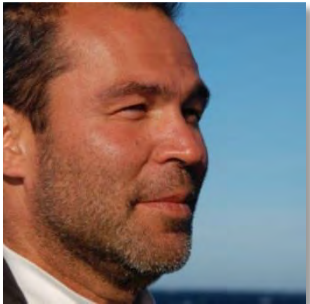# Speakers

Tejas Shah
Senior Vice President of Product and Chief Information Officer
Arlo Technologies, Inc.

Kristen Hanich
Senior Analyst
Parks Associates

Frank Zvi
Co-CEO
Copilot

Webbinar Recording Playback

Parks Associates and Copilot invite you to view and listen to the webinar recording.

Click link to view recording:
https://attendee.gotowebinar.com/recording/1638273833638532108

Webinar Agenda

➢ Welcome

➢ Connected Device Trends and Consumer Experiences

   — Kristen Hanich, Parks Associates

➢ Taking a Page from CE Unicorns' Playbook

   — Frank Zvi, Copilot

➢ Next-Gen CE

   — Tejas Shah, Arlo Technologies

➢ Discussion on Next-Gen CE Strategy

➢ Audience Q&A

What do you think is creating the biggest user experience issue for owners of connected consumer electronics?
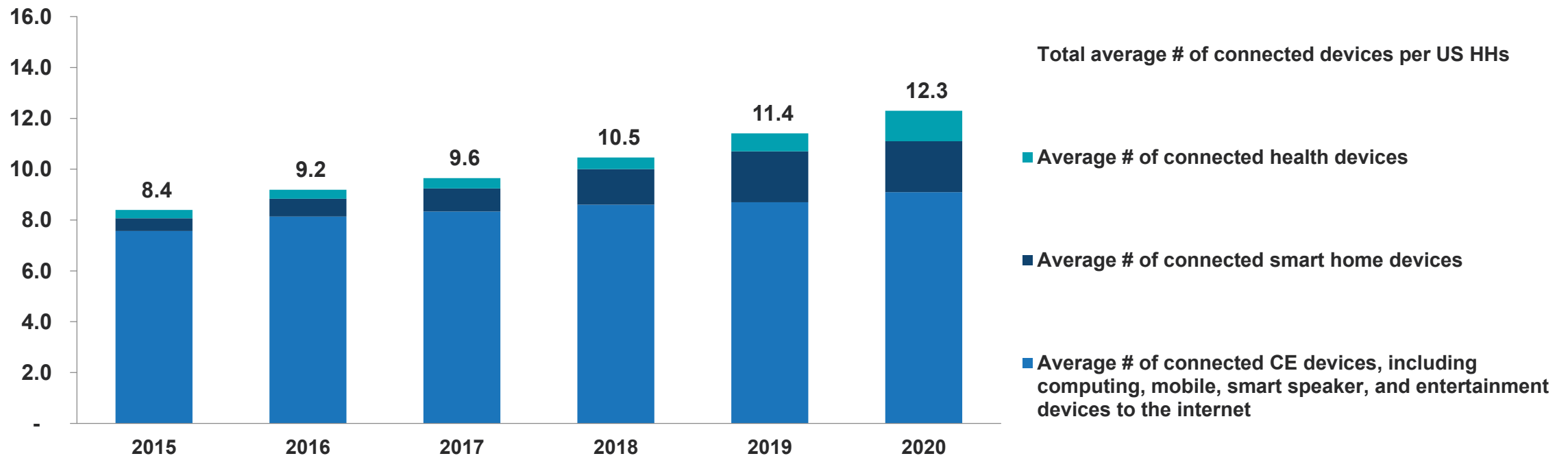
A. Difficulty setting up the device

B. Loss of Bluetooth, Wi-Fi, or other wireless connectivity

C. Difficulty learning and using device features

D. Security breaches

E. None of the Above

Connected Device Trends and Consumer Experiences

Consumers will own 20 Internet-connected Devices by 2025

Average Number of Connected Devices Per US BB HH (2015 - 2020)

Among All US BB HHs, Outliers Excluded

Total average # of connected devices per US HHs

■ Average # of connected health devices

■ Average # of connected smart home devices

■ Average # of connected CE devices, including computing, mobile, smart speaker, and entertainment devices to the internet
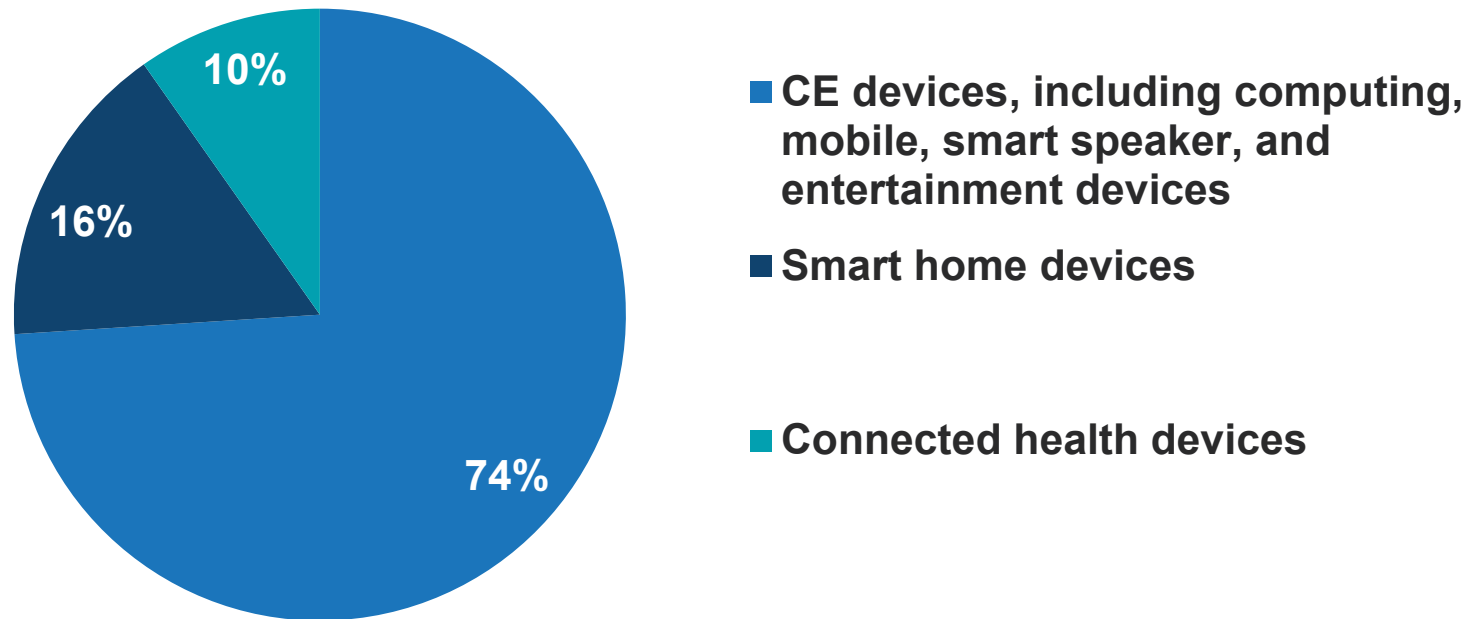
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Computing and Entertainment Products Dominate

Internet Connected Devices by Type (Q1/20)

Among US Broadband Households, n=10,026, ±0.98%

- **CE devices, including computing, mobile, smart speaker, and entertainment devices** — 74%
- **Smart home devices** — 16%
- **Connected health devices** — 10%

Consumers will increasingly face fragmentation in terms of their technical needs and solutions.
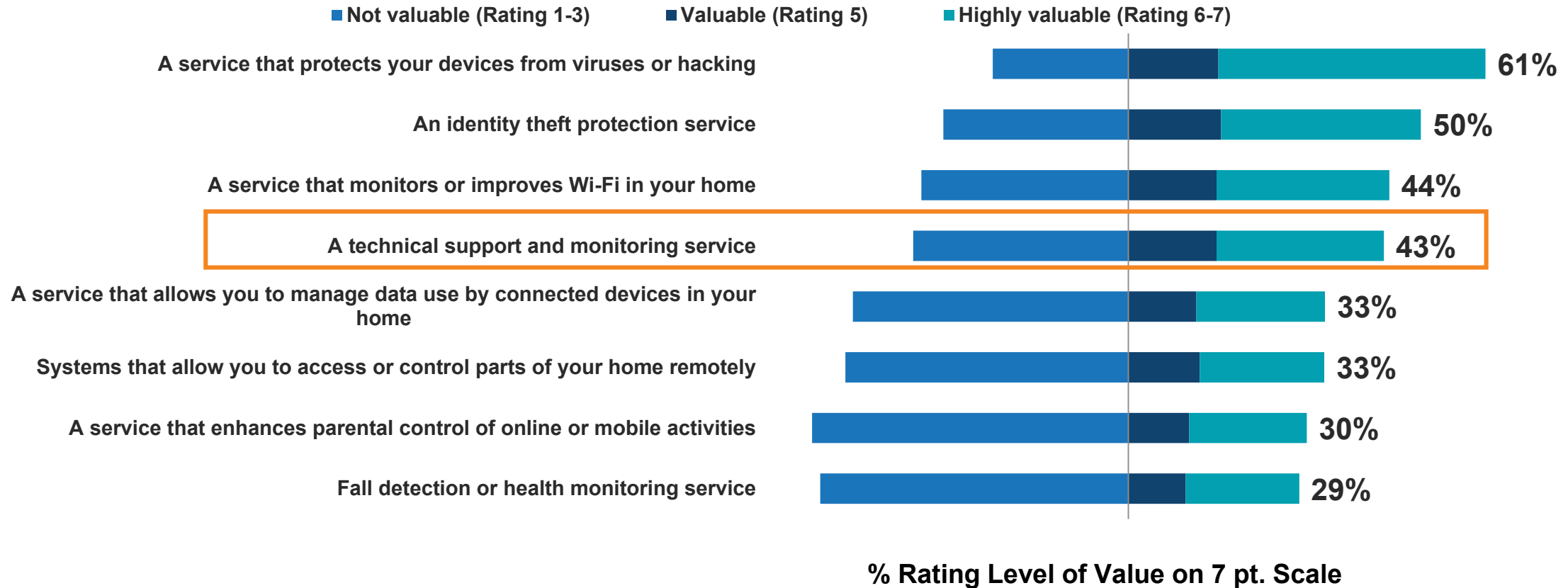
The ability to monitor and respond to customer issues will be paramount.

Value-added Services are Appealing to Consumers

Value of Services to Consumers (Q3/19)

Among All US BB HHs Surveyed, n = 5,031, ±1.38%

■ Not valuable (Rating 1-3)　　■ Valuable (Rating 5)　　■ Highly valuable (Rating 6-7)

Service	%
A service that protects your devices from viruses or hacking	61%
An identity theft protection service	50%
A service that monitors or improves Wi-Fi in your home	44%
A technical support and monitoring service	43%
A service that allows you to manage data use by connected devices in your home	33%
Systems that allow you to access or control parts of your home remotely	33%
A service that enhances parental control of online or mobile activities	30%
Fall detection or health monitoring service	29%

% Rating Level of Value on 7 pt. Scale

PARKS ASSOCIATES

1/3- 1/2 Experience Set-Up Problems With Devices

Set-Up Problems Experienced (Q2/19)
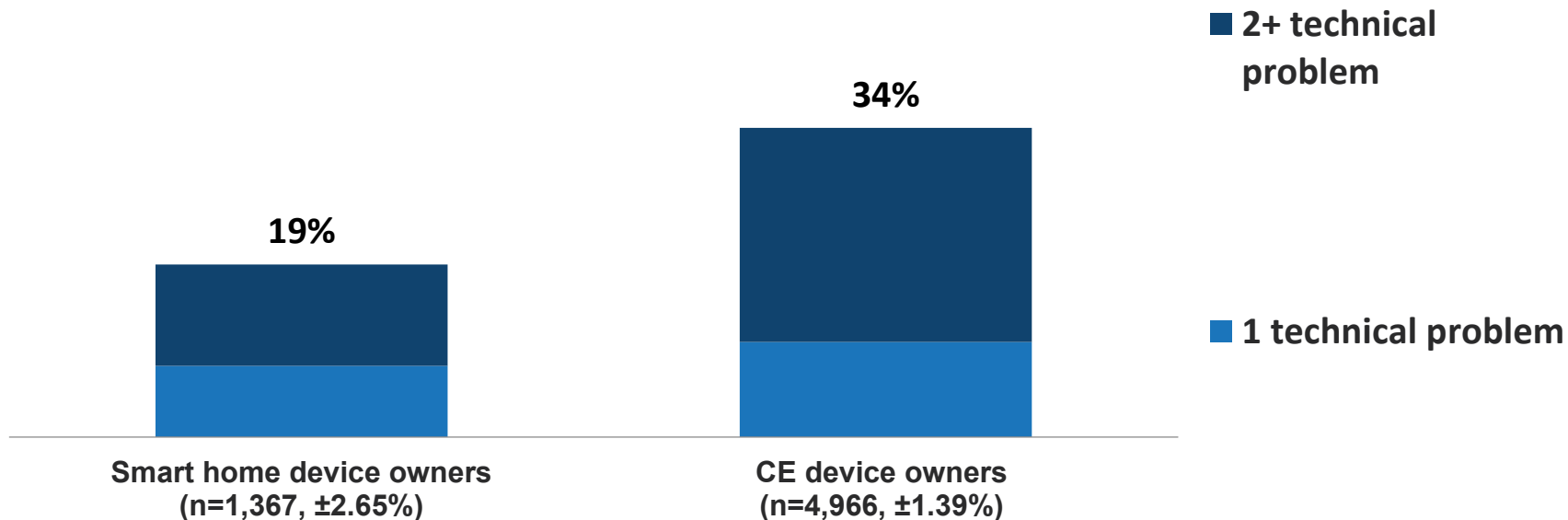### Among Product Owners, n=5,022, ±1.38%
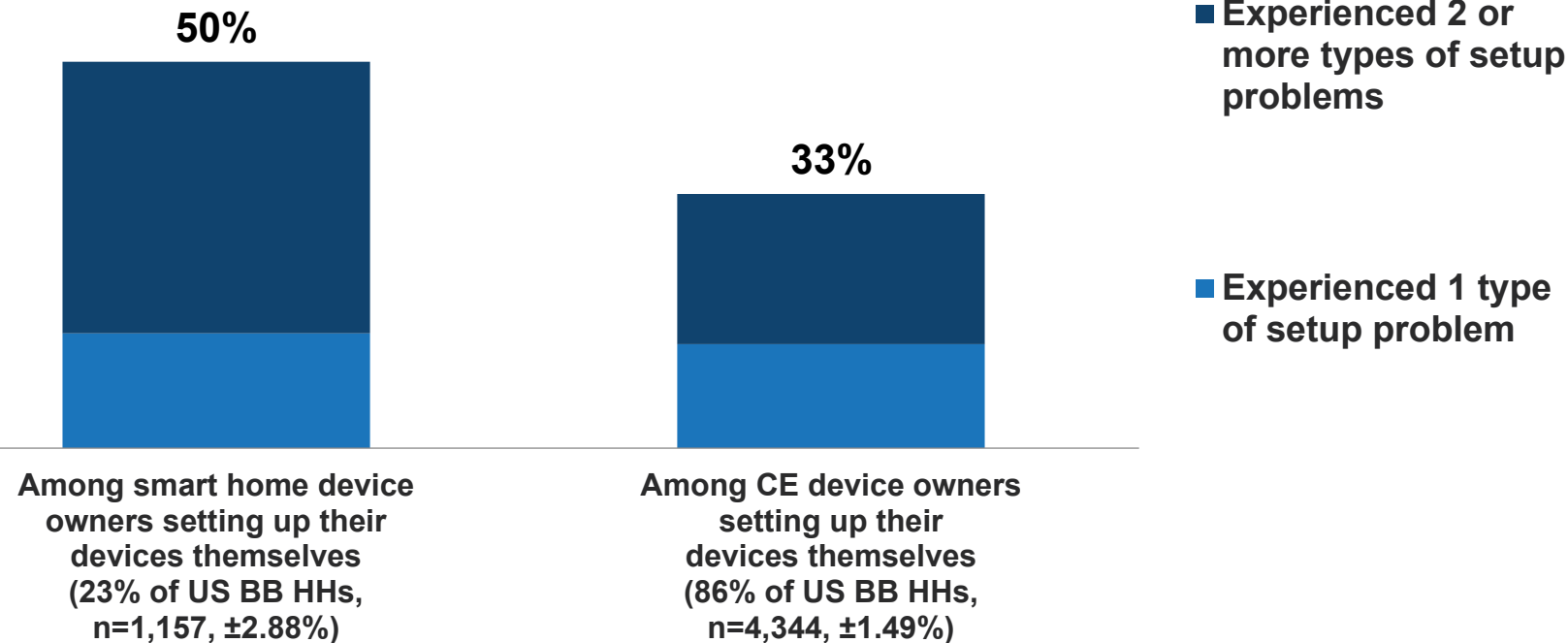
Types of Problems Tested

- Device broken or defective
- Did not have all the required cables or equipment
- Did not work as advertised
- Difficult learning how to use it
- The set-up process took too much time
- Difficulty connecting it to other devices
- Difficulty configuring settings
- Difficulty with the physical installation of the device
- Difficulty connecting it to the internet/router

50%

33%

■ Experienced 2 or more types of setup problems

■ Experienced 1 type of setup problem

Among smart home device owners setting up their devices themselves (23% of US BB HHs, n=1,157, ±2.88%)

Among CE device owners setting up their devices themselves (86% of US BB HHs, n=4,344, ±1.49%)

1 in 3 CE Product Owners Report Technical Issues

Technical Issues Experienced (Q2/19)

Among Product Owners, n= 5,022, ±1.38%

- 2+ technical problem
- 1 technical problem

19% — Smart home device owners (n=1,367, ±2.65%)
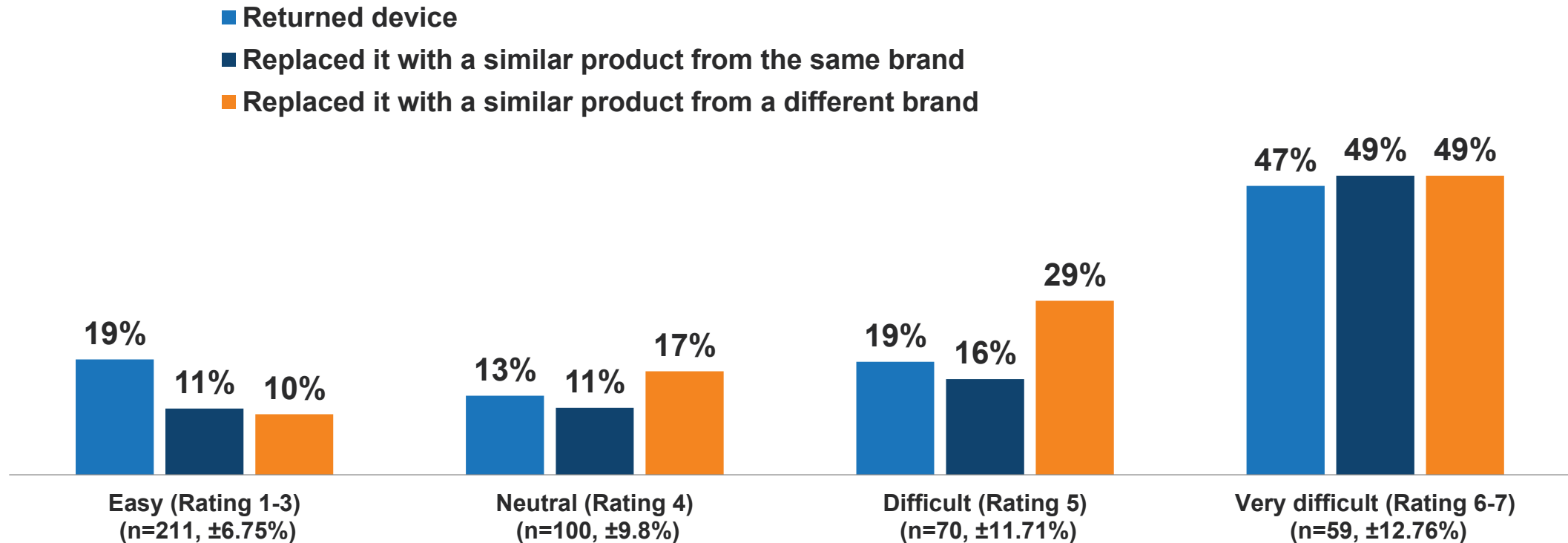
34% — CE device owners (n=4,966, ±1.39%)

Common issues include...

- Loss of wireless connectivity
- Device unresponsive
- Poor device performance
- Difficulty getting software/apps to work properly
- Difficulty setting up device
- Difficulty using device features
- Short battery life
- Difficulty connecting to other devices
- Poor video quality
- Security breach (virus, spyware, hacking, etc.)
- Physical damage
- False alarm
- Failure to detect smoke, temperature, motion, etc.

Consumers Switch Brands Due to Setup Issues

Smart Home Devices: Actions Taken After Experiencing Setup (Q2/19)

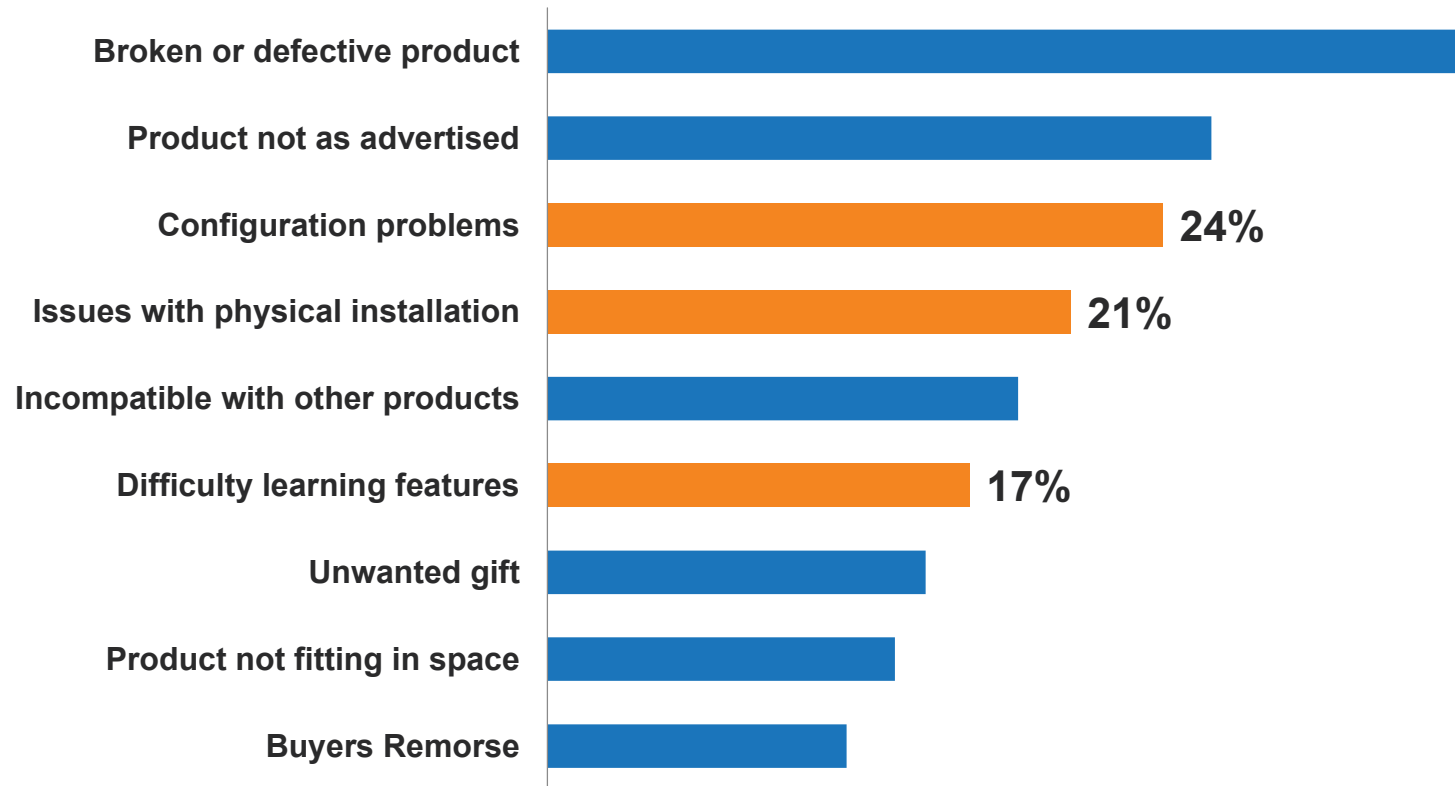### Among Smart Home Devices Owners Setting Up Devices Themselves

■ Returned device
■ Replaced it with a similar product from the same brand
■ Replaced it with a similar product from a different brand

	Easy (Rating 1-3) (n=211, ±6.75%)	Neutral (Rating 4) (n=100, ±9.8%)	Difficult (Rating 5) (n=70, ±11.71%)	Very difficult (Rating 6-7) (n=59, ±12.76%)
Returned device	19%	13%	19%	47%
Replaced it with a similar product from the same brand	11%	11%	16%	49%
Replaced it with a similar product from a different brand	10%	17%	29%	49%

Difficulty Installing/Using Products is a Big Reason for Returns

Reasons For Returning Products (Q2/19)

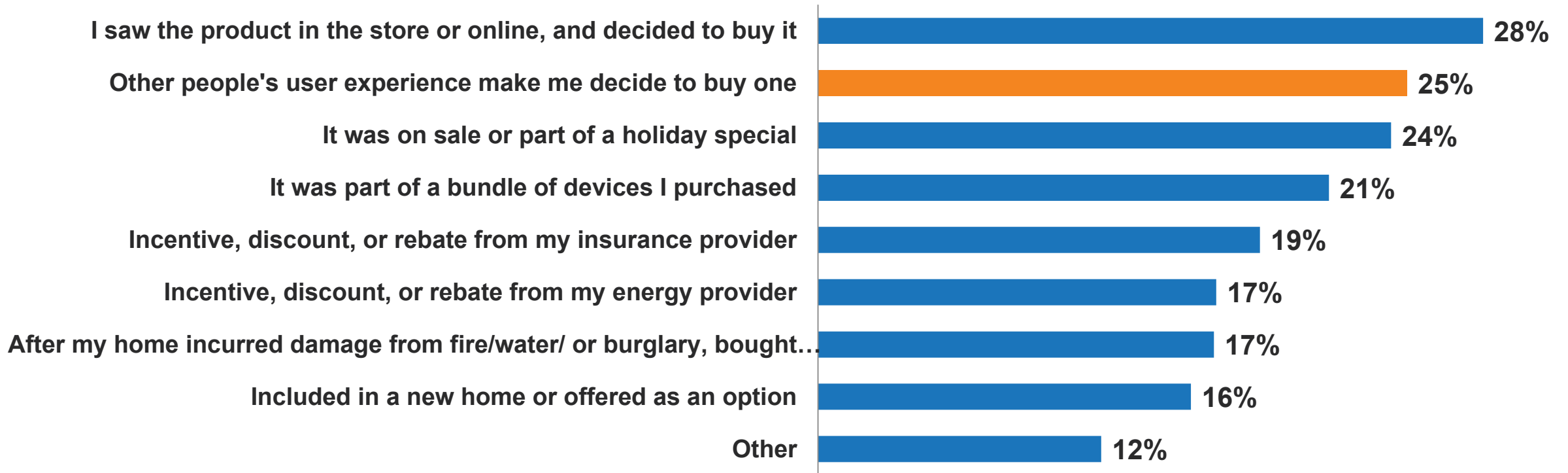**Among Heads of BB HHs Who Returned Any of 21 Tested Products in Last 12 Months, n=580, ±4.07%**

- Broken or defective product
- Product not as advertised
- Configuration problems — **24%**
- Issues with physical installation — **21%**
- Incompatible with other products
- Difficulty learning features — **17%**
- Unwanted gift
- Product not fitting in space
- Buyers Remorse

36% of those who returned a tested product type in the last 12 months cited difficulty installing and using products as a key reason for their return.

User Experience Helps Drive New Product Purchases

Triggers for Purchasing Smart Home Device (Q4/19)

Among US BB HHs that Acquired a Smart Home Device in Last 12 Months, n = 1,033, ±3.05%

Trigger	Percentage
I saw the product in the store or online, and decided to buy it	28%
Other people's user experience make me decide to buy one	25%
It was on sale or part of a holiday special	24%
It was part of a bundle of devices I purchased	21%
Incentive, discount, or rebate from my insurance provider	19%
Incentive, discount, or rebate from my energy provider	17%
After my home incurred damage from fire/water/ or burglary, bought…	17%
Included in a new home or offered as an option	16%
Other	12%

Speakers

Frank Zvi
Co-CEO
Copilot

My product has an app...

Added value for consumers

Stay on par with the competition

Data-driven development cycles

Next-Gen CE: A truly smart product

Building Relationship

Contextual Communication

From customers to promoters

Next-Gen CE: A truly smart product

Lifetime Value

Upgraded revenue model

Drive your product like a Tesla

Welcome to the
Next CE Revolution

Thank You!

copilot   Copilot.cx

Who in a consumer electronics organization should be responsible for maximizing the lifetime value of customers?

A. Sales

B. Marketing

C. Support

D. Product

E. None of the Above

Next-Gen CE: Reinventing Consumer Experience with IoT Data

Tejas Shah, SVP Product and CIO

Vision Statement

To bring peace of mind by connecting and protecting what people care about the most.

Mission Statement

We build trusted, lifelong customer relationships by creating innovative, smart security solutions that deliver an exceptional user experience.

REGISTERED ACCOUNTS

36% YoY Growth

Quarter	Value
Q1'17	0.86
Q2'17	1.09
Q3'17	1.33
Q4'17	1.67
Q1'18	1.92
Q2'18	2.20
Q3'18	2.49
Q4'18	2.85
Q1'19	3.13
Q2'19	3.40
Q3'19	3.70
Q4'19	4.02
Q1'20	4.26
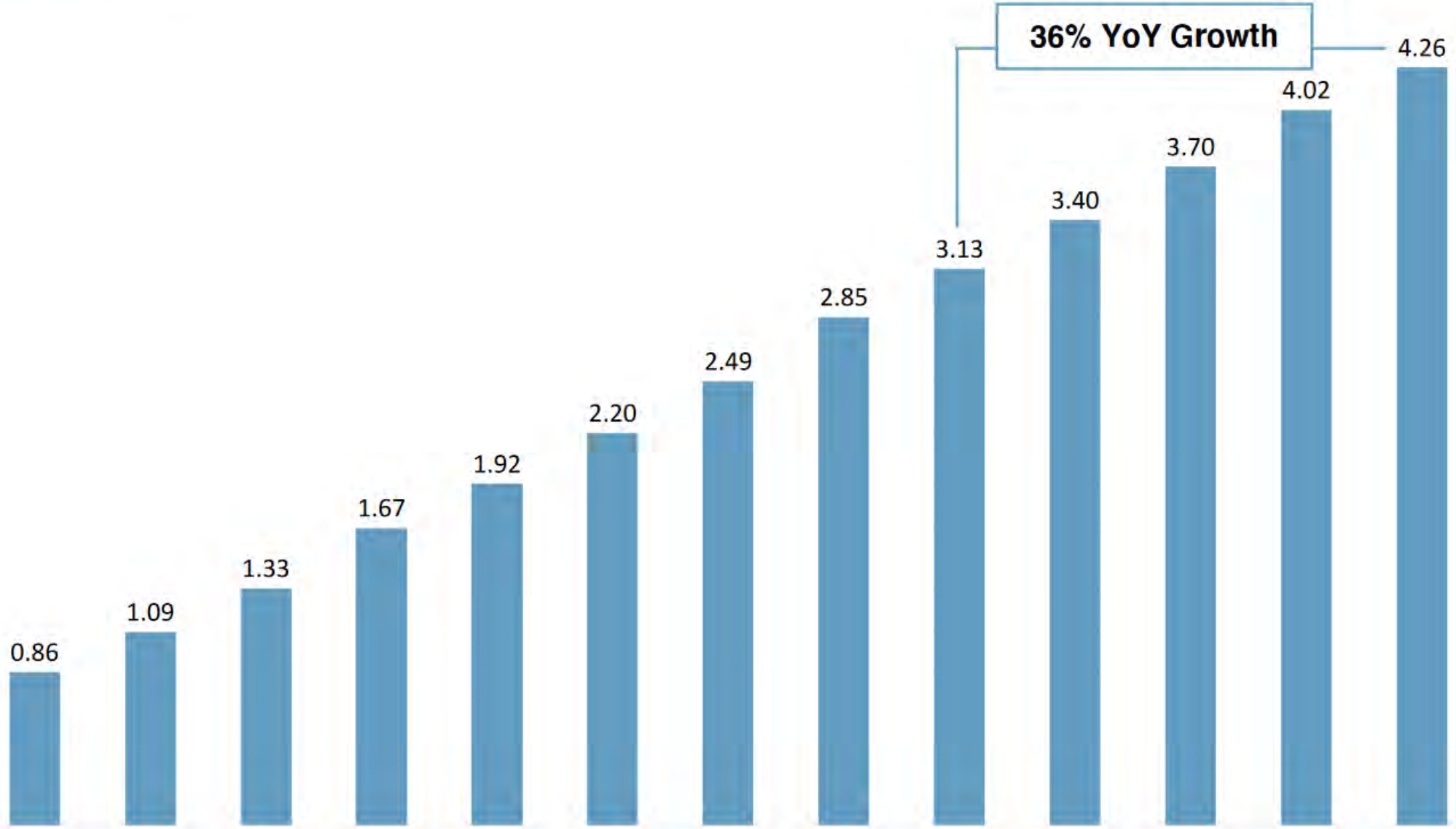
In Millions

BEST-IN-CLASS PRODUCTS

SIMPLY POWERFUL EXPERIENCE

The Arlo App is a simple interface that provides low latency yet powerful access to the Arlo platform.

Notifications

Near instant notifications of motion events from the Arlo system.

Live View

Ability to live view cameras and communicate through 2-way audio.

Recordings

Access to cloud storage of previous motion events and recordings.

System Control

Complete device control including arm status, turning lights on/off, and numerous other settings.

arlo

YouTube

500 hours

of videos uploaded every minute*

Instagram

100 million

photos/videos uploaded every day**

arlo

>850 hours

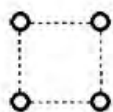of videos uploaded every minute

>180 million

videos uploaded every day

* Tubefilter 2019
** omnicoreagency.com, 2019

ARLO SMART™ SUBSCRIPTION

arlo
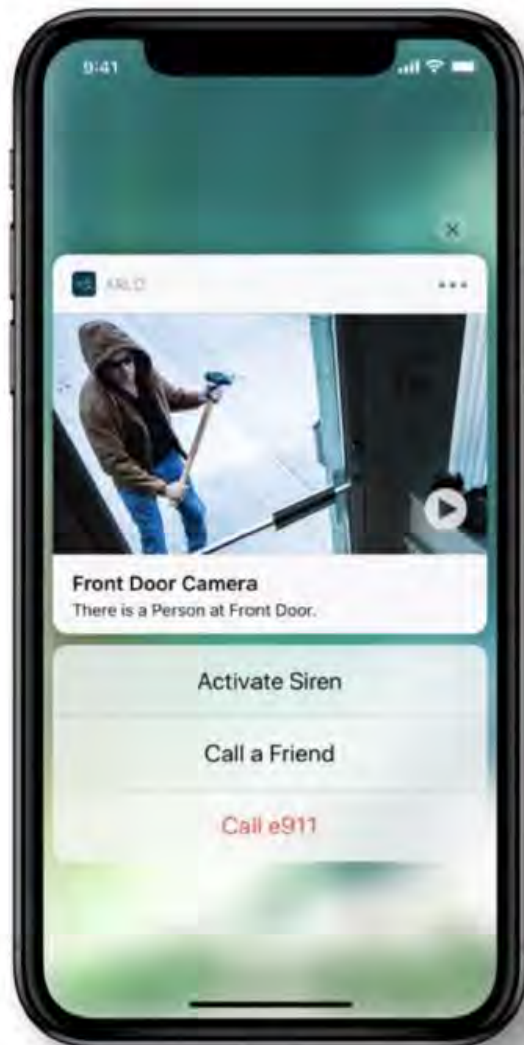
Interactive Notifications
See event snapshots, play videos, and take action from lock screen

Person Detection
Detection of persons in videos and motion events based on AI

Enhanced 911
One tap call to local emergency services no matter your location
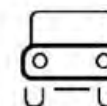
Vehicle Detection
Detection of cars and trucks in videos and motion events based on AI

Activity Zones
Fine tune areas that trigger motion events and notifications

Animal Detection
Detection of various animals in videos and motion events based on AI

Cloud Storage
30-60 days of cloud storage to save past events and videos up to 4K

Package Detection
Detection of packages and parcels in videos and motion events based on AI

Data Protection
Advanced security protocols backed by our Privacy Pledge.

Smoke/CO Alarm Detection
Detection of audible Smoke or Carbon Monoxide alarms based on audio AI

arlo
Privacy Pledge

arlo

Ownership: Your personal data belongs to you and you alone.

We don't monetize your personal data. Arlo is not in the business of utilizing your personal information as a commodity to make money.

Control: Your data is for your eyes only.

We are committed to practicing the highest standards for data protection in our industry to ensure that your personal information remains private and in your control.

Protection: We protect your private moments.

Arlo was founded as a security company first and foremost. We deliver industry leading security solutions that empower you to protect and connect with the people and places you love the most.

What would most improve your ability to support your customers?

A. Greater visibility into devices in the home

B. Improved access/control of consumers' devices

C. Better understanding and insights into users' behaviors and pain points

D. More support-related data from connected devices

E. More intuitive self-help tools/resources

F. Ability to contextually communicate with others

Discussion on Next-Gen CE Strategy

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Senior Vice President of Product
and Chief Information Officer
Arlo Technologies, Inc.

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Senior Analyst
Parks Associates

Frank Zvi
Co-CEO
Copilot

Audience Q&A

Thank You

Kristen Hanich

Senior Analyst

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WWW.PARKSASSOCIATES.COM