

Parks Associates 2022 Top Tech Trends

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Residential security providers push the envelope on product innovation to stay ahead of a rapidly commoditizing market.



Jennifer Kent

VP, Research

Parks Associates

The uncertainty and anxiety of the pandemic circumstances have fueled consumer demand for peace-of-mind products, and companies that positioned themselves to deliver security how consumers wanted to receive it – largely DIY and via services – have seen dramatic growth.

New entrants are offering products and services at rock-bottom prices, and all competitors are introducing innovative features and value-added services to differentiate and drive up ARPU.

Innovations include facial recognition to disarm security system and unlock doors, Wi-Fi sensing for in-home monitoring without internal cameras, cellular products that expand monitoring to the perimeter of the property, and products that aim to prevent or disrupt intrusions before they happen.

Consolidation will rule video services in 2022.



Eric Sorenson
Sr. Contributing
Analyst
Parks Associates

The several-year trend of video cord-cutting in favor of online video services continues: 25% of internet households expressed an intention to terminate their cable or satellite subscriptions and move to an online TV provider. This has resulted in an incredible fragmented video services market with hundreds of online streaming services available in the US alone. Streaming media companies profit from having greater scale, and one strategy used by traditional media companies to compete in the streaming environment is to acquire current services.

Consolidation in the entertainment and television sectors will be fueled by the desire of media conglomerates to diversify their revenue streams beyond traditional pay television. Major M&A and service consolidations in 2021 included NBCUniversal's merger of the WWE Network with Peacock, Funimation's acquisition of anime competitor Cruynchyroll, and Blackstone's \$3B acquisition of Moonbug Entertainment. In 2022, the SVOD industry will likely consolidate further, resulting in a wave of high-profile mergers, partnerships, and acquisitions.

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Senior tech picks up steam, with overlapping interest from the smart home and healthcare industries.



Kristen Hanich
Director, Research
Parks Associates

The pandemic has spotlighted the vulnerability of older consumers and the need for thoughtfully designed technologies and services to reach them at home.

A growing number of home security providers are branching out into offering Personal Emergency Response Systems (PERS) to their customer bases, and PERS solutions providers are likewise building out new remote patient monitoring platforms.

With a growing focus on care in the home, expect PERS providers to serve as the bridge between medical providers and the home services industry. PERS solutions lead the independent living solutions market, with 58% of family caregivers reporting that they intend to purchase for their loved one.

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Smart TVs become the most important point of entertainment aggregation, control, and data collection in the home – shifting power to the platform owners.



Paul Erickson
Director, Research
Parks Associates

56% of US broadband households own a smart TV, the most popular connected entertainment device in the home, ahead of streaming media players and gaming consoles. Smart TVs are a single point where both linear and OTT content are consumed from a variety of sources. They have become a home entertainment centerpiece that controls content aggregation as well as collects valuable user consumption data across all available forms of video delivery.

Though there are many brands, only a handful of smart TV platforms control today's market. The considerable effort and expense of creating and maintaining a smart TV platform means all but the 3 leading TV manufacturers turn to third party platforms to power their smart TVs. Additionally, some of these leading manufacturers have begun licensing their formerly proprietary platforms to third parties.

Today, six platforms power nearly all of the smart TVs sold in the US. As a result, these six platforms, rather than the many retail TV brands themselves, will wield the most influence over the US smart TV market in 2022

EV competition accelerates; consumers can expect more choice in 2022.



Chris White

Sr. Analyst

Parks Associates

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Smart home interoperability is on the verge of a major leap forward, if Matter delivers.



Jennifer Kent
VP, Research
Parks Associates

Fragmentation plagues the smart home. Due to an incredibly diverse ecosystem of products, plus numerous competing communication protocols, seamless device-to-device interaction is difficult to achieve. For instance, 44% of smart home device owners who have had technical problems with a smart home device report having difficulty getting the device to interact with other devices in their home.

Major industry players, including Apple, Amazon, Google, Comcast, NXP, and others joined with the Connectivity Standards Alliance in developing and supporting Matter, an open source, single IP-based standard designed to increase interoperability and compatibility among IoT devices in the home. The first Matter-compatible products are due to rollout in 2022.

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Device integration drives the next evolution of telehealth models.



Kristen Hanich
Director, Research
Parks Associates

Driven by the pandemic, telehealth and connected health device adoption are now mainstream in the United States - nearly two-thirds of US broadband households report using a telehealth service in the past 12 months, and 55% own at least one product that collects and transmits their biometric health data, such as a smart watch.

With care providers and patients increasingly recognizing the limits of a purely visit-based approach to telehealth, demand for remote patient monitoring (RPM) solutions is at an all-time high - and telehealth providers are taking notice, as evidenced by the merger of Teladoc and Livongo in late 2020.

Parks Associates surveys have found that patients are increasingly choosing their care providers based on their ability to support RPM and use data from connected health devices.

MDU residents and property owners/managers become a top target for premium networking and connected tech.



Jennifer Kent

VP, Research

Parks Associates

MDU residents are an important and growing market segment for technology products. The US Census Bureau predicted a record number of new multifamily starts in 2021, and consumers living in MDUs are more likely to be technology innovators than those living in single family homes. In fact, 43% of MDU residents report using smart home devices, and smart device use jumps even higher among those who own their own unit.

Service providers and property tech platforms are increasingly targeting builders as a critical channel, as it is often easier to implement reliable technology service infrastructure at build than as a retrofit solution.

Incentives heat up the home energy management market.



Chris White

Sr. Analyst

Parks Associates

Incentives from utilities, federal funding, and private companies are pushing solar, storage, and smart thermostat. Utility companies increasingly promote and supply smart thermostats, a product currently stagnating at 12%-13% adoption, to help facilitate demand response programs that can benefit the grid and save consumers on their electric bills.

Energy companies are also closely watching congressional bills to see if a new round of incentives for home solar installation will help promote adoption of that technology. Additionally, expect other energy players to follow Google Nest's lead in connecting consumers to renewable energy credits, which will appeal to environmentally conscious consumers who don't have access to renewable energy from their roofs, communities, or local power companies.

Hardware delays threaten broadband market growth; expect ISPs to lean into value-added services.



Kristen Hanich
Director, Research
Parks Associates

Throughout 2020 and 2021, the US broadband market experienced a period of major growth with net additions at a historic multi-year high. Parks Associates estimates over 5.2M net residential subscriptions were added across 2020, and 3M in the first half of 2021 alone.

However, the supply chain crisis has led to extreme lead times for networking equipment and caused network buildouts to slow across Q3 and Q4, with customer additions greatly slowing as a result.

This will intensify across 2022, and ISPs will be challenged to continue their network expansion and upgrade plans.

ISPs will be looking to value added services like smart Wi-Fi applications and advanced security to drive revenues.

