Home Audio, Video and Desire for Energy Efficiency

Aaron J. Heffron
Executive Director
The NPD Group, Inc.
The NPD Group provides reliable and comprehensive consumer and retail information including:

- Consumer tracking data
- Custom topical studies
- Point-of-sale data

Retail point-of-sale data for consumer technology

- Monthly, weekly basis
- In many markets, tracking down to the market level
- A variety of product attributes

For some categories, like TVs, energy efficiency attributes include

- Energy Star version
- On mode, sleep mode power consumption
- Screen size
Ownership of TVs, DVRs, Blu-ray players and Sound Bars Continues to Grow

2013 Household Ownership

- Flat Panel TV: 78%
- DVD Player - not portable: 66%
- High Definition Cable Box: 46%
- Surround Sound: 38%
- Direct View TV: 29%
- Standard Cable Box: 28%
- Blu-ray Disc Player: 27%
- Satellites Dish TV Receiver Box: 27%
- DVD Player - portable: 26%
- AV Receiver: 26%
- Projection TV: 14%
- Sound Bar: 12%
- Advanced Remote Control: 9%
- Streaming Media Player*: 8%
- Factory Installed DVD Player*: 8%
- NPD GROUP

Behind Every Business Decision
One in Four Households own Three or More Flat Panel TVs
*Energy Star Rating of 3.0 or Above.
Source: The NPD Group / Retail Tracking Service
Wireless speakers, soundbars are two of audio’s fastest movers

Total Audio 12ME Aug ‘14: $7.9Bn  (-7% YOY)

Key Audio Categories
YOY Dollar Growth; Quarterly Trend

100%+ Growth

Total Audio 12ME Aug ‘14: $7.9Bn (−7% YOY)

Source: The NPD Group/Retail Tracking Service

The NPD Group, Inc.  |  Proprietary and Confidential

Wireless speakers, soundbars are two of audio’s fastest movers
Higher wattage speakers are gaining share in the wireless speaker market

Streaming Audio Speakers Total US Retail Unit Share by Total Wattage; Quarterly

Source: The NPD Group / Retail Tracking Service
20% of soundbars now output 205+ watts

Soundbars; Total US Retail
Unit Share by Total System Power; Quarterly

Source: The NPD Group / Retail Tracking Service
A quarter of wireless soundbars are used in rooms other than the living room.

**Location in Home**
- Family room/den: 77%
- Bedroom: 16%
- Game room: 7%

**Activities Doing While Using Soundbar**
- Lounging: 72%
- Working: 48%
- Entertaining guests: 40%
- Cooking/cleaning: 35%
- Playing video games: 29%
- Exercising: 21%
- Outside at home: 11%
Network content devices are quickly impacting the living room.

**Total U.S. Retail Unit Volume, Quarterly**

- **Networked Content Devices**
- **Blu-ray**
- **Smart TV 40”+**

Source: The NPD Group / Retail Tracking Service
Intent to Purchase Remains Consistent
Current Ownership Numbers Low……

Ownership of Home Automation Products

- 6% of US Consumers 18+ own a network-connected security product.
- 4% of US Consumers 18+ own a network-connected energy management product.

Q.11 Which of these home automation products, if any, do you own?

- Security / Alarm System
- Security Camera
- Door Lock
- Thermostat / Climate Control
- Lighting
- Plug / Switch
Desire for Home Automation may Indicate the Importance of Energy Efficiency

Awareness & Familiarity by Home Automation Category

- Any Network-Connected Security Product: Awareness 77%, Familiarity 22%
  - Total Awareness: 74%
  - Aware, But Not Familiar: 56%
  - Familiar: 18%

- Any Network-Connected Energy Management Product: Awareness 73%, Familiarity 17%
  - Total Awareness: 68%
  - Aware, But Not Familiar: 54%
  - Familiar: 14%

Q.9 How familiar are you with the following products?
Future Purchase Interest of Home Automation Products

- Network-Connected Security Product Interest
  - Extremely: 11%
  - Somewhat: 30%

- Network-Connected Energy Management Product Interest
  - Extremely: 11%
  - Somewhat: 30%

Total Purchase Interest:
- 34% Somewhat Interested
- 31% Extremely Interested
- 27% Somewhat Interested
- 31% Extremely Interested

Security / Alarm System: 26%
Security Camera: 24%
Door Lock: 21%
Thermostat / Climate Control: 26%
Lighting: 24%
Plug / Switch: 21%

Q. Which of the following best describes your interest in network-connected home automation products after reading more about them?
Home Automation May Be a Gateway to a Conversation about Efficiency

Home Automation Category Ownership Share

- Own Network-Connected Security Products Only: 53%
- Own Network-Connected Energy Management Products Only: 28%
- Own Both: 19%

Q.11 Which of these home automation products, if any, do you own?

*Base: Network-Connected Product Owners*
Automation is NOT All About Security

Home Automation Capabilities Importance
Summary of Top 2 Ranking

- Ability to make my home more secure from break-ins/robberies: 37%
- Ability to reduce heating/cooling costs for my home: 35%
- Ability to reduce my home’s energy consumption: 35%
- Ability to monitor home safety issues like water leaks, fire, etc. while away from home: 23%
- Ability to monitor my doors, windows or locks while away from home: 22%
- Ability to monitor my children/family members while away from home: 16%
- Ability to make my home more 'green' or environmentally friendly: 13%
- Ability to automate household tasks to save time: 10%
- Ability to own the most up-to-date technology: 9%

Q.8 Please rank the following capabilities in terms of their importance to you.
Potential Early Adopters

 Consumers’ Familiar with Home Automation Products

Key Demographic Takeaways:
- More likely to be male
- Higher average household incomes
- Half are over age 45
- More likely to live in the West

- Compared to the average US Consumer 18+

Household Income

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Age

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Note: Index >100 denotes a score higher than average; <100 denotes lower than average
People are still filling out their homes. While the same % of individuals have flat panel TVs, the number in the home continues to grow – as does the power they consume.

Home is also being filled with TV adjacent devices, network content devices, soundbars, etc, and not just in one place.

Consumer awareness of Energy Star is high, but as a purchase factor, energy efficiency lags behind price, brand, and features such as screen size.

As consumers become more focused on energy usage and home energy monitoring products find traction in the home, buyers are likely to place a greater emphasis on energy consumption for TV, PCs, and video set top boxes.