



The Market for Cameras and Video Doorbells in the Smart Home

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Market Intelligence on Buyer Behaviors, Consumer Attitudes, Brand Preferences, and Emerging Behaviors

Syndicated Services & Consulting

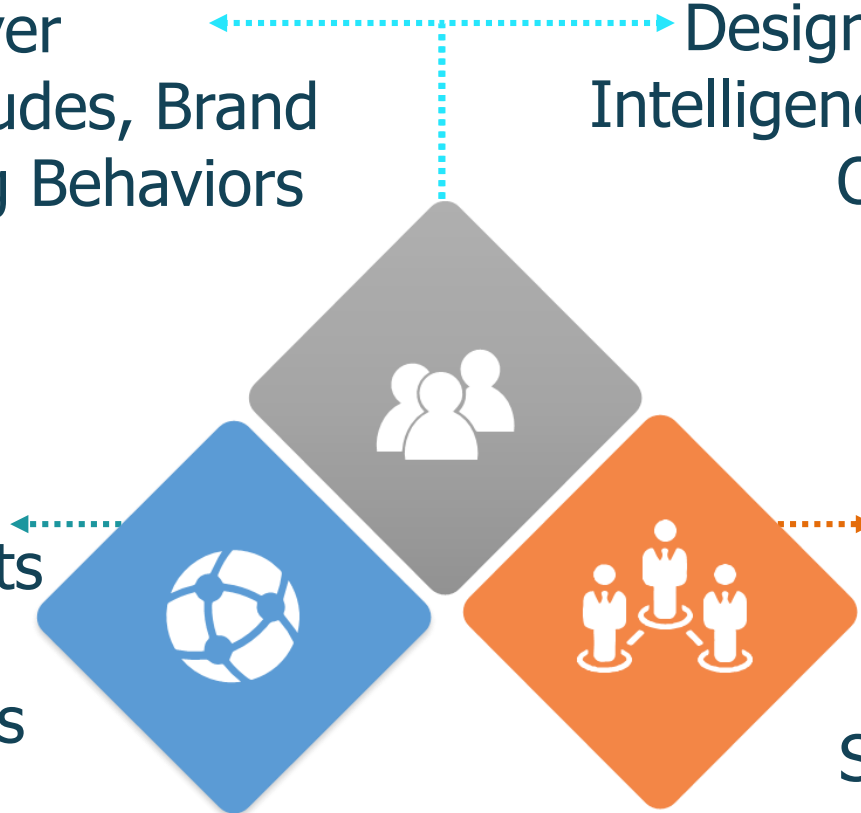
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UX Practice

Design Guidance and Competitive Intelligence on User Experiences and Opportunities for Innovation

Consumer Insights Practice

B2B Primary Research, Analysis and Go-to-Market Planning across all areas of Strategy Analytics' Expertise



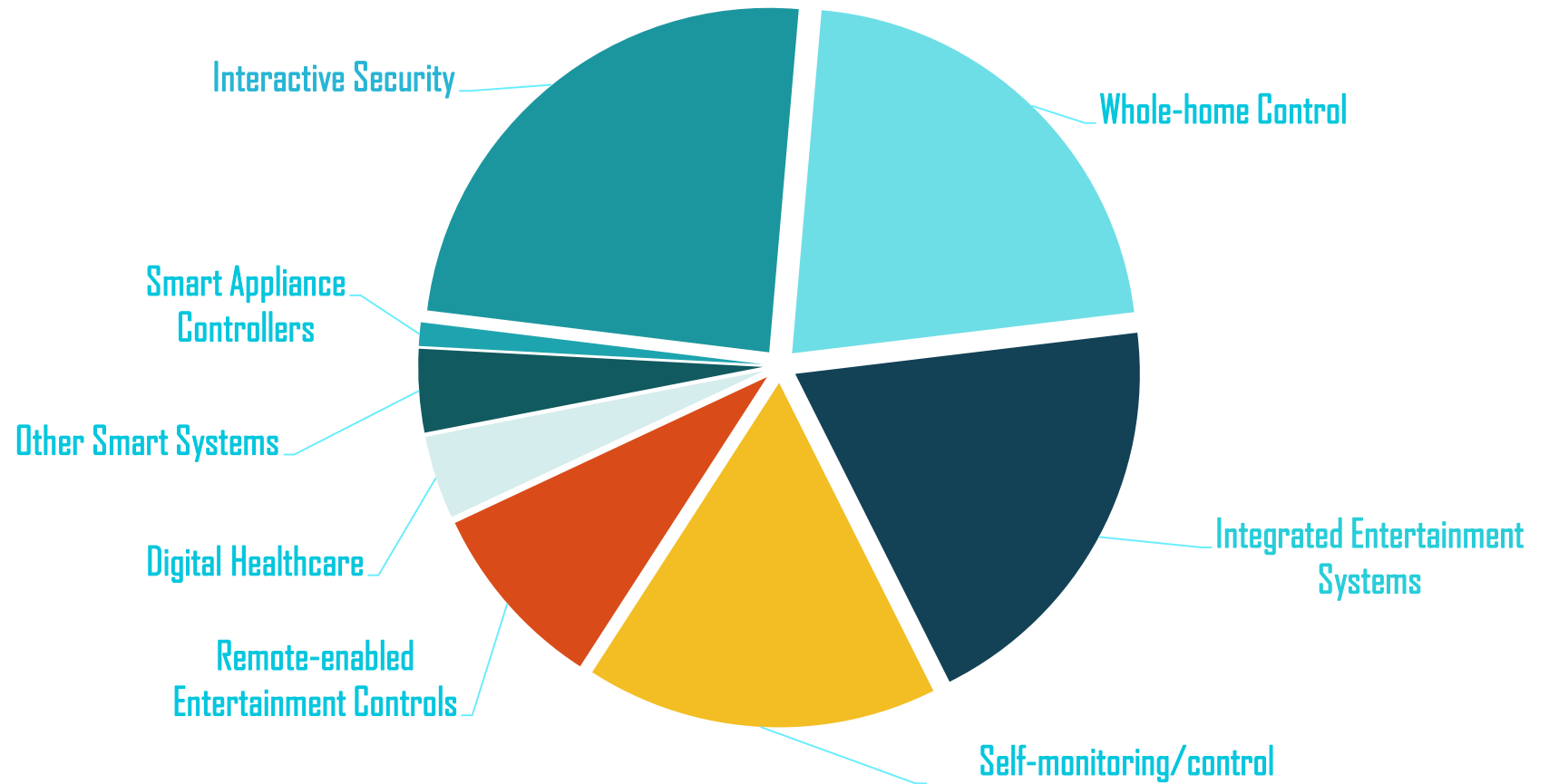
- **2022: a year of reckoning for some camera brands?**
- **Main topics of discussion:**
 - Analysis and perspectives of the global smart home market
 - Regional views: North America, Western Europe, Asia-Pacific
 - Diving into global camera and video doorbell segments
 - Opportunity sizing, competitive landscapes, and consumer trends
 - Trends to monitor



2022 Global Consumer Smart Home Spending by Solution Type



- Global consumer spend: \$143 billion
 - \$13 billion on cameras
- Whole-home: big camera business
- Interactive security now “smart home”
- Self-monitored: Lack of recurring revenue





- **Big brands, interactive security providers flexing muscles**
 - 2027: about 30% of consumer camera units sold globally; about 35% of global consumer spending on cameras



- **Cameras are a “nice to have” not a “need to have”**
 - 2027: 10% to 15% of consumer units sold globally; about 15% of global consumer spending



- **APAC: huge opportunity or huge headache?**
 - 2027: about 50% of consumer units sold globally; about 35% of global consumer spending



- **Big consumer brands set paces for pricing and features**
 - 2027: About 35% of global consumer units sold & spending



- **Western Europe to follow US, albeit on a smaller scale**
 - 2027: 10% to 15% of global consumer units sold & spending

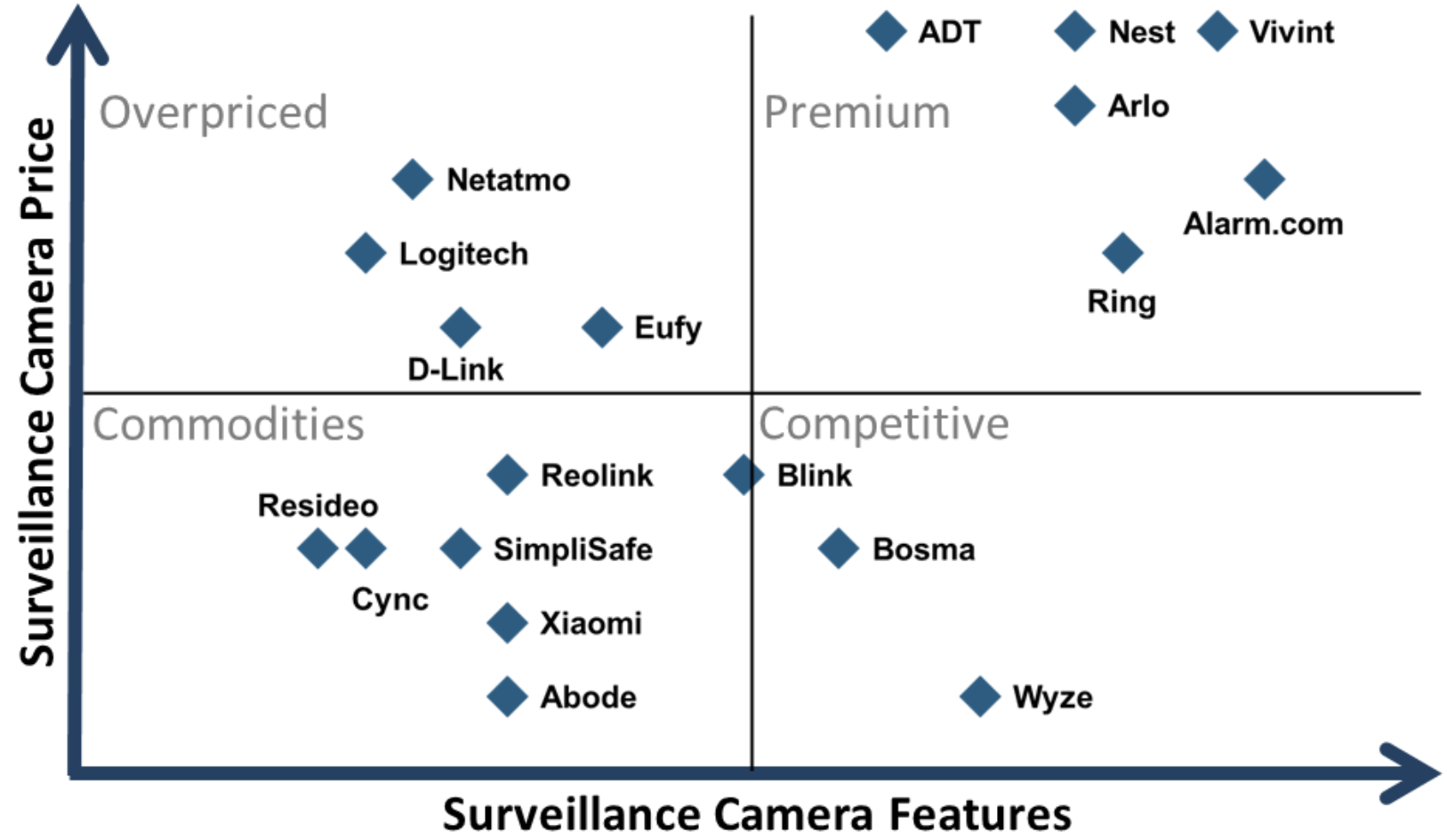


- **Huge consumer markets pad shipments, not profits**
 - 2027: Almost 40% of global consumer units sold; about 30% of global consumer spending

Strategy Analytics' View of Global Indoor/Outdoor Camera Landscape



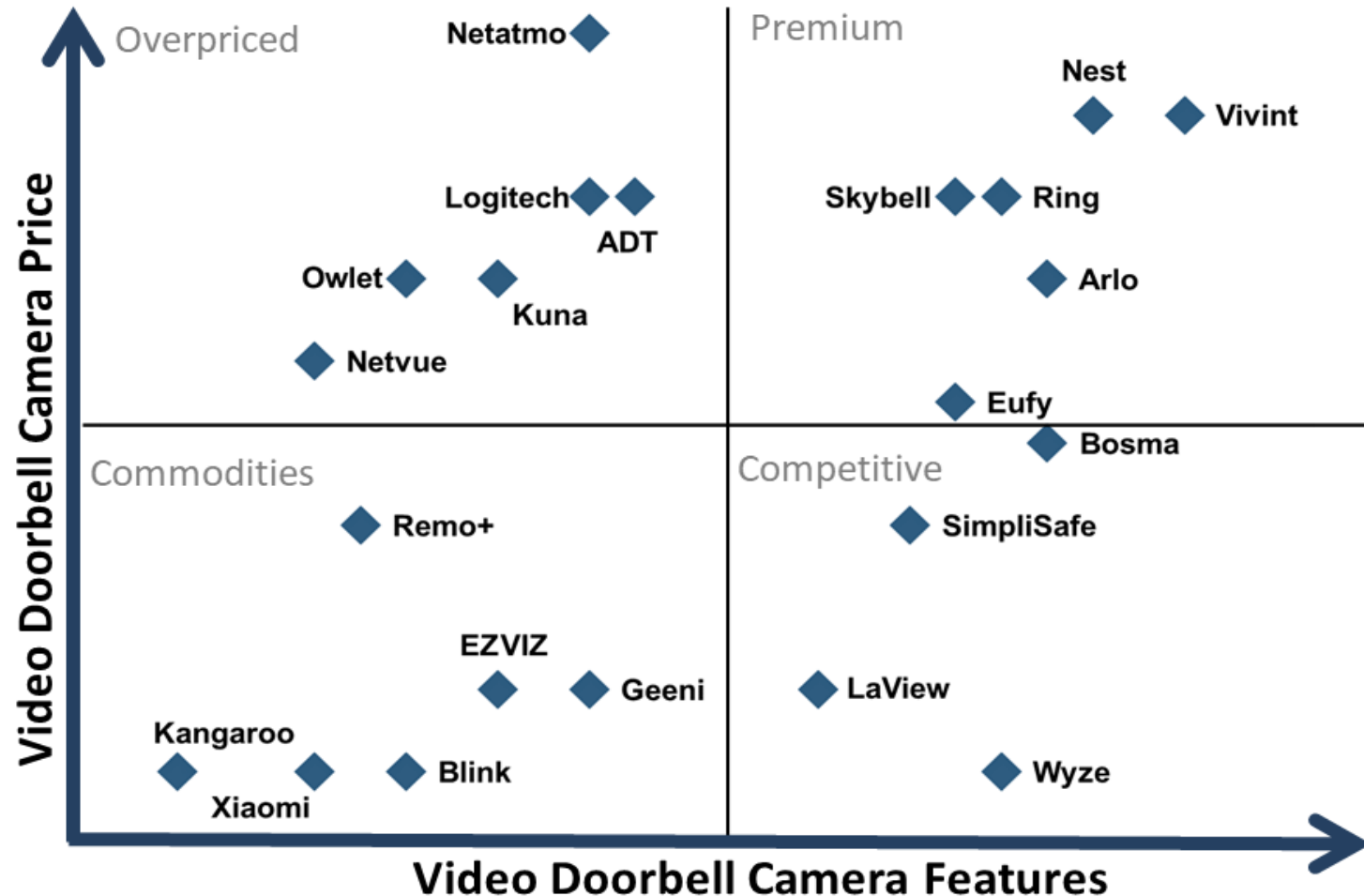
- US interactive security providers among the camera innovators
- Big consumer brands will have plenty of company
- Some low-price leaders are running unsustainable low-margin businesses



Strategy Analytics' View of Global Doorbell Landscape



- “Best” video doorbells command premium price – for now
- Market leaders prioritize software and user experience
- Laggards stuck in feature and pricing quagmires

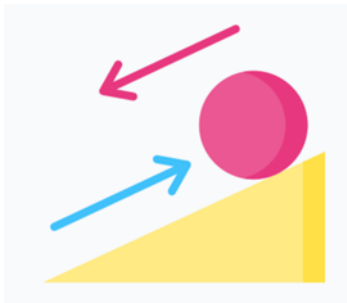




- **Competitive landscape is stabilizing as market matures**
 - Consumer installed base over 300 million units in 2022
 - More iterative, less innovative? It depends...



- **Midrange camera segment is THE competitive arena**
 - More brands than ever moving into \$50 to \$100 price band



- **Convenience creating friction for feature-first brands**
 - More about the “how” and “why”, less about the “what”
 - Hardware-based differentiators no longer as effective



Vs.



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- **Consumers expect all functionality right out of the box**
 - In-demand features provided for free, or supported at no cost
 - Trainable facial recognition, package detection, static object detection
 - Arlo, Amazon (Ring), Google (Nest) expand paid subscriptions
 - Subscription attach % in the low-to-mid single digits, at best
- **Crowded doorbell market a sign of things to come**
 - For consumers – doorbell is focal point of smart home solution
 - For brands – doorbell is a potent smart home “ice breaker”



- **Hardware-only businesses are unsustainable**
 - Even giants like Ring will feel the pinch of pricing pressures
- **Recurring revenue an ingredient of success, but...**
 - Many vendors are not equipped to make the switch to software and services



- **Once-unique features are now table stakes**
 - Call to action for camera manufacturers!
 - Success factors for consumers and brands are not exclusive!

Thank you — enjoy the rest of the 2022 Summit!



Resources:

2022 Embedded Vision Summit

Edge AI and Vision Alliance

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