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WHIRLPOOL CORPORATION, CISCO, HP, MICROSOFT, DIRECT ENERGY, BELL CANADA AND OTHERS ANNOUNCE RESULTS OF 2008 STATE OF THE CONNECTED HOME MARKET STUDY

Research shows that the Possibilities are Endless, but Convergence is Key

Consumer Electronics Show, Las Vegas, NV (January 6, 2009)— Hundreds of gadgets and services, all promising to make our lives at home easier and more comfortable, will be launched here tomorrow but, according to the *2008 State of the Connected Home Market Study*, a comprehensive smart home market study, the one thing consumers want most in a connected home is convergence. The full results of the study will be shared with the industry during CES at the NextGen Home LVCC South Hall Booth #26062.

Funded by Whirlpool, Bell Canada, Cisco Systems, Direct Energy, Hewlett-Packard Company, Legrand, Leviton Manufacturing Co., Inc. Microsoft Corporation, Procter & Gamble, the Z-Wave Alliance and Zensys, the *2008 State of the Connected Home Market Study* was conducted in April and May 2008 by CABA's Connected Home Research Council, a non-profit research group.

According to the study, the number of US online households that consider the idea of a connected home—a home where independent systems, like lighting, security and entertainment, are linked and centrally controlled—“definitely appealing” has held steady since 2005. However, more people than ever before find it appealing and product convergence is the biggest opportunity for growth.

“This report confirms our understanding that consumers do not want to ‘automate their homes’ as much as they want to use connected home technologies to solve life's small problems, save themselves time, energy and money and provide peace of mind,” said Mary Miller, Director of Marketing, Zensys, makers of the Z-wave wireless chip and a study participant. “Our mission, as an industry, is to provide consumers with seamless and interoperable solutions.”

“What consumers want most is an easy, seamless way to integrate their smart home devices—their mobile device, their TV, their appliances, you name it,” said Carol Priefert, senior manager, Whirlpool Corporation, the study's lead participant.

For instance, smart phone users report positive responses from using mobile devices in the kitchen, not just for communicating, but for scheduling, managing grocery lists and listening to audio. By providing consumers with real-life benefits via their cell phones to other smart home solutions, demand should increase like never before.

Another opportunity exists among those living in states where energy costs are high and utility costs could be controlled with careful monitoring since they report being open to the idea of a smart home.

“With volatile energy costs and an unpredictable economy, people have never been more interested in finding ways to use energy in their homes more efficiently and effectively to save money,” said David Dollihite, Chair of the Connected Home Research Council and Vice President of Product Development for Direct Energy, a North American retailer of energy and related services that took part in the study. “Our study reveals that energy management in the home is a rising priority for consumers and may be one of the best opportunities for addressing the North America strategic concern of energy independence. The study goes further to recognize the need for cross industry collaboration in delivering a consumer-friendly solution to integrated energy management within the connected home.”

In addition to convergence and energy monitoring, consumers are interested in specific product solutions such as a wireless memory card for digital cameras (so their camera can ‘talk’ to their computer and printer) and a personal multimedia player that offers a range of video capabilities including ‘download your favorite shows’.

"As highlighted by this market study, the proliferation of IP devices in the home and increasing consumption of digital media creates abundant opportunities for the broader connected home ecosystem to work together to deliver the seamless experience that consumers are demanding," said Tony Wan, Director of Marketing, Cisco.

Following are some of the study’s other key findings:

- 87% of those surveyed have broadband Internet at home
- 58% have two or more computers at home
- 43% have a home network that allows computers and other devices in the home to communicate with one another
- Top computer activities are checking news (72%) and instant messaging (49%)
- 90% of online households in the US say they have used a computer recently for entertainment purposes—playing computer games, watching videos, listening to music, burning CDs, etc.
- 34% report engaging in online social networking via sites like Facebook
- People are cutting the cord: 12% of consumers in the US are using cell phones and 8% are using VoIP (voice communication over the Internet) rather than landlines for home service
- 57% of online households use cell phones in the kitchen on a regular basis

- Audio activity is climbing thanks to portable devices and computers but multi-room home audio installations lack traction
- 51% of workers who use a computer regularly at work feel they have some or complete freedom to choose from where they work, up from 43% in 2005 and working outside the office is up significantly since 2005, from 29% to 38%

“This is one of the most important and comprehensive recent studies into the smart home space and we applaud these leading companies for participating,” said Ronald J. Zimmer, President & CEO of CABA, the not-for-profit North American technology industry association of which the Connected Home Research Council is a part. “These companies could certainly conduct this type of research independently, but they all recognize—and the research confirms—that collaboration and conversation in this space are essential.”

About the 2008 State of the Connected Home Market Study

The 2008 State of the Connected Home Market Study was conducted by Zanthus, a high-tech market research firm, to investigate consumer attitudes and behaviors with regard to the connected home. Zanthus conducted a series of Web surveys among both primary market consumers, defined as consumers who adopt technology as products first come on the market, and mass market consumers, defined as those who wait for prices to fall or to assess a product’s popularity before making new technology purchases. Previous waves of the study were conducted in 2003 and 2005.

About CABA’s Connected Home Research Council

CABA’s Connected Home Research Council, formerly the Internet Home Alliance, is a cross-industry network of leading companies engaged in collaborative research to advance the connected home space. The Council’s research projects enable participating companies to gain important insights into the connected home space and leverage those insights into viable new business opportunities. The Connected Home Research Council is part of the Continental Automated Buildings Association (CABA), a not-for-profit industry association that promotes advanced technologies for the automation of homes and buildings. For more information about the Council, visit www.caba.org/connectedhome

About Whirlpool Corporation

Whirlpool Corporation is the world's leading manufacturer and marketer of major home appliances, with annual sales of approximately \$19 billion, 73,000 employees, and 69 manufacturing and technology research centers around the world. The company markets *Whirlpool*, *Maytag*, *KitchenAid*, *Jenn-Air*, *Amana*, *Brastemp*, *Consul*, *Bauknecht* and other major brand names to consumers in nearly every country around the world. Additional information about the company can be found at <http://www.whirlpoolcorp.com>.

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