Echo?

What is your main speaker?



As smart speaker owners are likely to be early adopters, it's possible that many bought an Amazon Echo (which was first on the market) and then subsequently bought a Google Home when that was released. Many may have switched back to Echo after comparing the two, accounting for the higher number of Google Home owners who say Echo is their main device.

When comparing the differences between Echo and Home users, Google Home owners come out as more tech-savvy than Amazon Echo owners.

Google Home owners are bigger technology fans than those who own an Amazon Echo

Attitudes to technology



Smart thermostats: Hive vs Nest

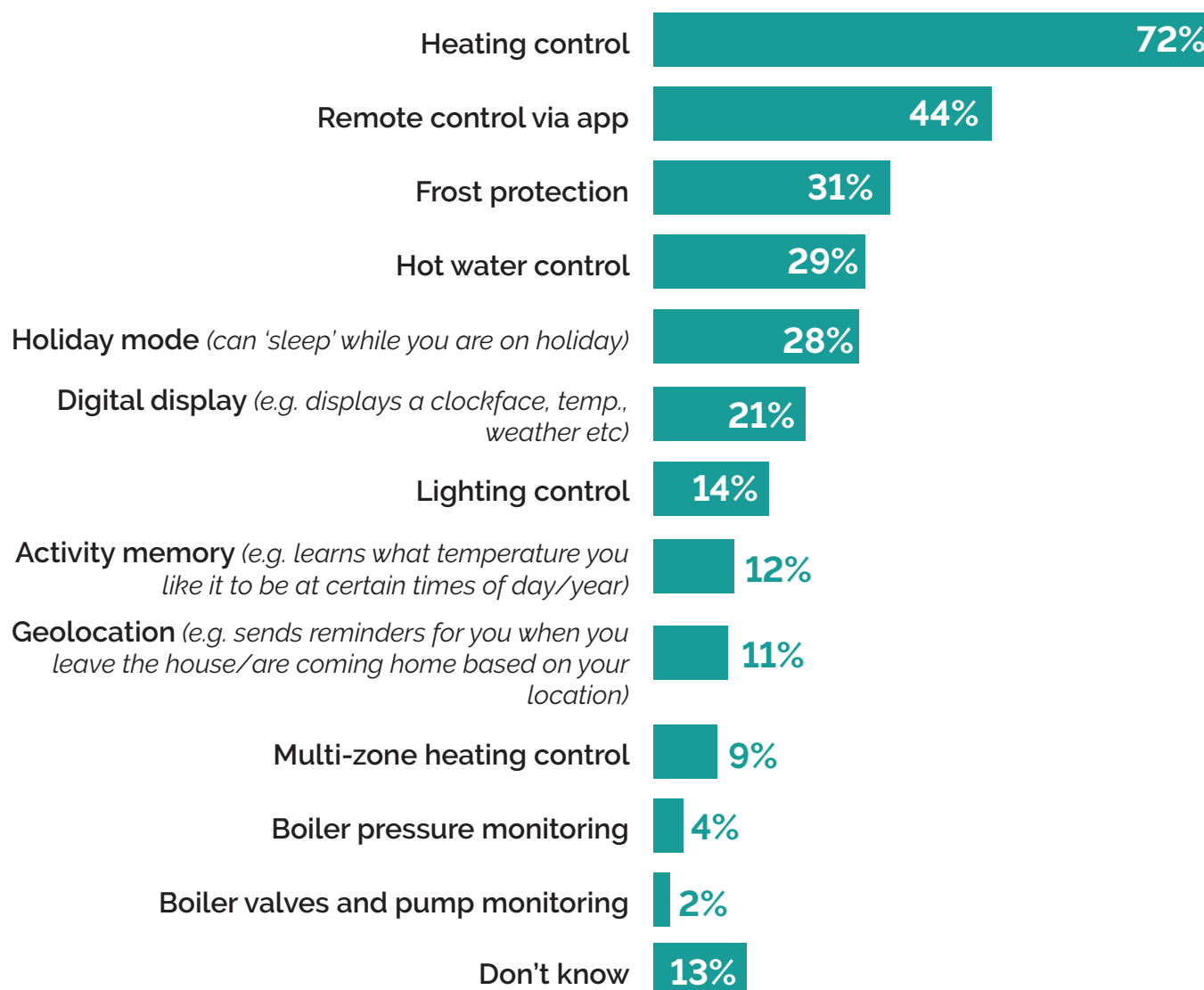
Currently, 6% of the UK public own a smart thermostat, with 3% saying they would consider owning one in the future.

While this number appears to be low, 6% ownership equates to 1.7 million households - with a further 800,000 currently in the market to buy a smart thermostat.

In terms of smart thermostats' appeal, unsurprisingly, almost three quarters (72%) of those who own one use it to control their heating. Therefore, highlighting this feature could be a good way for brands to attract new customers.

More innovative thermostat features are less likely to be used

Which, if any, of the following features of smart thermostats do you use in your home?



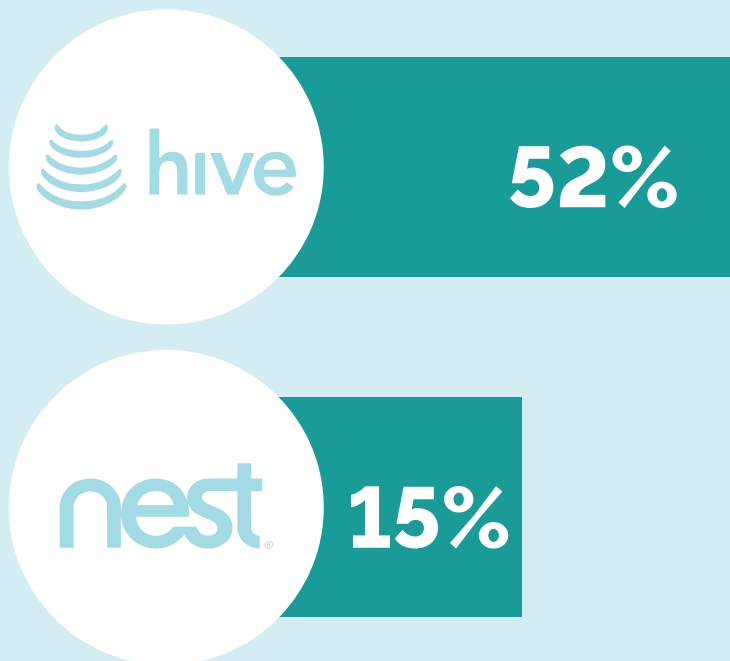
Smart thermostats: Hive vs Nest

HIVE IS DOMINATING THE MARKET

More than half (52%) of smart thermostat owners have one from Hive (a brand owned by British Gas), while 15% have one by Google-owned Nest.

Hive is the most popular brand of smart thermostat

Which, if any, of the following brands of smart thermostats do you own?



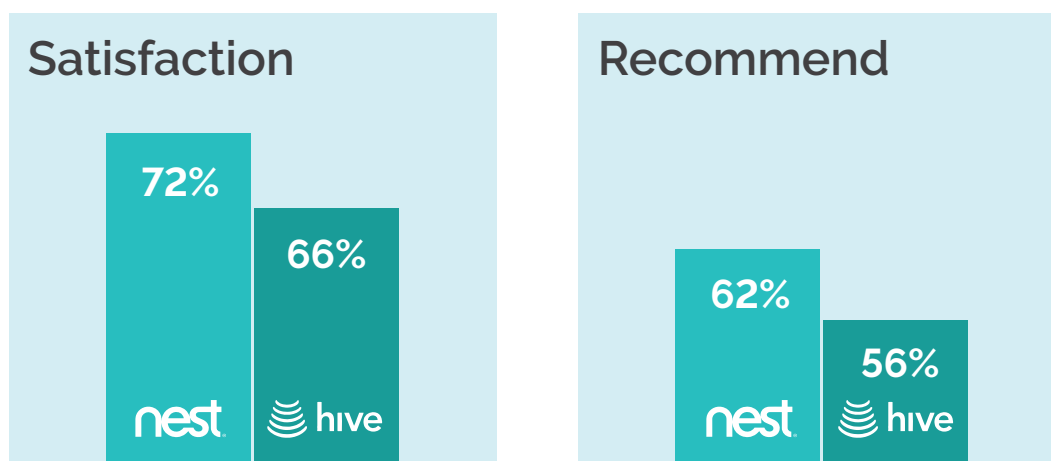
Honeywell	4%
Tado	2%
Wave	2%
Heatmiser	1%
Heat Genius	1%
Netatmo	1%

Smart thermostats: Hive vs Nest

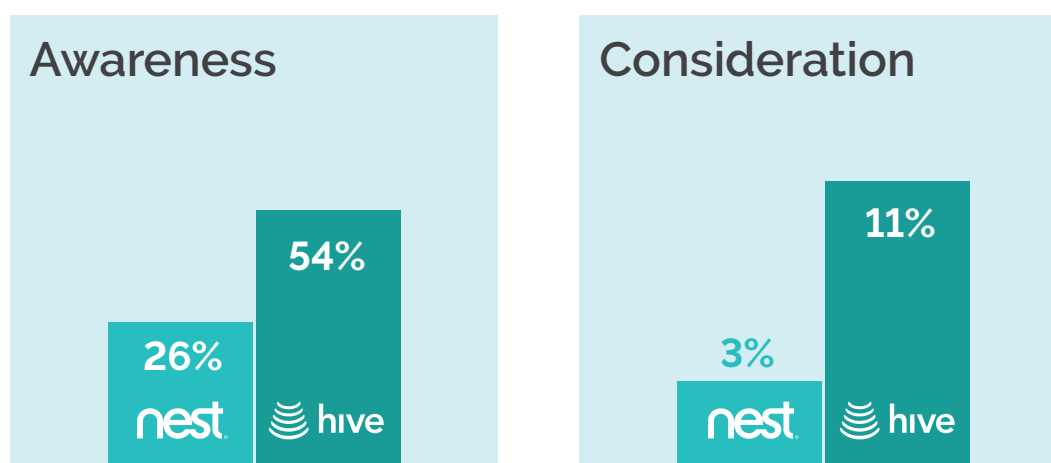
WHY IS HIVE MORE POPULAR?

Why does Hive's share of market far exceed its competitors?

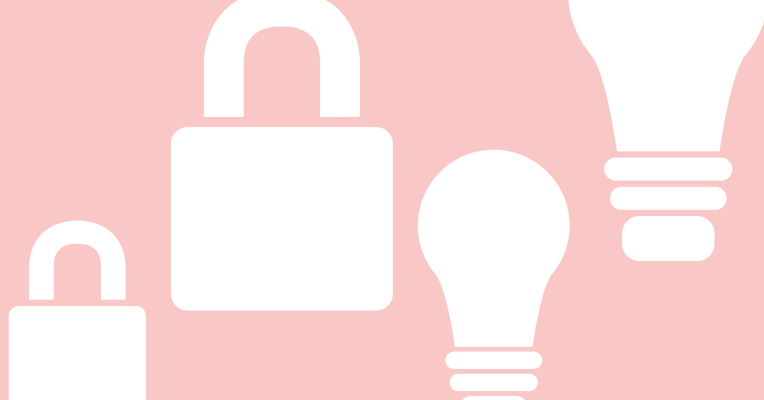
While Hive and Nest have similar scores when it comes to customer satisfaction and recommendation, Nest actually performs better on both metrics.



However, Hive has a higher consideration score, which is probably linked to its much greater levels of awareness among the general public (which is more than double that of Nest). This is likely due to Hive's prominent advertising campaigns.



While more than half (52%) of smart thermostat owners already have a Hive, theoretically its parent company British Gas could grow this even further by tapping into its "captive" customer base. British Gas supplies gas to 19% of the public and electricity to 17%.



Smart lighting and security

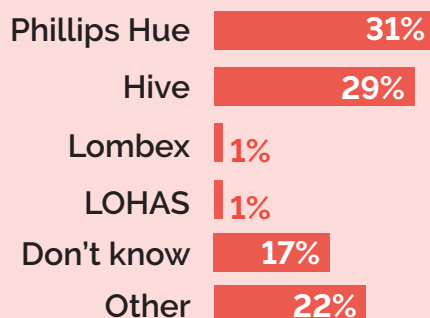
Smart security and lighting are not as popular as other forms of smart devices but they are still making headway.

More people (5%) own smart lighting, with Philips Hue being the most popular brand – having almost a third (31%) of market – just ahead of Hive (29%).

At present, 3% of the nation own some form of smart security system. The most popular brand is Ring, owned by one in ten (10%) people in this group. Ring has recently been acquired by Amazon so it is anticipated that this brand will grow in the future. Ring has already started to advertise its services on TV and other media.

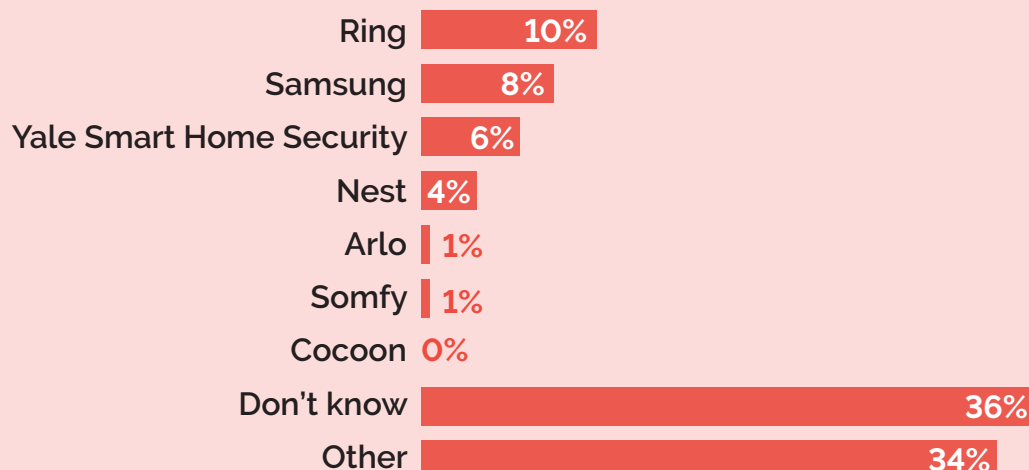
Philips Hue and Hive have 60% of smart lighting market share between them

Which, if any, of the following brands of smart lighting do you use at home? Please think of your main one



Ring is the most popular brand of smart security

Which, if any, of the following brands of smart security do you use at home? Please think of your main one



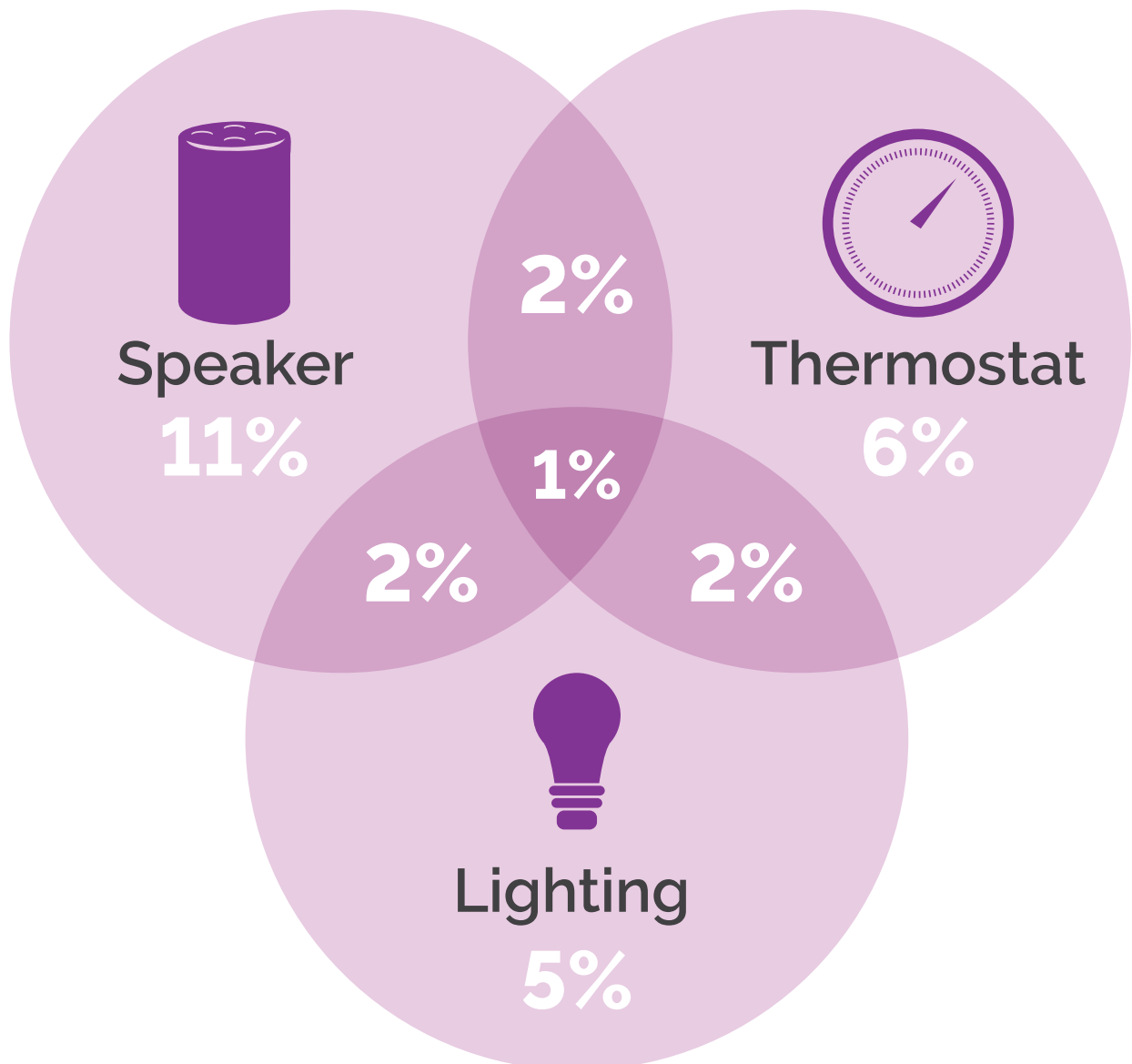


Which brand will win the battle of the connected home?

Smart speakers, thermostats, and lighting: the crossover in ownership

Not many people currently have “smart homes”. Just 1% of the population owns smart speakers, thermostats and lighting. This figure increases to just 2% when we look at people who own two out of the three devices.

However, given there is still so much opportunity for brands to gain new customers, what does the data tell us about which brands are in the best position to take over “the connected home”?



Which brand will win the battle of the connected home?

WHICH BRANDS ARE IN A POSITION TO TAKE OVER THE WHOLE HOME?

As Google works closely with Philips Hue and has a significant chunk of the market in other spaces they are in a strong position — despite being second when it comes to both speaker and thermostat ownership. It should be noted that Amazon also has a relationship with the lighting brand.

Speakers

amazon
echo

70%

19%



Google HOME

Thermostats



hive

52%

15%

nest®

Lighting

hue

PHILIPS

31%

29%



hive



Can those who don't own a smart device be converted?

Consideration is low among those who don't currently have a smart device

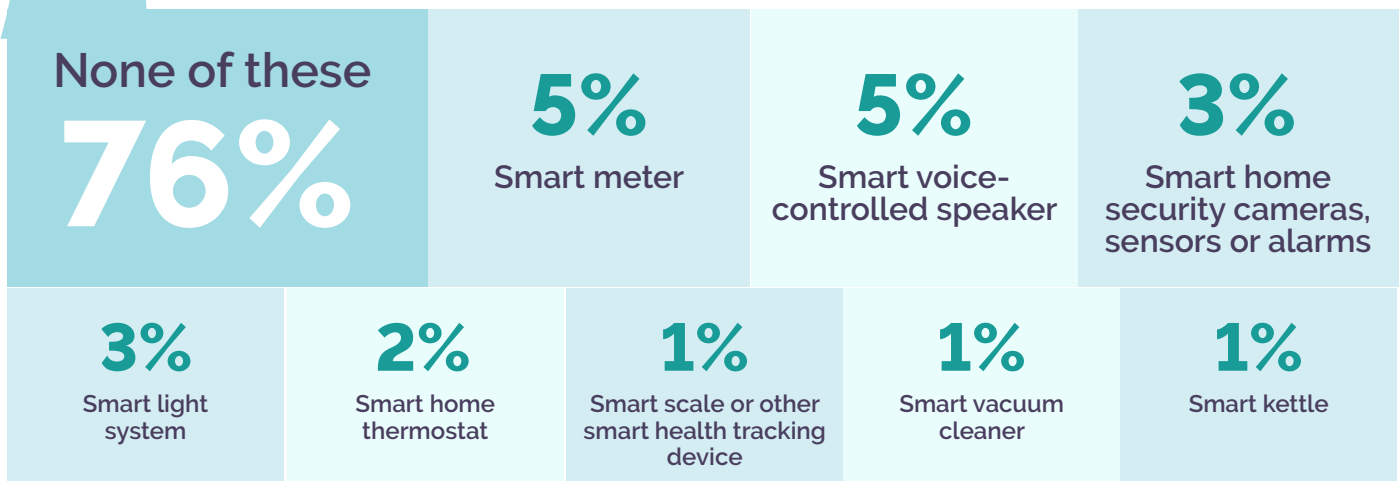
While the vast majority (76%) of people who don't currently own a smart device say they wouldn't think about buying one of any type, there is still a decent amount of consideration for brands to target. At present, one in nine (14%) say they would consider purchasing one.



Converting this 14% could be especially lucrative for manufacturers, as once someone owns one smart device, they are notably more likely to consider buying other categories. Among people who currently own at least one smart appliance, consideration for getting other smart devices increases to 40%.

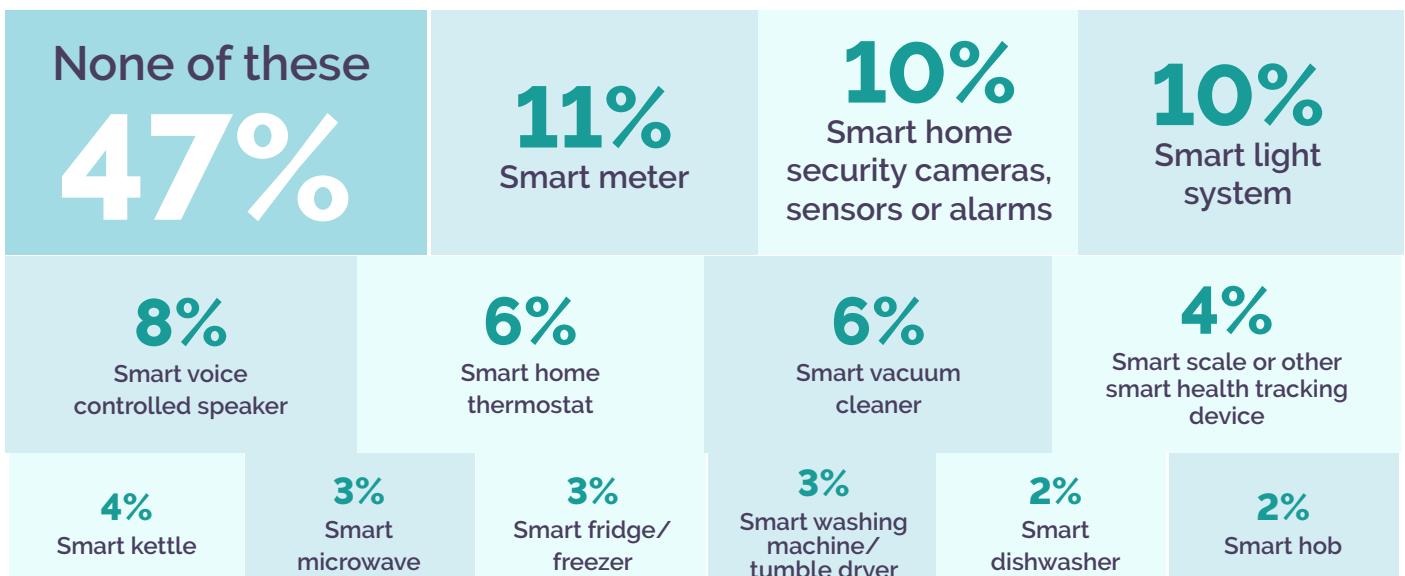
Most people who don't own a smart device don't want one

Which of these smart devices would you consider purchasing? *Those who do not own a smart device*



Consideration among current smart device owners

Which of these smart devices would you consider purchasing? *Those who own a smart device*



Can those who don't own a smart device be converted?

AWARENESS OF SMART DEVICES AMONG NON-OWNERS

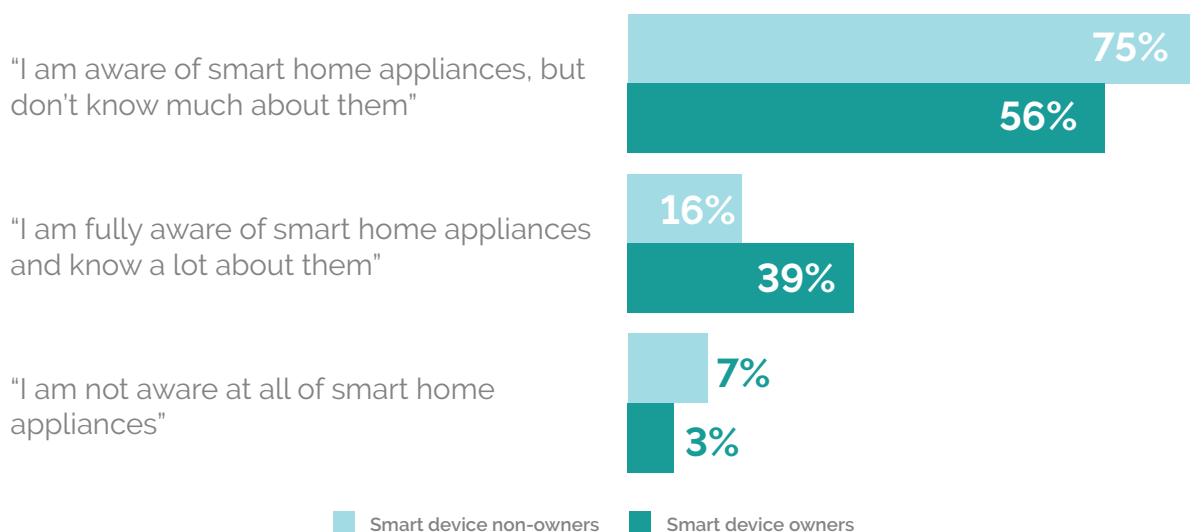
The reason people don't want to buy a smart device is not a simple case of a large chunk of consumers just not knowing that they exist. Indeed, only 7% of non-owners say they aren't aware of any smart home devices.

Instead, it seems to be more a lack of understanding. Three quarters (75%) of non-owners are aware of smart devices but don't know much about them, indicating that it could be a lack of knowledge about the features and benefits that is holding them back. That said, more than half (56%) of people who do own smart devices say they don't know much about them either.

When it comes to the most common smart appliance – the smart speaker – this indicates that non-owners need to understand how the devices can help them before they will consider getting one and that existing customers can make better use of them with more knowledge. Amazon has gone some way to remedy this with ads demonstrating Echo's potential usefulness in real-life, relatable situations.

Most people are aware of smart devices but don't know much about them

Smart appliances awareness



Can those who don't own a smart device be converted?

SMART FEATURES PEOPLE ARE AWARE OF

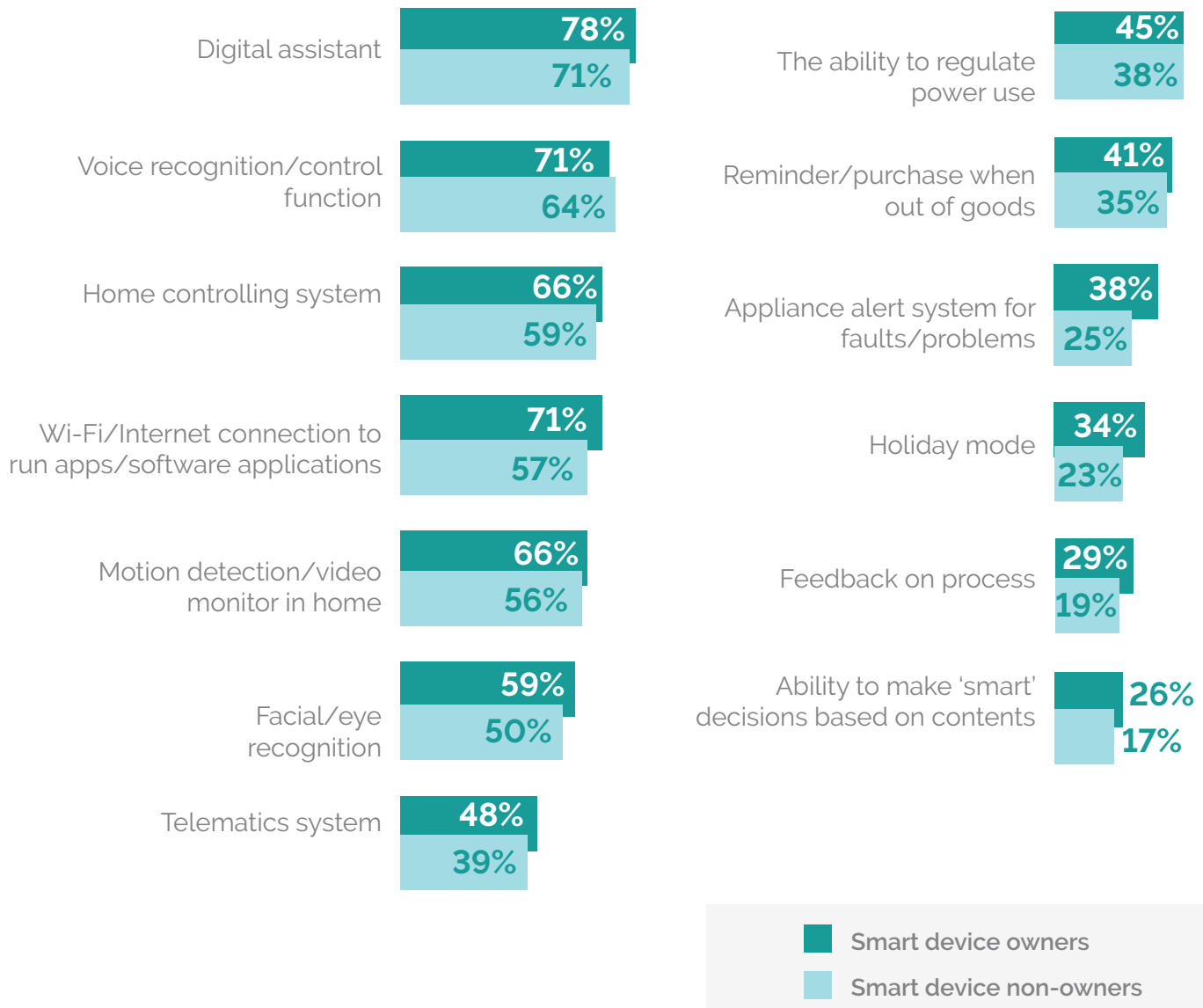
The positives

While there are many smart device features people are aware of, there are many that are less known about.

Digital assistants are the most recognised feature, likely due to advertising campaigns demonstrating how they work, as well as media reports.

Smart features people are aware of

Which of these smart devices would you consider purchasing?



Can those who don't own a smart device be converted?

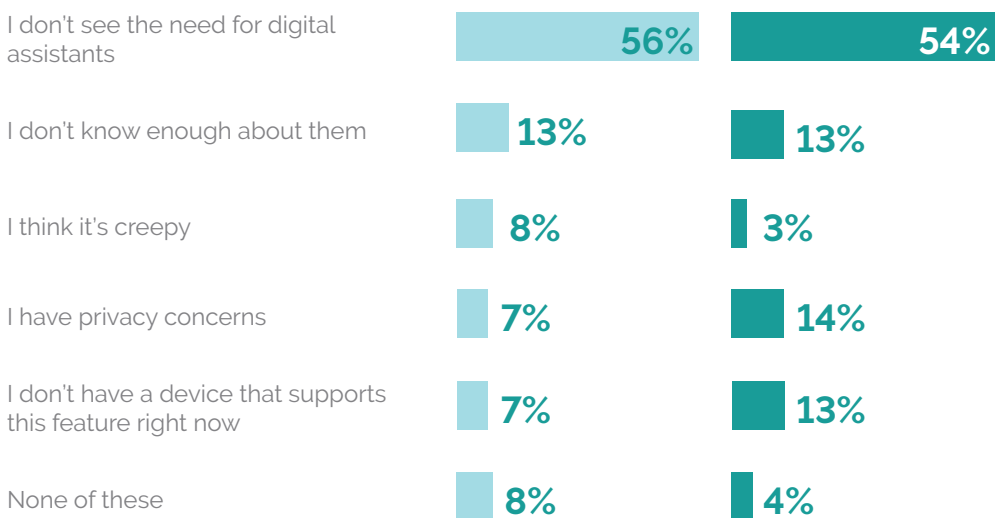
CONCERNS ABOUT DIGITAL ASSISTANTS AND SMART APPLIANCES

The negatives

One reason that people are reluctant to use smart devices may be because of media reports about privacy concerns. Such stories include ones about conversations being recorded and devices – including baby monitors and security cameras – being hacked.

While people say they don't use digital assistants because they don't see the need for them, when it comes to concerns about smart appliances, the two biggest worries are hacking and data privacy.

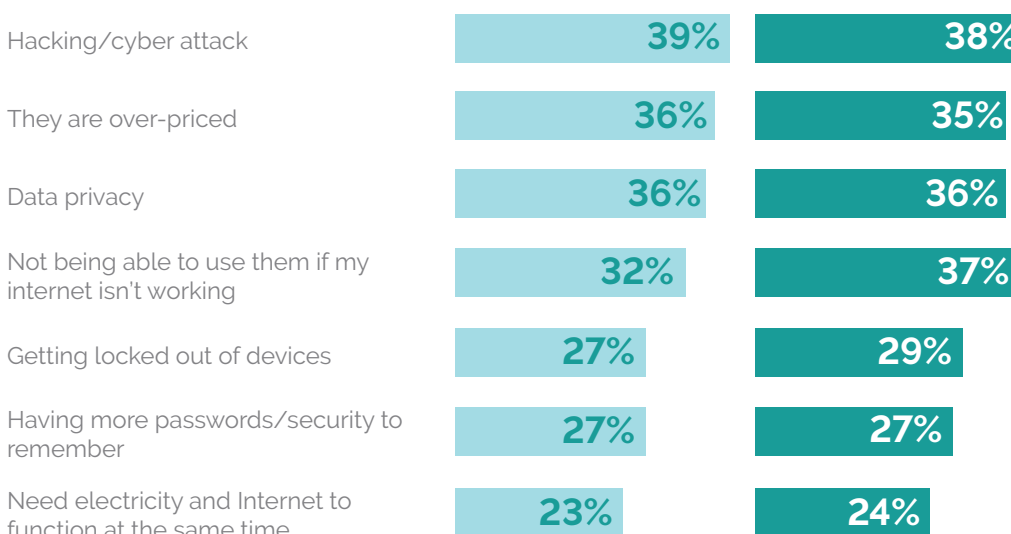
Reasons for not using digital assistants



Smart device non-owners
Smart device owners

15%
of those who don't own a smart device have privacy concerns or think digital assistants are creepy

Concerns people have about smart appliances



Hacking is the biggest concern people have about smart appliances

Smart meter ownership

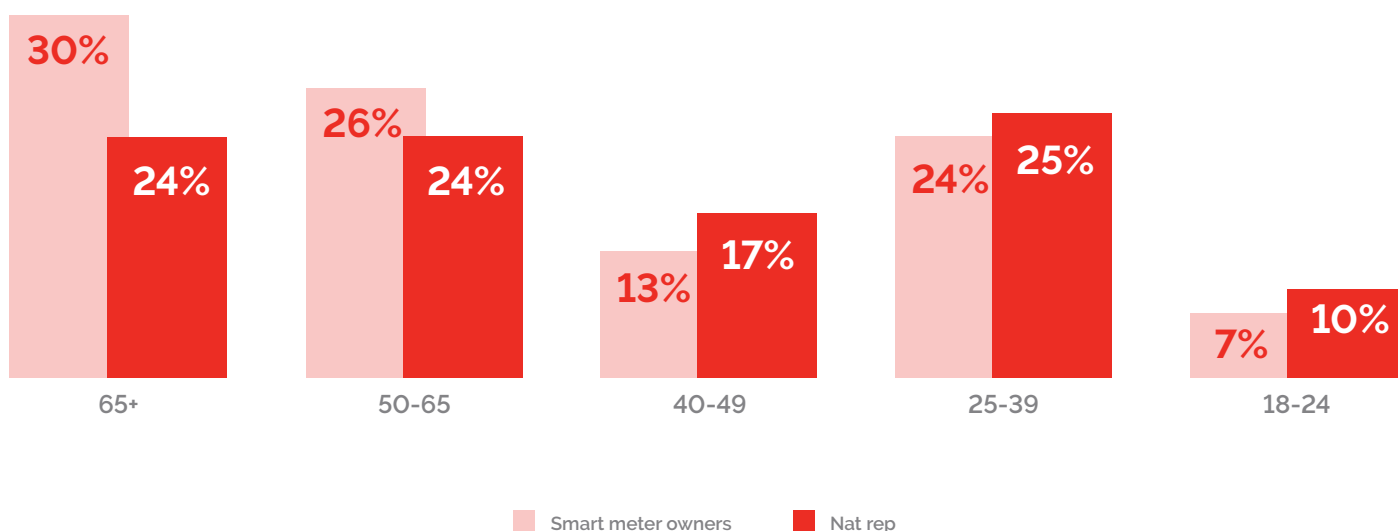
Smart meters measure households' gas and electricity consumption and send automatic readings to utility suppliers. They are intended to give people more control over their energy use and save them money.

The government wants every home to have one by 2020 although consumers can opt out. While there has been some controversy over both the accuracy of the devices and their money-saving capabilities, they are the most widely-owned type of smart home device, with 18% of the nation currently saying they have one.

As smart meters are given away for free rather than being bought, the ownership demographics differ from other smart devices mentioned in this paper. Smart meter owners are much more likely to be older, more than half (56%) of those aged 50+ having one. However, there are no significant divergences when it comes to income or social class.

More than half of smart meter owners are over 50

Do you own a smart meter?



Smart meter ownership

ARE SMART METERS PART OF "SMART HOMES"?

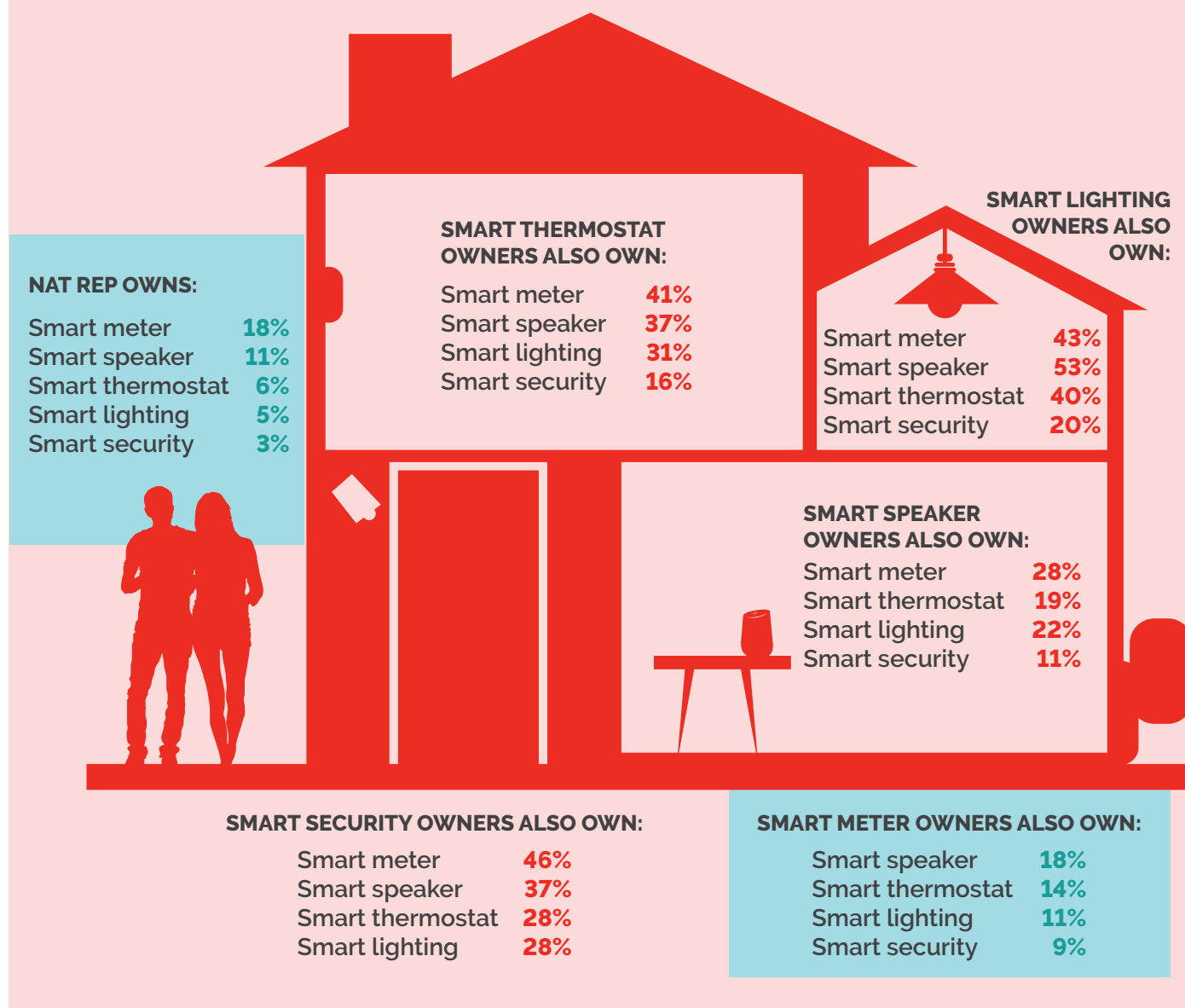
As a smart meter is not an active purchase, the devices do not tend to be part of a "smart home" i.e. a household with multiple smart devices.

In fact, in keeping with the age differences, smart meter owners are much less likely to own another device than those who own other types of smart device.

By comparison, while more than half (53%) of those who own smart lighting also own a smart speaker, only 18% of those who own a smart meter also have a smart speaker.

Smart meter owners are most comparable to nat rep in their smart device ownership

The crossover in smart device ownership



Conclusion

At the moment, uptake of smart home devices and services is fairly low and many people are either suspicious and/or don't see the need for them. However, once someone has one device they are more likely to own more. Brands could take advantage of this by positioning devices (particularly smart speakers) as gifts.

The data shows that there is no overall winner when it comes to “owning” the connected home so the market is still very much up for grabs. Different brands dominate in different areas and newer entrants to the smart device market – such as Apple – cannot be underestimated.

At the moment, the battle to shape the future of the home seems to be between Amazon and Google.

What's more, Amazon in particular is branching out into other areas such as the grocery market, having bought Whole Foods and partnering with Morrisons to deliver goods. This space is already being shaken up separately with the potential merger of Sainsbury's and Asda, as well as Sainsbury's acquisition of Argos.

Could we see a future where we are divided into Amazon homes and Google homes? And where do other tech brands – such as Apple and Samsung, as well as utility providers such as British Gas – fit into this?

Get in touch to find out more about the services that powered this white paper (YouGov BrandIndex and YouGov Profiles) or speak to one of our Custom experts for further insights into the future of the smart market.

Russell Feldman
Director of Digital, Media, and Technology
+44 20 7012 6033
russell.feldman@yougov.com

About the data

YouGov Custom Research

YouGov has dedicated teams of sector specialists who are supported by skilled quantitative analytics and qualitative departments. Each team combines research expertise with in-depth sector knowledge to help clients to identify, analyse and understand their markets, delivering competitive business advantage through actionable insight.

We listen to our clients' needs and offer grounded advice from the start of each project, priding ourselves on the efficiency of our service and the quality of our data. Involved from the proposal stage to the final presentation of findings, we use our expertise to provide guidance throughout the research process to ensure that the data collected answers your business objectives.

By using advanced techniques we can go beyond merely describing the data. We can begin to explain and even predict attitudes, behaviours and harder business outcomes. These explanations and predictions can help our clients to adapt their strategy, both internally and externally, and create informed decisions about their products/policies and how they approach their marketing, communications and people strategies.

YouGov Custom works across the following sectors:

- Financial Services
- Consumer (Including Retail, FMCG, Travel And Tourism, And Automotive)
- Digital, Media, and Technology
- Public Sector and Not-for-profit
- Corporate Reputation / B2B
- Political

Types of study we typically undertake:

- Segmentation
- Market Sizing
- Purchase Journey
- New Product Development
- Pricing Studies
- Brand Tracking
- Comms Evaluation
- Competitor Benchmarking
- Customer Satisfaction
- Thought Leadership

YouGov BrandIndex

YouGov BrandIndex is the world's most comprehensive brand tracking tool and allows subscribers to gain a day-to-day view of how consumers view their – and their competitors' – brands.

Covering almost 12,000 brands across 34 markets, it is updated daily and is based on more than six million consumer interviews every year. In the UK alone, YouGov BrandIndex surveys 4,000 people each day, giving an in-depth perspective on how the public views over 1,300 brands.

Subscribers see how consumers perceive brands across a range of areas – from customer satisfaction or Ad Awareness to value for money and perceived quality, as well as many others (please see the full list and an explanation of each measure in the appendix). One metric– the Index score – measures overall brand health, providing a general snapshot of how a brand is doing among consumers.

YouGov BrandIndex data can also be plugged into YouGov's connected dataset, immediately providing tens of thousands of attitudinal and behavioural cross-breaks, helping brands target their offer and marketing at specific groups of target consumers.

YouGov Profiles

YouGov Profiles is our unique tool for audience profiling and segmentation for brands and agencies.

The tool enables users to understand their target audiences with greater granularity and accuracy than ever before. Holding 200,000 data variables collected from over 345,000 YouGov panellists, Profiles connects data on:

- Demographics, lifestyle and attitudes
- Shopping behaviours and purchase motivations
- Media consumption including TV, print, radio, OOH, digital, and social
- Brand sentiment, affinity and purchase funnel data

YouGov's unique tools can help you plan and track your campaigns — allowing you to identify, describe and target your audiences and track and evaluate your marketing campaigns.



Identify the key groups of people you want to engage. Or plug in an existing segmentation.

Describe those people in unrivalled depth and detail.

Track work so you can improve performance.

Evaluate them through more tailored media plans.

Target the impact of your work while it's in progress.

These modules can be used in any order and at any stage of your campaign depending on your needs — helping you to spend money in the right places, improve brand perception, and win new customers.

[Talk to us about a plan and track demonstration.](#)

