NEXT/MARKET
INSIGHTS

THE SMART HOME SECURITY MARKET

MARKET ANALYSIS, VENDOR PROFILES & FORECAST

EXECUTIVE SUMMARY

The home security market is in a period of great transition. A market built over decades upon the bedrock of professionally installed and monitored solutions is beginning to see cracks in the foundation as new providers and technologies begin to enter the market.

One of the biggest changes in this market over the past few years is the maturation and mass commercialization of smart home and Internet of Things technology. The mobile war “peace dividend” has resulted in low-cost sensors and widely pervasive touchscreen powered mobile phones and tables with associated app frameworks, while cloud computing has enabled scalable, low-cost Internet based management of in-home security and smart home networks.

Newer, more modern security approaches come in different forms. From the completely self-installed, retail based offerings like that of Dropcam’s Tab, to professionally installed smart home-based security offerings based on platform’s like iControl is providing new alternatives for consumers who traditionally either chose not to pay for the higher cost of home security or had a lifestyle - a renter or highly mobile person - who wasn’t a fit for the traditional profile of a monitored home security subscriber.

NextMarket Insights defines newer security offerings based on modern cloud-centric monitoring and smart home technology “smart security”. These offerings come in a three different forms: 1) completely DIY (self-installed, self-monitored), 2) DIY self-installed home security with professionally monitoring and 3) and professionally installed and monitored solutions that integrate smart home and cloud technologies as a core part of their architecture.

Smart security is the offspring of the security market and the smart home automation market. Smart security devices allow homeowners to monitor, and manage their home security remotely by interacting with these devices via smartphones, tablets and computers.

The US smart security market will increase from nearly 3 million users in 2014 to over 22 million by 2020. Initially the vast majority of smart security users will be subscribers to a professionally installed solution, whether that service is offered from a traditional security provider or an emerging offering from a broadband service provider such as Comcast or AT&T.

The market for self-installed solutions, however, will grow very rapidly over the forecast period and will account for over one-third of smart security users by 2020. Within self-installed category, basic all-in-one self-installable home security appliances will have the greatest growth as these products progress from early stage life cycle to more mature products with the associated developed channel and marketing strategies. The total US DIY home security hardware and services market in 2020 will be a $1.5 billion annual market by 2020.

ABOUT NEXTMARKET INSIGHTS

NextMarket Insights is a research firm focused on emerging consumer technologies. Our focus areas include smart home, Internet of Things, digital media, connected TVs and the broader digital media landscape.

NextMarket Insights was founded by Michael Wolf, a long-time connected home analyst. Wolf was the founding Vice President of Research for Gigaom Research and has held management and principal analyst positions at In-Stat and ABI Research.

For more information about NextMarket Insights, our analysts and our research, please visit NextMarket's website at www.nextmarket.co.

If you have questions about this report or would like to inquire about other research or advisory services, you can also contact NextMarket Insights by email at info@nextmarket.co.

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ABOUT THIS REPORT

This report is based on extensive interviews and secondary research on the smart home and home security market.

This report features extensive analysis of the major smart home security service and technology providers, manufacturers, smart security start ups, the market landscape, market dynamics and technology. The report also includes detailed forecasts of the market based on our modeling and assumptions based on conversations with numerous companies in this market.

Much of the analysis in this report is a product of NextMarket Insights deep understanding of the smart and connected home marketplace. No analyst has been following the connected and smart home longer than NextMarket's founder, Michael Wolf

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