

### Home Networking & Automation – An Overview

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The home networking and home automation industry is growing with more and more homeowners realising the benefits of home cinemas, whole-house lighting and sound, media rooms and whole-house subsystems that control security and HVAC (Heating, Ventilation & Air-conditioning) systems.



As the industry matures, so does the search for answers to some commonly asked questions. Below, the CEDIA organisation has listed some of the most frequently asked questions and answers about the home networking and home automation industry. Although the report is based on the US market, the comments are fairly typical for the Australian market.

#### What is home networking / home automation?

Home networking and home automation are catch phrases that mean different things to different people. As of yet, there is no universal definition of these terms.

When CEDIA members talk about home networking and home automation, they are

referring to the ability to integrate televisions, lighting, home entertainment, sound, heating controls, home security systems and many appliances and other systems through a centrally-controlled network. These systems are custom designed and allow the homeowner the convenience, time-saving and cost-saving benefits of controlling electronics through a central control, or even remotely.

Many think of home networking as simply connecting PCs. While this is a growing segment, it's only the tip of the iceberg in terms of what can be connected in a home.

CEDIA members are on the cutting edge of connecting electronics systems for consumers. And more consumers are demanding the benefits of connectivity – both in convenience, safety and as a life style enhancement.

#### How big is the home networking / home automation market?

Since there is no universal definition of home networking and home automation, it's difficult to measure the size of the market. We can say that the number of homeowners who have embraced home connectivity as CEDIA defines it has grown tremendously in the past decade. As newer and less expensive technologies have been developed, more homeowners are beginning to understand the value of these systems, in providing security, comfort and cost savings to their families.

According to survey results released by CEDIA, CEDIA member companies are positive about the growth of the industry, with 50 percent of survey respondents reporting that they anticipate their business to grow.

## **In terms of sales, what is the largest segment of the home networking market?**

According to a CEDIA-sponsored survey, CEDIA members identified distributed audio and home cinemas as the product segments with the highest gross sales. They also expect distributed audio and home cinemas to lead sales growth, followed by home automation, lighting control and distributed video.

## **How would you describe a typical consumer of CEDIA-installed home networks?**

Most homeowners who have installed home networks or who favour installing a connected home are married couples between 35 and 44 years old with teenage children, according to a recent study by the Internet Home Alliance, Inc., a cross-industry network of leading companies advancing the home technology market. CEDIA members report that most consumers of home networks are very family-centric and want to create a safe and comfortable environment for their families.



## **How many Americans have home cinemas?**

According to Parks Associates, a leading high-tech research firm, penetration of home cinema systems stands at an estimated 22 percent of all U.S. households. That percentage accounts for some of the most basic home cinemas – including systems costing only \$500 – to some of the more intricate home cinemas that can range in price upwards of \$250,000. Australia is usually on a par with the USA.

## **What is the outlook for the home networking and home automation market?**

All reports point to a healthy, growing home networking industry. According to the CEDIA survey, 63 percent of the firms surveyed reported that business improved. Seventy-one percent of the firms surveyed said they intend to hire more workers. The growth of the market will depend, largely, on the introduction of lower cost technologies (always happening) and the continued growth in consumer awareness of the value of custom electronics systems for the family.

## **What are the benefits of home networking and home automation?**

According to CEDIA members and industry research, those who have networked homes, or who are interested in adopting home networking technologies, view these systems as a way to save time and spend more quality time with their families. Most customers buy networked systems for the benefits, not for the sake of owning technology.

## **Will networked homes become outdated quickly? How can you make sure you are up to date?**

CEDIA members are on the cutting-edge of technology and develop systems that are practical and pragmatic for today's homeowners and can take advantage of new innovations as they come to market.

## **Can homeowners install their own home networks?**

Many retailers provide kits for simple home networking projects, or theatre-in-a-box products. While consumers can often install these products, CEDIA members provide significant value to homeowners interested in a networked solution. They can work with the homeowner to develop a plan – much like an architect draws out a house plan – to ensure the best home networked

experience. These systems are developed to handle a customer's needs today, as well as expand to meet the needs of tomorrow.

### **What are the benefits of using a CEDIA certified professional?**

CEDIA is the world's leading association of custom electronics designers and installers and provides the industry's most comprehensive education to its membership. Members who participate and excel in CEDIA's educational programs are given the opportunity to earn certification. Consumers can rest assured that professionals who are CEDIA certified are the most highly respected and experienced in the industry.

CEDIA companies subscribe to a strict code of professional conduct and ethics and tend to participate in continuing education and stay abreast of the latest technological innovations. This expertise is what consumers are looking for. In a recent survey of 1,000 consumers in the U.S., 87 percent reported that they would seek the help of a qualified and certified technician to install a home networking system in their home.

### **When it comes to home networking and home automation, what are some things homeowners should keep in mind as they build a home?**

Consumers should work with a builder who provides the added counsel and advice of a CEDIA professional. When building a home, it's the perfect time to think about how to wire the house for connectivity. According to a Parks Associates survey of homebuilders, more and more homeowners are interested in building a connected home.



Many predict the resale value of homes would increase if the home were pre-wired for applications such as security systems, distributed audio/video and home cinemas. According to the National Association of Home Builders, 34 percent of builders offer structured wiring packages as standard or optional amenities, pointing to the growing consumer demand for networked homes.

### **Why Choose Audio Trends?**

Audio Trends offer a complete custom service. Not only can we help you with the above, but we can also design, build and construct stunning, eye-popping dedicated home cinemas complete with a wide choice of acoustic and decorative treatments. All this and no-hassle as we can take care of everything from the building permit to the constructing and installation of luxury cinema seating from our own design team. So, we invite you to investigate our different services and support teams and then come and speak to us about your dreams. Our consultants have the experience and know-how you need to make it all happen.

## **AudioTrends Showroom**

**10 Argent Place, Ringwood, VIC 3134**

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Hours: Mon - Thurs 10am to 5.30pm  
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