

# Defining the connected living market

*Massive technology-led disruption across all industries globally, driven by the rapid proliferation of connected devices and services, is moving everyone and everything towards a state of 'connected everything'. Research firm **Frost & Sullivan** gives an overview of the nascent 'connected living' market...*

In the not too distant future, the average 'digital native' - a person born or brought up during the age of digital technology - will have at least

10 personal connected devices at home and access to over 80 billion devices. It is expected that by the time we are into the 2020s, tens of millions of people will be connected by trillions of things and applications as a result of connected industries.

'Connected living' is defined as a world in which consumers use many different devices to experience compelling new services that integrate video, voice, and data services to provide access and ubiquitous connectivity anytime and anywhere. In the future, smart and connected everyday objects and appliances will be able to monitor the environment, report statuses, receive instructions, and take action based on the information received from PCs, smartphones, and tablets.

This evolution towards connected living began in the 1970s, which had specialised computing activities driven by proprietary equipment and mainframes. In the '90s the advent of PCs and the internet led to increased productivity, and since 2010 we have had bursts of disruption and innovation through cloud computing and mobile capabilities.

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Frost & Sullivan predicts that by 2025, the rise of connected living will see 3.7 billion smartphones, 700 million tablets, 520 million wearable health-related devices and 410 million smart appliances in the connected person world. The connected worker world will see 90 million IP telephones, 400 million laptops and over 60 million unified communication platforms.

"Frost & Sullivan expects that nearly 80 percent of US enterprises will adopt BYOD, 30 percent of populations will access office networks remotely, and 90 percent of organisations will offer mobility to workers," remarks Dougan.

Meanwhile, the connected citizen will have access to 15 million interactive kiosks enabled by 25 million cloud servers servicing around 1 billion smart government and ID cards. Around 500 million smart transportation cards and 50 million contactless payment cards will be issued and an estimated 35 billion will subscribe to location-based services (LBS) devices by 2020.

Dougan elaborates: "The value chain of smart solutions to service all the components of connected living is extremely fragmented with no clear 'one stop shop' solution provider providing end-to-end solutions. There are many players, ranging from module/component providers to device vendors to network and platform providers to system integrators. Within these groups are big name players such as Sendum, Gemalto, Apple, Samsung, Telefonica, AT & T, Cisco, SAP, Oracle, IBM and Accenture. Early entrants are exploring ways to monetise opportunities in connected

living. First movers in the market are taking one of three approaches: a single purpose solution, a partnership alliance or a broad platform-based offer. Partnership alliances are being formed between different providers."

A key factor in the development of the connected living market is the ability to combine hardware and software so that new products and services can be offered. The current and future connected living market could be exploited by companies in two ways: by creating new opportunity or by capturing market share from others. A key dynamic is the wide opportunity this market represents to non-conventional companies.

**"Data is the essential game changer and e-services...will empower citizens."**

"While the ecosystem of players is complex, there is no denying that collectively, the market potential is huge and presents immense opportunities. Manufacturers will drive value from smart factories, retailers will derive value from digital retailing and advertising, utilities will derive value from smart grids. This is truly a market where being successful means often transformative improvement and legacy means almost nothing; the number of new market entrants is expected to be significant," finishes Dougan. ■