



in cooperation with

***GATEPOINT RESEARCH***

MANUFACTURER STRATEGIES FOR  
**CONNECTED HOME  
DEVELOPMENT**

## **METHODS AND PARTICIPANTS**

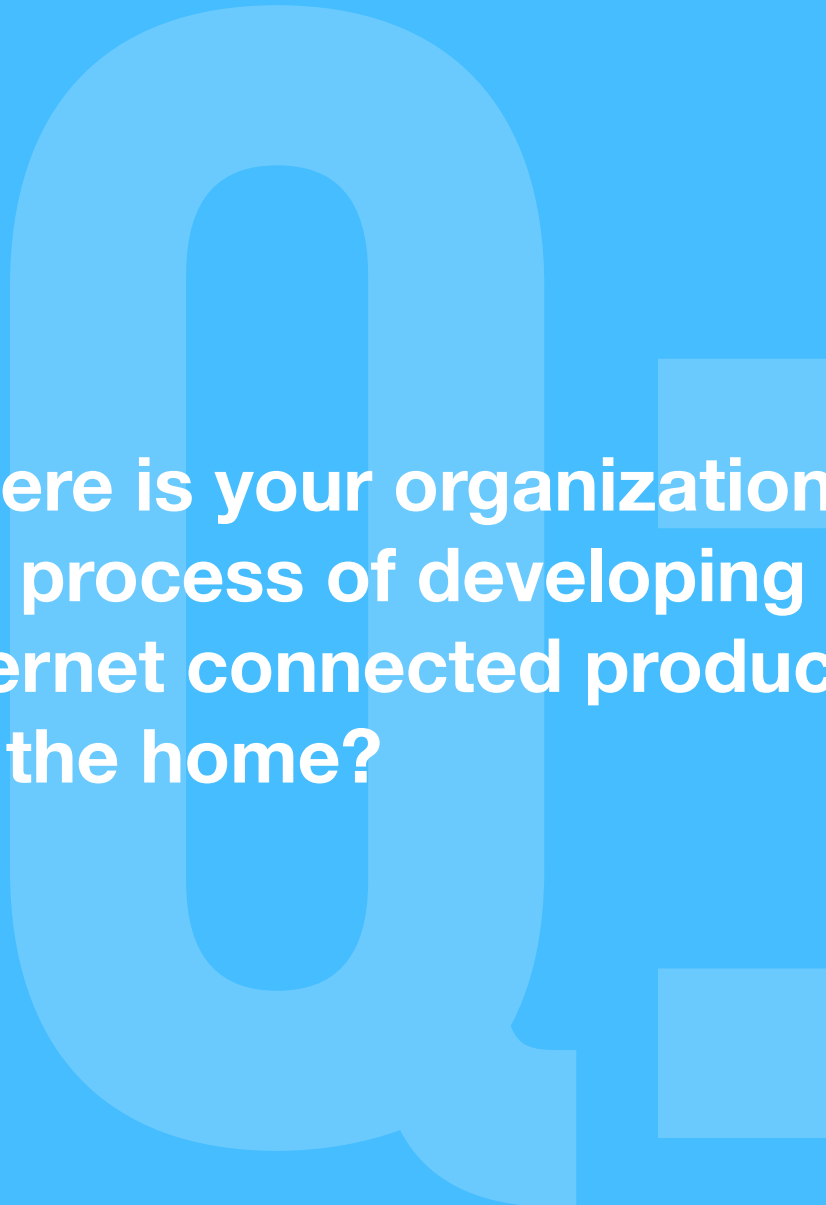
- **Between December 2016 and May 2017, Blue Rocket and Gatepoint Research invited selected Product and Marketing executives to participate in a survey themed Manufacturer Strategies for Connected Home Development. Candidates were invited via email and 100 executives have participated to date.**
- **Management levels represented are predominantly senior decision makers: 11% hold the title CxO, 11% are VPs, 29% are Directors, and 49% are Managers.**
- **Survey participants represent firms from a wide variety of industries including manufacturing (general, primary and high tech), wholesale trade, business services, retail trade, media, utilities, consumer services, healthcare, and mining .**
- **Responders work for firms with a wide range of revenue levels:**
  - **58% work in Fortune 1000 companies with revenues over \$1.5 billion;**
  - **11% work in Large firms whose revenues are between \$500 million and \$1.5 billion;**
  - **31% work in Small to Mid-Market firms with less than \$250 million to \$500 million in revenues;**
- **100% of responders participated voluntarily; none were engaged using telemarketing.**

## EXECUTIVE OVERVIEW

Internet connected products for the home is a market that has grown from a dream to a multibillion dollar market in just a few short years – and is predicted to be worth tens of billions of dollars by 2020, just a few years from now. There's tremendous opportunity – and tremendous developmental pressure on existing product manufacturers to innovate and develop new products and services. How are organizations reacting and responding to the competition?

This survey asks respondents to report:

- **Where does their company stand right now in the process of developing and offering internet connected products?**
- **Has Internet of Things (IoT)/Connected Home impacted your market yet? How much?**
- **Is your company competitive in developing connected home products? Where do you need to improve your capabilities?**
- **What strategic challenges do you face?**
- **How will you source your development efforts – internally or through outsourcing to consultants or developers?**

A large, light blue letter 'Q' is centered in the background. To its right, there are two light blue squares, one above the other, positioned to the right of the text.

**Where is your organization in  
the process of developing  
Internet connected products  
for the home?**

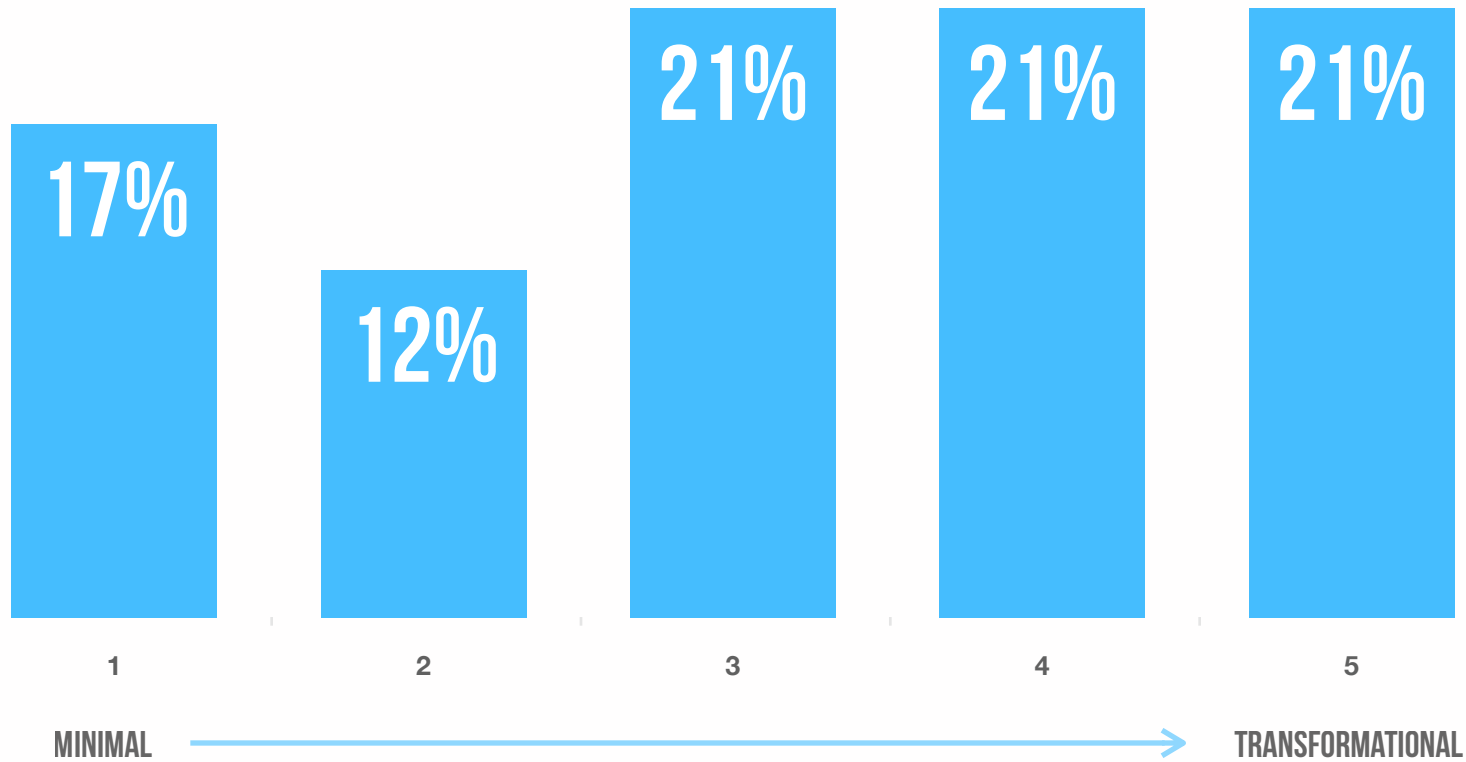


Right now, respondents' organizations commitment to developing internet connected products for the home spans a range from admitting they have **nothing under development at all (36%)** to already having introduced products to market **(30%)**.

**How would you characterize  
the impact of the Internet of  
Things (IoT)/Connected Home  
on your specific market?**

A

Respondents impression of the impact IoT/Connected Home has had on their market is fairly evenly spread across the board, from minimal impact (17%) to transformational (21%).



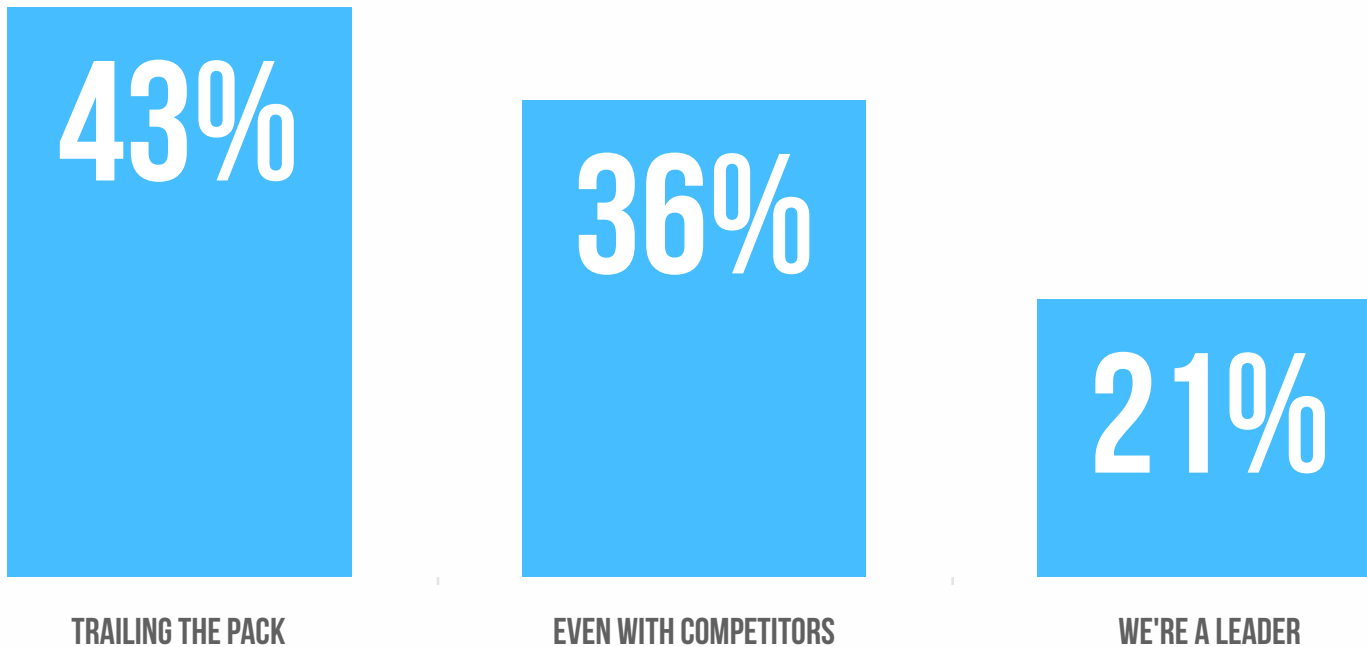


**How does your company  
stack up against the  
competition in developing  
connected home products?**



A:

**43% of those surveyed say their companies are not competitive in the race to develop connected home products.**

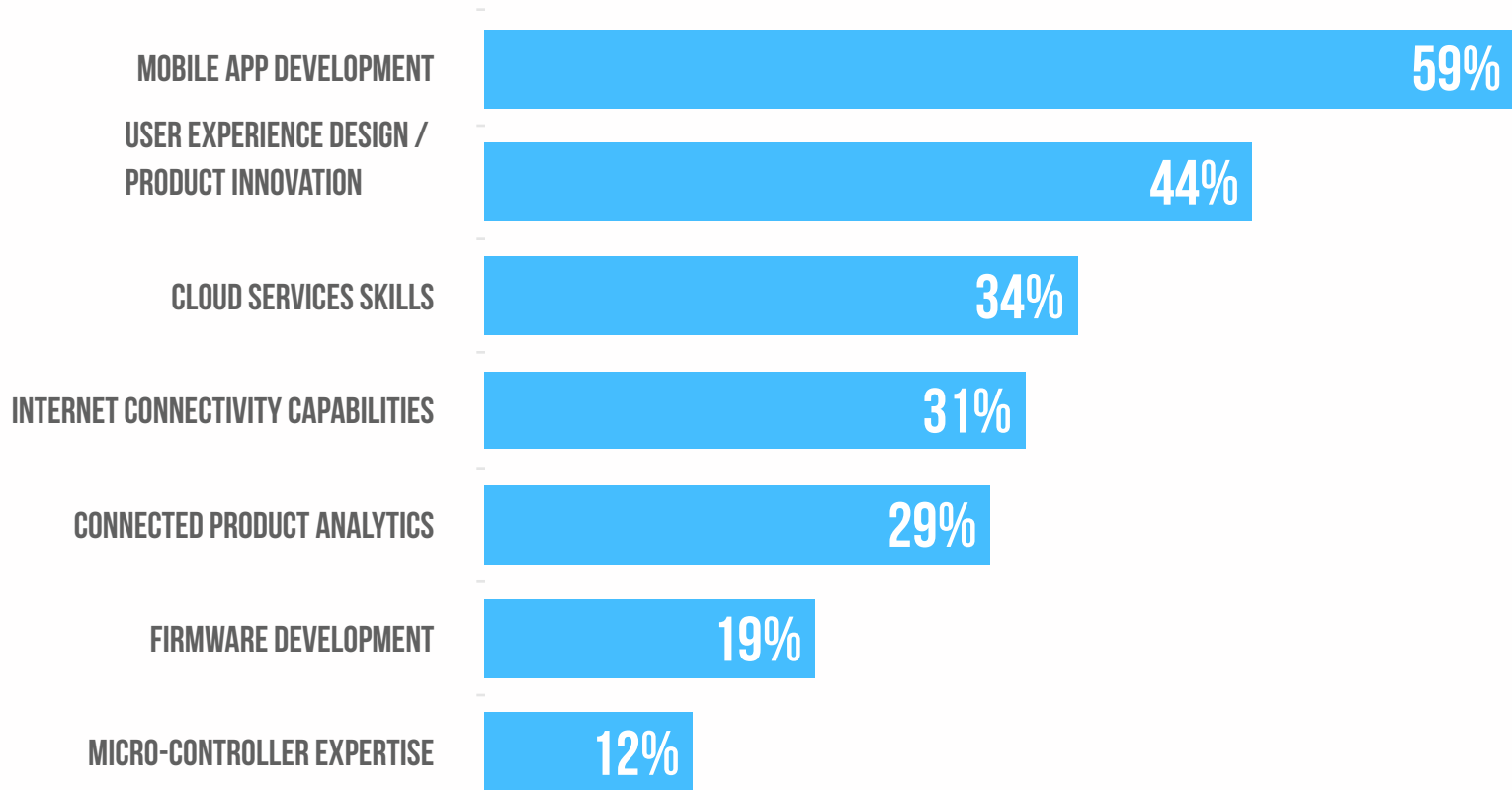




**In what areas do you  
need to improve IoT  
development capabilities?**

A:

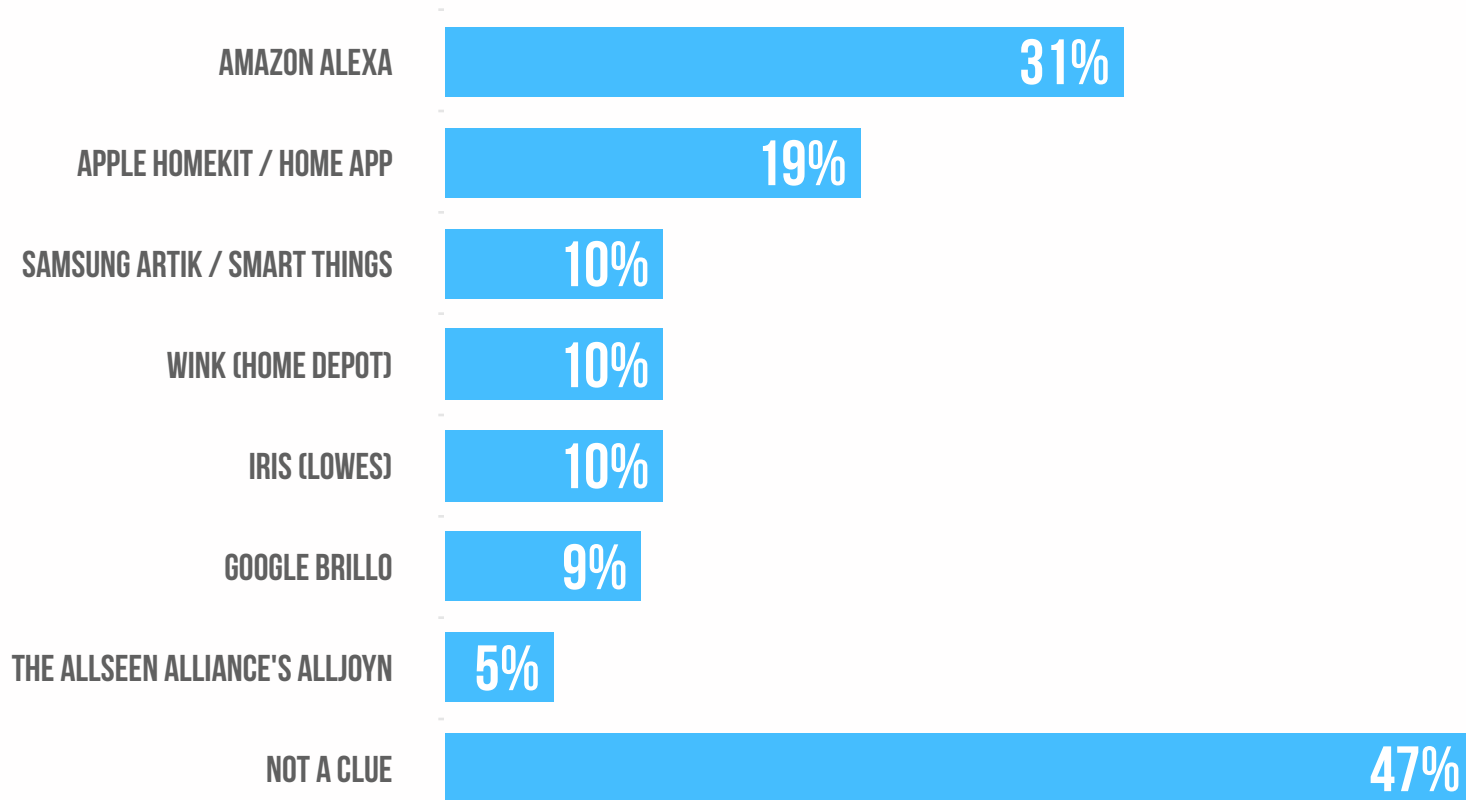
The most widespread IoT development “deficiency” reported by respondents is in mobile app development — closely followed by a significant need for improvement in user experience design and product innovation.



**For what IoT platforms or environments are you planning or would you expect to develop your connected home products?**

A.

The two most popular platforms that respondents' companies plan to develop on are Amazon Alexa (31%) and Apple Homekit/ Home app (19%). 47% admit they don't yet know.

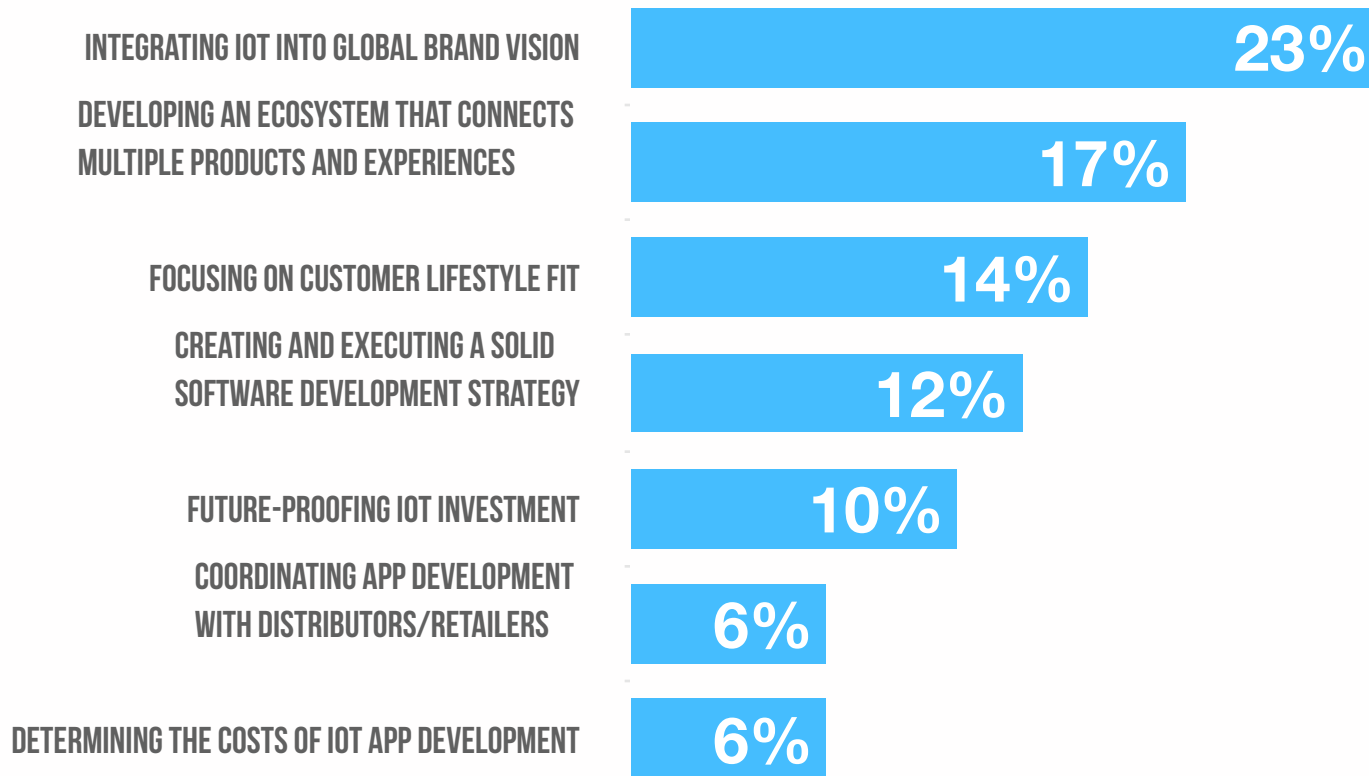







**What strategic issues are you  
grappling with in developing  
your Connected Home strategy?**

A.


While significant numbers of respondents struggle with issues such as integrating IoT into their branding and cohesively connecting multiple products and experiences, calculating the cost of IoT development is only a minor concern.





**How are you currently sourcing or how would you anticipate primarily sourcing your development efforts?**





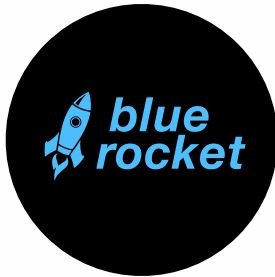
**More than three-fourths of respondents (77%) are sourcing development internally, or intend to do so as they proceed with their development plans.**



**How will you handle IoT  
within your company?**

**A.**

One could go it alone...but in a dynamic space rife with risk you would hedge your bets considerably with help from an organization that understands the effort end-to-end and has the successes to prove it.



DEVELOPING AN ECOSYSTEM THAT  
CONNECTS MULTIPLE PRODUCTS AND  
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