

Press release

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Smart home appeal in Asia: China leads over South Korea and Japan

Study reveals key differences in the expected impact and appeal of smart home technology across China, Japan and South Korea

Nuremberg, February 15, 2016 – Recent GfK research shows that the majority of consumers in China believe smart home technology will make an impact on their lives in the near future – coming almost equal with mobile payment and well ahead of wearable technology. But in Japan, only one in five think smart home tech will impact them, and mobile payment wins notably higher votes - and in South Korea opinion is divided at around half.

These findings are part of a seven-country study which asked consumers to say which of 11 leading-edge technologies they believe will have an impact on their lives in the next few years. Possible technologies ranged from 3D printing to augmented / virtual reality to the Internet of Things - and respondents could choose as many technologies as they wished.

China: high levels of interest and appeal for smart home tech

In China, 96 percent of consumers say they are aware of the concept of smart home technology and 82 percent claim some level of knowledge. This makes China one of the best informed markets on smart home technology, giving retailers and suppliers a strong start.

Three quarters (75 percent) of the people interviewed in China say that they expect the technology to have an impact on their lives in the next few years – much higher than the international average of just over half. By comparison, this puts smart home technology on a level with mobile payment (74 percent) for impact on lives, and well ahead of wearable technology (59 percent) and cloud computing (51 percent).

Looking at which smart home applications hold most appeal for China's consumers, the picture is also extremely encouraging with all areas scoring above the international average. 'Security and control' and 'entertainment and connectivity' came first equal with 63 percent of people selecting these – but very closely followed by 'health monitors' (62 percent), 'smart appliances' (61 percent) and 'energy and lighting' (60 percent).

Japan: only one in five people think smart home tech will impact them

Japan shows the most muted response to smart home technology of all

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countries included in the study. Consumer awareness of the smart home concept stands at just over half (53 percent), but knowledge is low at only 30 percent.

In addition, only one in five (19 percent) believe that smart home technology will make an impact on their lives in the next few years. Putting this into perspective, 37 percent believe mobile payment have an impact in their lives, 22 percent say the same for cloud computing and 20 percent for wearables.

When asked about the appeal of different smart home applications, Japanese consumers show most affinity for 'security and control' (31 percent), followed by 'health monitors' (25 percent) and 'energy and lighting' equal with 'smart appliances' (both at 24 percent).

South Korea: one in two people expect smart home tech to impact their lives

Awareness of the smart home concept is high in South Korea, standing at 88 percent, while 62 percent also claim some level of knowledge.

In addition, over a half (56 percent) of South Korean consumers believe smart home technology will impact their lives, putting this just ahead of mobile payment (54 percent) and connected cars (50 percent). But the most popular technology of all in South Korea is 3D printing, with 62 percent choosing this.

The smart home application areas that have most appeal in South Korea are 'security and control' (54 percent), followed by 'energy and lighting' (44 percent), 'health monitors' (42 percent) and 'smart appliances' (40 percent).

Consistent barriers to adopting smart home technology

Across all seven countries included in GfK's study, the key barriers to adoption of smart home technology are price, with around a third of people quoting this, and privacy concerns (will my home be hacked?), cited by a quarter. And this holds true in Asia as well.

The high cost of smart home technology was of most concern in South Korea (30 percent) and China (29 percent), with Japanese consumers showing slightly fewer numbers seeing this as a barrier, at 25 percent.

Privacy concerns were most common in China (27 percent), with South Korea standing at 24 percent and Japan at 18 percent.

Ranj Dale, GfK's head of technology research in the UK and manager of the smart home study, comments, "We're seeing interesting national variations in how consumers currently see smart home technology affecting their lives, as well as different levels of attraction to the various applications. It's very much the case that each market has its own specific mindset and requirements. Our research is already helping our clients



understand the opportunities for smart home technology within each market and how to fine tune their approach.”

For more information on GfK’s smart home study across seven markets, please contact Ranj Dale (Ranjiv.Dale@gfk.com).

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About the survey

GfK interviewed over 1,000 adults aged 16 and over in Germany, UK, USA, Brazil, South Korea, China and Japan, with interviews conducted online. Respondents were recruited to be nationally representative of online users in each market. Fieldwork was carried out in September and October 2015.

About GfK

GfK is the trusted source of relevant market and consumer information that enables its clients to make smarter decisions. More than 13,000 market research experts combine their passion with GfK’s long-standing data science experience. This allows GfK to deliver vital global insights matched with local market intelligence from more than 100 countries. By using innovative technologies and data sciences, GfK turns big data into smart data, enabling its clients to improve their competitive edge and enrich consumers’ experiences and choices.

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