

CTIA Day 1: The Future is Now for Connected Homes

Brad Smith

(LAS VEGAS) - After years of fits and starts, the connected home is closing in on becoming a mass market reality. Just ask Kevin Petersen, president of AT&T Digital Life, which has launched in 15 markets and plans to add five more by the end of the week.

Petersen, speaking at the Connections conference co-located with CTIA 2013 at the Sands Expo, said the carrier has been very happy so far with customer reaction to its new offering, which went live in March. AT&T Digital Life provides a variety of remote services for its customers, based on home security and automation.

The AT&T executive declined to say how many customers have purchased Digital Life, but did say the operator is pleased with the market reaction. "We're hearing loud and clear that our customers like what we've offered," he said. He added that consumers like the ability to see and buy the product in retail stores, appreciate AT&T's "digital handyman" model for installation and also like the user interface.

Digital Life makes it possible for homeowners to turn down their thermostat from the office, lock the doors remotely, check on pets or loved ones, or monitor for intruders. He cited the example of an early customer who had installed video cameras with a home security system. The user got an alert on their mobile phone with a link to live video and then logged into the system and saw burglars breaking in. The customer was able to alert the police and later provided investigators with the video to help ID the criminals.

"It's been a two-year journey for us," Peterson said, "and it's a real pleasure to get to the market and see how customers like it. We couldn't be more happy about the reception."

AT&T sees a great opportunity in the connected home arena and hopes to have the service available in 50 markets by the end of the year, he said. It's a financially attractive, fragmented market, with a monthly ARPU of \$35-40 and long customer lifespan.

Digital Life's products and services include cameras, window and door sensors, sensors for smoke, carbon monoxide, motion and glass breaks, door locks, thermostats, moisture detection and water shutoff, and appliance and lighting

controls.

Petersen said AT&T knew that the user interface was crucial to market success and it built an all-IP based monitoring center and integrated controller, partnering with Cisco Systems to bring the security and automation elements together.

“The old industry has fallen short,” he said. “We wanted a seamless connection so you are connected to your home from anywhere. It has to be simple and intuitive.”

AT&T has its eye on future services and products, including biometrics, energy optimization, water consumption, garage door openers, video verification, pool control and irrigation control. Healthcare also is an attractive area, Petersen said, with the ability to allow older or infirm people to stay at home longer with monitoring services for family members or healthcare professionals. The operator also is talking with international carriers about licensing AT&T’s technology.

Digital Life also will benefit AT&T’s traditional markets, he said. An example is a promotion being announced in a few days with deals on phones and service for customers buying the connected home product.

Stuart Sikes, president of the Connections conference host, Parks Associates, said the market is ripe for these kinds of services. He said there is now sufficient network bandwidth, attractive interfaces, smart systems and good value propositions.

Sikes said services and products for “smart homes” have been available about 15 years but haven’t been able to find a wide market until the recent technological developments.

“This is about to explode,” he said. “Our problem is not technology. Our challenge is figuring out how to monetize and compel the consumer to spend money on the services.”

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