



WHY Z-WAVE: SECURITY

VOLUME 5





Source: [MarketsandMarkets](#)

Detect. Identify. Prevent. Protect.

An overview of security device and system solutions, applications, technologies, and trends across the market.

Increasing consumer demand for comfort, convenience, safety, and security solutions has driven opportunity for product advancements and rising investments in the global smart home security market. In this eBook, market research confirms that the adoption of connected security devices including motion sensors, door locks, security cameras, and surveillance services are on the top of the list for intruder prevention or other security issues. Furthermore, property owners are looking for systems that can offer interoperability with smart home solutions to provide end-to-end connectivity and control of their homes.

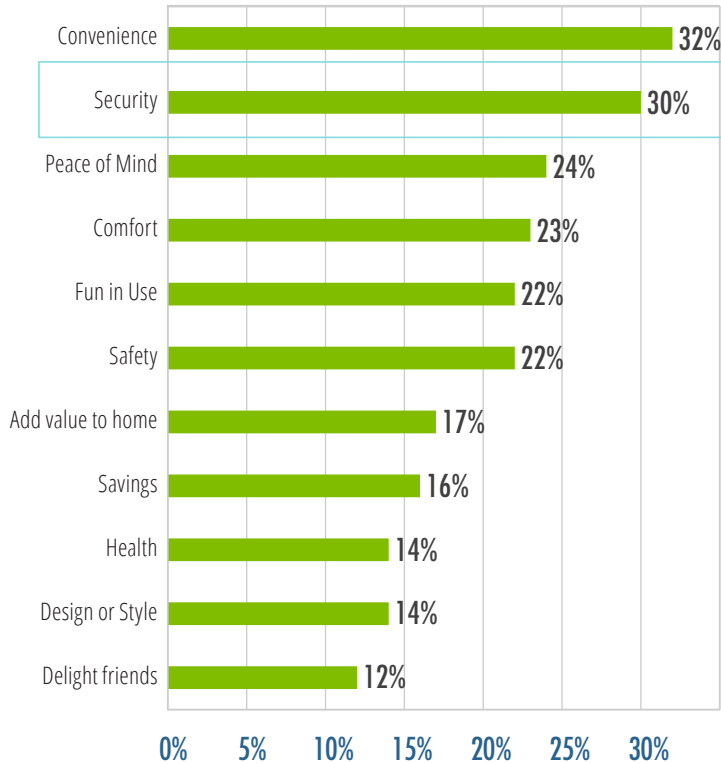
In the 2022 Z-Wave State of the Ecosystem Report, we surveyed more than 1500 owners of Z-Wave devices, including both security system owners and home automation owners. The data revealed the landscape as it exists today, highlighted current, and future trends, data, and new opportunities, with an emphasis on the role Z-Wave technology plays in the advancement of the industry.

Here are some of the major takeaways:

Convenience and security lead in sought-after benefits.

1

30% of consumers attribute their smart home purchases to a desire for greater security.



Source: [2022 Z-Wave Alliance Ecosystem Report](#)

Technology has reached a point of maturity in 2022; adoption and consumer education have begun to see consistent growth, particularly with mainstream and new-to-technology consumers. Smart home technology has become pervasive in the way we all live our lives — we reach for digital assistants to help us complete tasks; smart security cameras and systems are a large part of our culture; and technology that was once considered to be reserved for the wealthy or tech-savvy experts is now found on the shelves in large sections of big-box stores and wide swaths of the internet. Consumers are adopting smart home through a security lens – often choosing to start with a smart doorbell or camera, and then migrating to larger smart home systems.

2 Security system ownership primes future smart home purchases with 52% of respondents indicating intention to purchase a smart home device by late 2022.

While more than half of purchase intenders will be first-time buyers, those that own smart security systems are more likely to purchase additional smart home products in the coming months. Smart security system owners have already made an investment in smart products for the strong value proposition of safety and security, and presumably are using this system daily – making incremental product purchase decisions easier.



If you have Z-Wave, whether you bought it nine years ago or if you buy it tomorrow, there is a guaranteed level of compatibility among devices."

-Mitch Klein

3 Z-Wave is a promise.

Security has always been a pillar of the Z-Wave Alliance, and Z-Wave Technology has greater than 90% penetration in the smart security market. Z-Wave is most strongly identified by owners of smart security systems, smart doorbell, and smart door locks, as well as safety and security sensors including, motion, contact, glass break, and water leak. Proven as a secure, reliable way to safeguard the home, it's bringing homeowners into the market. Data has shown that as homeowners get a taste of the connected home, they want more providing huge upgrade and add on potential for dealers and manufacturers alike.

4 Z-Wave technology prioritizes network security.

Z-Wave uses industry-standard AES128 encryption, the same protocol used in online banking. The Z-Wave certification process ensures that Z-Wave smart devices are secure. The Z-Wave SDK includes the Z-Wave Security S2 Framework, designed to eliminate risk of man-in-the-middle attacks and includes an industry-wide accepted secure key exchange using Elliptic Curve Diffie-Hellman. The Z-Wave Security S2 framework is mandatory for all devices certified after April 2, 2017 and there are currently 800+ devices on the market with the best in class S2 framework built-in. Z-Wave devices are the safer, smarter choice for users.



5 Z-Wave is making smart homes safer and more easily accessible.

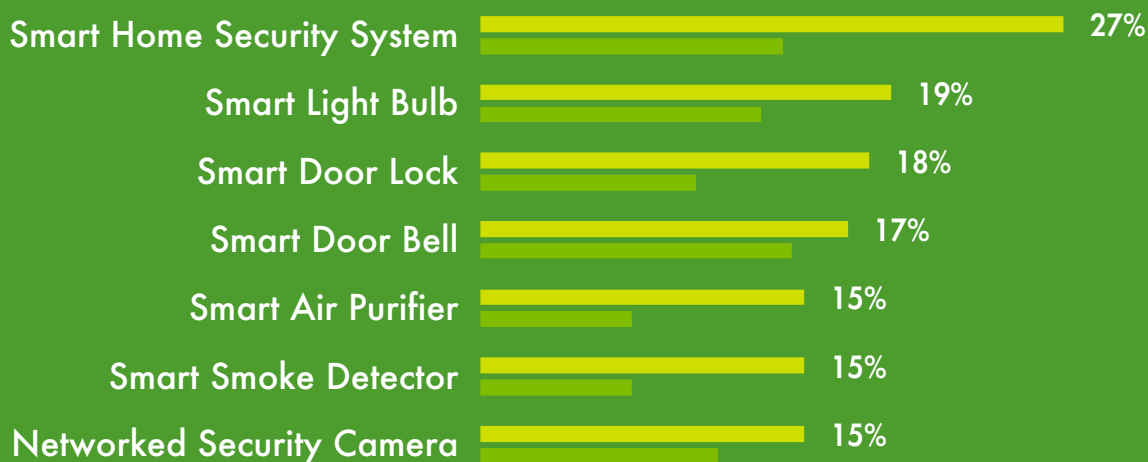
Top 4 Devices Respondents are Interested in Adding to Security System



- 1 **74%** Smart Door Lock
- 2 **73%** Smart Video Doorbell
- 3 **72%** Smart Smoke/CO Detector
- 4 **71%** Smart Light Bulb

Whether it is a consumer trying to get a new smart security system up-and-running, an integrator installing a whole-home smart system, or a building manager attempting to manage hundreds of smart lighting or comfort devices in an apartment building or hotel — it is critical to the greater success of smart home for there to be tools and educational resources that allow for faster, more streamlined implementation and setup of devices, as well as security requirements that ensure that users and their networks are protected, even as the smart home and networks mature.

Purchase Intentions by end of 2022 (Next 6 months)

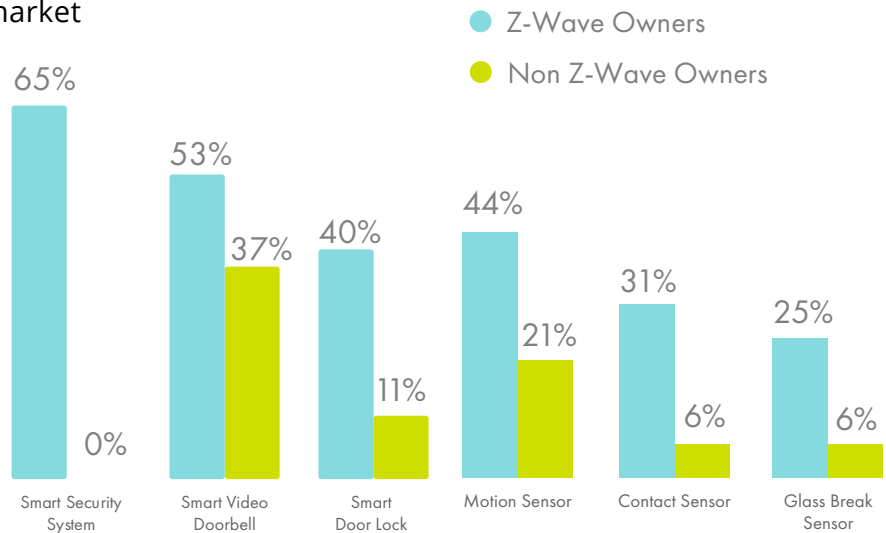


Security System Owners

Non-Security Owners

Smart Home Devices Owned

Z-Wave is most strongly identified by owners of smart security systems, smart doorbell, and smart door locks, as well as safety and security sensors including, motion, contact, glass break, and water leak. Z-Wave certified smart security devices continue to lead in both market adoption and opportunity.



Key Drivers for Purchasing Smart Security Devices

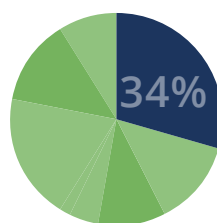
Safer and smarter technology allows for greater adoption and enjoyment of smart homes for years to come. Owners of smart security and home control systems exhibit a strong appetite to add-on devices. With 90% of smart security system owners adding smart home devices to their systems, the home security system market has been growing at a tremendous rate. Every year, new trends emerge and improve old technology, making the home security sector more effective. The demand for home security systems is being driven, in part, by the growing adoption of smart homes where smart security systems are an integral part. Among all security applications, video surveillance cameras have been gaining the most market share. Security systems often include a monitoring service and are equipped with popular Z-Wave devices such as smart door locks, smart video doorbells, smart smoke/co detectors, and smart light bulbs. Based on research, security accessories such as motion sensors, smoke/carbon dioxide alarms, and glass break detectors are some of the most common products that homeowners have installed in their existing systems.

Lighting the Way for a Bright Future

An area for new growth in the security market can be found in lighting. According to the Z-Wave 2022 Ecosystem Report – 71% of current security system owners are interested in adding smart light bulbs to their system. In fact, smart light bulbs were rated as the top device that respondents intend to purchase across all categories.

“We have long recognized the opportunity for security dealers to generate more incremental revenue with smart lighting, though the share of lighting products sales in the security channel remains relatively small,” said Interpret Vice President Brad Russell.

The appetite for lighting and security systems is also high among new homeowners according to Interpret, presenting a viable opportunity for pro installers as well as manufacturers.



34% of the growth will originate from **North America**

Source: [Technavio](#)



Coming out of the COVID-19 pandemic, consumers are beginning to travel again, which will increase the demand for devices that provide safety, protection, and 24/7 monitoring of the home. Add-on sales of devices such as door locks and security cameras will grow as awareness increases. Security remains a leading category for entry into the smart home.”

-Mitch Klein

A Legacy Market with Lots of Room for Growth

A common theme that has remained constant in the rise of smart home adoption and mainstream acceptance of connected living has been the role the home security market has played in introducing the concept of “smart” into the lives of today’s consumers. In the early days of security monitoring, attachment rates for security systems were non-existent; the drive for monitoring contracts focused security dealers on acquiring more customers with less focus on devices.

Add-ons are becoming more common and creating opportunity for the professional installers who want to add security into their offerings as well as independent security dealers who want to expand their smart home offerings, both providers often have personal relationships with their customers and can respond to their needs across their properties. Alliance data found that two thirds of those homeowners with installed smart security and smart home control systems have had an installer add more devices, while just 27% have added self-installed devices.

Security systems are unique in that they have traditionally been leased or homeowner owned, and if they are owned, they transfer to new owners with the property. If they’re leased, security system installers come in and replace the old with the latest and greatest. As such homeowners will not want to abandon their existing systems and once they install a monitored smart security system, their future purchases will be motivated by compatibility and interoperability between new and legacy devices. Security providers can offer new customers scaled solutions, and offer existing customers upgrades or expanded systems.

Join and Develop

Z-Wave Alliance is a member-driven standards development organization (SDO) dedicated to market development, technical Z-Wave specification and device certification, and education on Z-Wave technology. Members work together to develop the open-source standard. To start the process of becoming a member of the Z-Wave Alliance, please download the [Membership Application Agreement](#) and return it to administration@z-wavealliance.org.

