

# Press release

## Smart Homes: Not yet smart enough

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**Nuremberg, September 4, 2019 – Today, a large number of devices bought for our homes feature ‘smart and connected’ functionalities. In Europe for example, about 26 percent of the €255 billion spent on Technical Consumer Goods this year will be for smart appliances like Visual cameras, Air treatment, TVs, Audio home systems, Robotic vacuum cleaners, Smart LEDs. GfK’s forecast indicates that the market for smart devices, excluding smartphones and smart watches, will grow by estimated 9 percent globally this year, up from €122 billion to €133 billion. These are GfK’s findings for the global smart home market to be released at IFA 2019 in Berlin.**

The technology in the homes has experienced an unprecedented rate of change over the past decades, and it is not over. Penetration of smart devices ranges in households. Smart TVs accounted in the first half of 2019 for 80 percent of TVs purchased in Germany, UK, France, Italy, and Spain, while Robot vacuum cleaners for about 12 percent or 4 percent in the case of Dishwashers.

While the promise of a smart home resonates well with consumers in general, the present reality is a collection of isolated smart devices in our homes. Despite a solid, 42 percent value growth for Smart Appliances, and a value growth of 25 percent for Smart Energy and Lighting in first half of this year, the largest smart category of Smart Entertainment & Connectivity accounted for €6.3 billion turnover, despite showing a 0 percent annual growth in the January to June 2019 period in the five European markets\*.

As the first mover wave starts to tail off, the industry is looking for ways to renew demand and elevate smart home to the next level. First movers buy for very different reasons than the mass market with product coolness and trendiness both important ingredients. However, to take these smart solutions to mass market, other benefits like simplification, must be added to the list of advantages that smart home brings to consumers.

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## **Simplifying consumers' lives and catering for their needs**

GfK Consumer research indicates that 53 percent of respondents would like optimized energy usage, 48 percent say 'yes' to remote home monitoring, and 41 percent would prefer their home appliances to communicate with each other. That is the solid mandate consumers are giving to the industry and to retailers to make the smart home concept a reality.

Consumers are prepared to pay a premium for solutions that simplify their lives and cater for their needs. They expect that smart and connected solutions will turn their homes to a more secure, healthier, efficient and automated place. GfK Consumer Life research indicates that 24 percent of young family respondents like the idea of technology that 'knows' them and can make recommendations and take actions based on their preferences. That contrasts with 6 percent of older respondents who have perhaps a more cautious attitude towards technology. However, if their trust in technology and complexity concerns are addressed, silver surfers could also enjoy the Smart Health suite of solutions.

**Igor Richter, GfK expert for the telecom and smart domestic appliances industry says:** "It is not about whether or not Smart Home will happen, it is about how to remove barriers for its adoption. We are already witnessing the smart future today. Well-crafted individual solutions within a common ecosystem possess a tangible opportunity to bridge to contextually aware intelligent homes of the future."

Ends

## **Notes to editors**

\* The five markets are Germany, UK, France, Italy, and Spain. In addition to this research, GfK conducts country specific Smart Home studies – please contact [public.relations@gfk.com](mailto:public.relations@gfk.com) for more details.

The global trends analysis presented here is based on various GfK research methods such as point of sale tracking as well as consumer research in the Technical consumer goods market in 2018. All turnover figures in this press release is based on a fixed currency exchange rate.

During IFA 2019, GfK will be publishing press releases relating to IT, TV, Smartphones, Audio, Small Domestic Appliances, Major Domestic Appliances, Smart Home, Borderless Shopping and the Technical Consumer Goods Market. More information is available at <https://www.gfk.com/press-room/>.

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**Meet GfK at IFA in Berlin, September 6 - 11, 2019:**

Come and chat with our experts at IFA NEXT Hall 26 and in the GfK office at the IFA (Level 4, VIP2, Großer Stern).

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