

AT&T, Comcast seek share of home security market

February 17 2014

In a 3,200-square-foot home in Milford, Mich., Chris Dierkes showed off one of AT&T's latest service offerings: home security and automation.

Dierkes demonstrated how to turn down the thermostat using an application on his iPad.

"The temperature is set to 72 degrees," the AT&T sales manager said last week as he slid his finger across the tablet screen. "If you want to dip this down to 70, you can."

In an effort to find new revenue streams, AT&T, Comcast and other companies are taking on established home security companies such as ADT, which dominates the \$13 billion home security market. The players new to the security business are hoping to leverage their data networks and existing customer relationships.

Moreover, in addition to home security, they are selling services that just a few years ago were too expensive for many people to afford, including the ability to remotely lock and unlock doors, see what's going on through surveillance cameras, and even shut off the water.

Wireless technology - and increased competition - has dramatically lowered the cost of installing equipment and allowed homeowners to integrate more automation features, said Chris Heaton, the vice president of membership for the Texas-based Electronic Security Association.

"The market for this has taken off," he added.

Heaton said he expects the new competition to continue to increase and the number of homeowners nationally who have home security systems to grow from 20 percent to 30 percent or more in the next decade.

AT&T charges an installation fee for its Digital Life system, and then a monthly charge starting at about \$30 depending on the services.

"The network allows us to overlay more products and services and take the handheld devices and create new uses for them," said Greg Clark, an AT&T regional vice president of external affairs.

At the same time, the slick marketing that the national providers trying to get into this business is benefiting independent home security firms.

"The industry is creating an awareness," said Ron Ross, president of Vigilante Security in Troy, Mich., who estimated the demand has boosted his company's sales by 20 to 25 percent. "The consumer is doing their shopping as a result."

Comcast, based in Philadelphia, offers security and automation service through its Xfinity brand. The company said it is a new revenue stream - and a service customers are demanding.

"It's about getting more value out of the technology," said Michelle Gilbert, Comcast's [vice president](#) of public relations. "We are integrating all of your technology together so no matter where you are, you are in control."

How much business they will take from companies like ADT, which estimates it has about a 25 percent market share of the security industry - and whether other wireless phone providers like Verizon will start

offering home security service - is unclear.

Tony Wells, chief marketing officer of ADT, said the Boca Raton, Fla.-based company has been offering home security much longer - about 140 years. It also offers home automation services, but considers its focus on home security, as opposed to being an add-on service, to be a competitive advantage.

"We view security not just about the home, but about your personal security - and digital security," Wells said. "We believe it's core and central. It's the only thing we do."

©2014 Detroit Free Press

Distributed by MCT Information Services

Citation: AT&T, Comcast seek share of home security market (2014, February 17) retrieved 4 May 2024 from <https://phys.org/news/2014-02-att-comcast-home.html>

<p>This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.</p>
--