

As smart home device grows, advertisers should embrace privacy and security before going all in

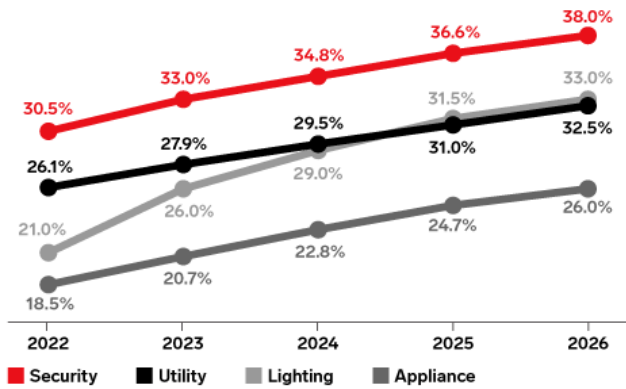
Article

By 2026, almost half of US household will use smart home devices. Most growth is coming from already-smart households beefing up their ecosystems with new products such as lights, thermostats, and more security cameras.

Security devices will continue to top the list of smart home product categories.

US Smart Home Device Households, by Category, 2022-2026

% of total households



Note: households that actively use each device at least once per month
Source: Insider Intelligence, Aug 2022

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The long-awaited Matter standard, which aims to unite smart devices, finally launched in October 2022. **Matter will help reverse the dip in the number of devices per household.**

- Households have an average of 22 connected devices in 2022—down from 25 in 2021—including smartphones and laptops.
- This number will likely rise in the coming years as devices can communicate with each other and users find the sweet spot for their homes.
- More devices per household means more places advertisers can reach these consumers around the house.

But advertisers should beware before going all in. 52% of users are worried about the security vulnerabilities of smart home devices. Consumers also value privacy. When Amazon acquired iRobot in August 2022, more than 20 civil rights and data organizations objected, raising antitrust and privacy concerns related to Amazon’s stranglehold on user data.

From Google to Samsung, companies are forging device paths that could open new avenues for advertisers.

- Amazon is working on a mysterious AR smart home product, according to job listings.
- Apple is working on an iPad docking accessory that will enable users to turn the device into a smart home device.
- That's like what Google is doing to the Pixel with its new charging base that allows the tablet to double as a smart screen.

What's next: Companies are embracing media partners. As more companies release Matter-enabled devices, the ecosystem will become than the individual device. Media and advertising partners will be inevitable as the ecosystem enables new consumer touchpoints.

Report by Jessica Lis Dec 13, 2022

Smart Homes Forecast

