The Smart Home: New Opportunities for Internet and Service Providers

Dennis Edens

Everyone would agree that there has been a worldwide revolution happening around the smart home for the past several years (projected to grow at a CAGR of 14.07% between 2016 and 2022[1]). For this reason, not only have the telco and cable operators been working to provide smart home solutions, but new players are emerging to capture this growing market using innovative business models. As companies and service providers build their strategies and create new products and solutions, they **should not lose sight of the new opportunities that are emerging** from this smart home revolution.

Smart home applications are driving the collection of large amounts of data, which is enabling significant growth in three primary areas: Artificial Intelligence, Targeted Marketing and Cyber Security.

Significant Smart Home Growth Areas

- ✓ **Artificial Intelligence** – collected data is being analyzed to provide intelligent feedback.
- ✓ **Targeted Marketing** – personalized marketing is being used based on collected information.
- ✓ **Cyber Security** – additional data sources are driving need for more data protection from unauthorized use.

Artificial Intelligence: New opportunities are opening up with the using artificial intelligence and data analytics with the data being collected. The impact of artificial intelligence is wide ranging and only limited by your imagination[2]. Let yourself think outside the box, especially on this one. **Artificial intelligence can be used to wow and delight your**

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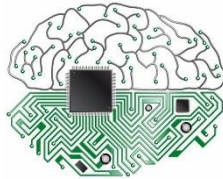
[1] Smart business: How new business models are driving success in the smart home, IoT Business News, May 15, 2017 by Thomas Rockmann

[2] Meet Perseus: The World's First Smart Mirror, Huffington Post, August 18, 2017 by Harold Stark

customers. Define triggers for automatic re-order of consumable items, analyze past patterns and make predictions, make automatic adjustments or offer suggestions. The key will be identifying areas that **provide customer value** (e.g., saving time, improving safety, better efficiency, etc.).

Targeted Marketing: Besides driving artificial intelligence, **data being collected can be used to provide targeted marketing** based on customer usage, likes and many other parameters that can be analyzed. Not only can this information be used by the service provider to offer targeted paid advertising, it could also provide information needed to **identify and offer tailored service bundles**. I discuss bundled services in my white paper that looks at "The next destination in the quest for a "sticky" customer" (http://duketechsolutions.com/blog/).

Cyber Security: Collecting user data comes with responsibilities and some additional risk. As companies work to **protect this information from misuse,** many will need help, as this is likely not one of their core strengths. It is critical that companies take the proper precautions to protect user data. Unfortunately, there are some recent examples of how data security was not handled correctly. This **security need will continue to grow** as we have only scratched the surface in this area[3]. I have provided more detail around this topic in my earlier white paper on the smart home.

The bottom line is that the smart home revolution is opening **new opportunities that should not be overlook**. Companies need to think outside the box and consider all aspects of the smart home consumer when creating their offering and developing the business model that will be used to provide that offering. The smart home revolution has created a discontinuity in the market. Those that recognize and react in a way that provides real value will **open new and growing revenue streams**. Check out my smart home white paper (http://duketechsolutions.com/blog/)

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[3] In an evolving cyber attack landscape, protecting the "Internet of Me" is a growing priority, Huffington Post, November 3, 2016.

that talks about what is needed to be a winner in the Smart Home space. I have been closely following the smart home and IoT developments and truly feel that Dorothy is no longer in Kanas. Home and **life as we knew it has forever changed**. I hope you and your company are leading this change. If not, you may need to seek shelter from this storm.

Please contact us (contact@duketechsolutions.com) if you want to take the necessary actions needed to **take advantage of this discontinuity** or just need some help in setting your direction to support or address the smart home market. Just remember, there is no place like home, the smart home that is.

About Dennis:

Dennis Edens is currently heading up the business analytics team at DTS and has over 25 years of business experience. He has worked in the telecommunications, automotive, and printing industries in the areas of Operations, Engineering, and Business Development. Dennis received his BSEE engineering degree from the University of Nebraska at Lincoln and his masters in management (MBA) from North Carolina State University in Raleigh. He enjoys solving problems and would love to help you solve yours.