



The New Connected World

The Pandemic Kicked Technology Adoption Into High Gear Across all Generations



ASSURANT®

The Connected Decade

— 2020 - 2030 —

Adapting to the digital world around us.



The COVID-19 pandemic has massively impacted the way consumers interact, especially online. Working, learning and connecting from home became the norm as people around the world sheltered in place. Unsurprisingly, that led to increased consumer adoption of smart products that help us connect to each other. And it turns out that, once they become adopters, consumers have a much more positive outlook on smart

technology. That outlook translates into a higher intent to upgrade to newer product models and an increased willingness to try new connected products.

This year's Connected Decade research by Assurant found that the pandemic has led consumers around the world to embrace connected lifestyles more than ever before.

In the seven countries where the study was conducted, consumers across all nationalities reported a higher use of connected technology at home and an increased interest in future purchases.



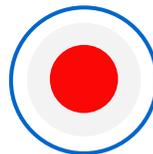
Brazil



Germany



Canada



Japan



U.K.



U.S.A.



Australia

“This year’s results clearly demonstrate the pivotal role connected technology is playing in consumers’ lives, as is the ability to get support and keep their products connected and protected. It is important that connected service and product providers work to match consumers’ evolving needs and concerns, especially as consumers place more value on connectivity.”

– Alan Colberg, ASSURANT CEO 



As the world continues its recovery, the way consumers define “home sweet home” has permanently altered. Connectivity is transforming from a “nice to have” to a “necessary to have,” making the concept of connected homes a major opportunity for connected service and product providers throughout the Connected Decade (2020-2030). With anywhere from **25-40% of the global workforce forecasted to work from home moving forward**, smart products

that provide comfort, accessibility and automation in the home environment are likely to be in high demand. Many consumers want to mimic their former office environments, leveraging technology solutions that provide ease of doing business, access to tech support and the collaborative systems they’re used to. Other consumers simply want to maintain the ability to connect to family and friends long-distance or maximize their ability to control and automate tasks around the house, like timed security system activations or temperature controls.

The increased familiarity with connected technology that was driven by **COVID-19 has opened up new market segments** that were lagging in adoption pre-pandemic, and laid the foundation for consumers to expand into new smart product categories they hadn’t considered previously. It also helped to identify key frustrations that connected lifestyle companies need to address to create repeat customers.



At Assurant, we’re using these types of insights to develop consumer-focused programs that help our partners win business around the world, including expanding advanced diagnostic tech support that helps consumers get the most out of the technology they’ve come to rely on; tailoring mobile trade-in and upgrade programs that support the adoption of 5G devices around the world; and using our global asset distribution network as well as our repair and logistics services to drive

a superior customer experience, creating a win-win-win for our customers, clients and the environment. As you read through some of our key findings, we’d love to hear more about your perspectives. Reach out to your Assurant contacts to trade ideas around how we can work together to support and expand the Connected Home and the Connected World.



Finding 1: Positive Outlook



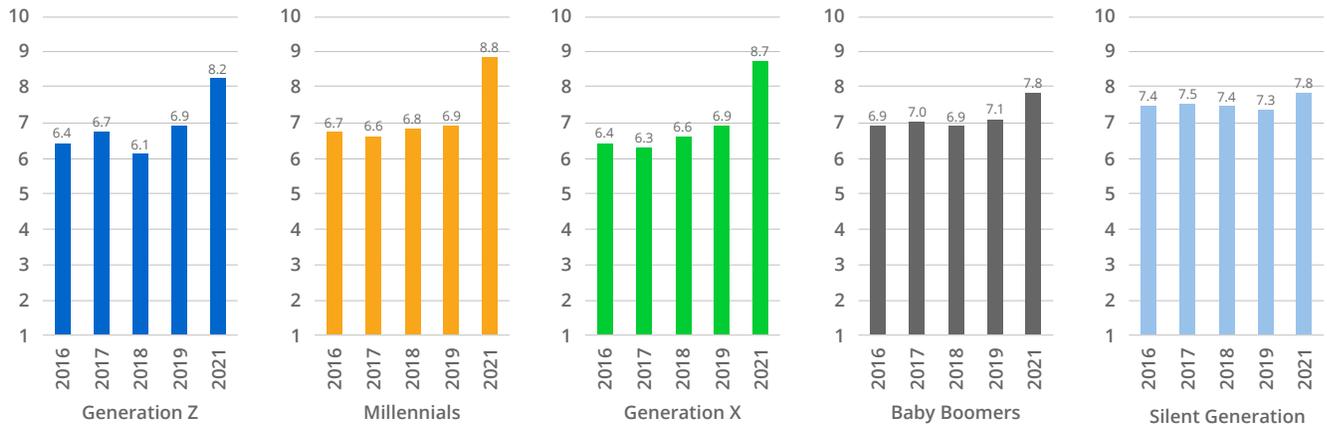
Millennials and Gen Z continue leading technology adoption, but, for the first time, the majority of all generations in almost every country surveyed now have a positive outlook on connected technology.

For the first time since Assurant started conducting this research six years ago, the global consumer outlook on connected technology is positive across a majority of every generation in almost every country. When asked if they think internet-connected consumer technologies have made life better or worse, the majority of respondents around the world say they believe technology is improving their lives.

In the U.S., the positive outlook on technology grew across the board in 2021, with the most notable upticks in Gen Z, millennials and Gen Xers. When measured on a 10-point scale where 10 equaled "made life better" and one equaled "made life worse," this group's perceived life improvement as a result of technology increased from an average of 6.5 in 2019 to 8.6 in 2021. And, when looking at baby boomers and the Silent Generation, 2021 saw the largest jump in positive sentiment since the inception of Assurant's Connected Decade research in 2016.

Impact of Tech On Life by Generation

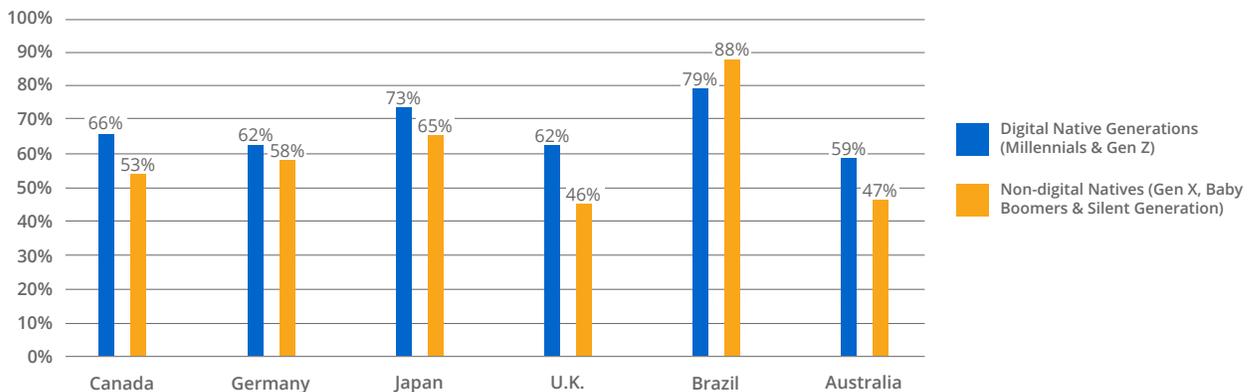
Weighted average, where "made life better" = 10 and "made life worse" = 1





This trend persisted in other countries, with the vast majority of Gen X, baby boomers and the Silent Generation adopting a positive outlook when it comes to technology's impact on our lives. The chart below highlights the percentage of respondents who share this positive outlook across the digital native generations (millennials and Gen Z) and non-digital native generations (Gen X, baby boomers and the Silent Generation). It's worth noting that, in the U.K., 55% of Gen Xers and 50% of baby boomers believe technology improves their lives, but the average response is dragged down by only 32% of the Silent Generation who feels the same way. Australia's consumers shared similar sentiments, with 54% of Gen Xers having a positive outlook and only 45% and 41% of baby boomers and the Silent Generation, respectively, sharing that sentiment.

Percentage of Digital Native vs. Non-Digital Native Generations Who Believe Technology is Having a Positive Impact on Life Across Countries (2021)



WHAT THIS TREND MEANS FOR YOU:

A new brand of customer.

- COVID-19 has turned former [technophobes](#) into potential customers and advocates for connected technology. This group is an attentive market segment now that they've experienced the ease of use and benefits of technology that let them do things like connect to loved ones long-distance, attend telehealth appointments or grocery shop online.

A stronger focus on service.

- Across the non-digital native generations, connecting smart products to Wi-Fi, understanding how to replace a broken product and data security continue to be the top concerns and product frustrations experienced by consumers around the world. As you look to drive adoption within this market segment, these consumers need different solutions than millennials and Gen Z. This group benefits most from onboarding help, tech support and clear explanations around the value of protecting their product to avoid costly repairs.



Finding 2: Increased Confidence

Relying on smart technology to work, learn and communicate from home during the pandemic has increased consumer comfort and confidence in connected technologies worldwide. This opens the door for you to drive adoption of the connected ecosystem to new heights.

Nearly every consumer segment surveyed in Assurant's Connected Decade research reported purchasing at least one new smart product during the pandemic. In the U.S., 66% of consumers connected at least one new or replacement device to their home Wi-Fi for the first time in 2021. That represents a 65% increase from 2019 numbers, but it still isn't enough to surpass Brazil, where 72% of consumers say they've purchased at least one new connected product during the pandemic. Other countries reported lower-but-still-significant rates of new purchases, with 44% of U.K. consumers and 40% of German consumers buying a new product. Australia, Japan and Canada saw 37%, 35% and 33% of consumers, respectively, making new connected purchases.

“Consumers around the world adopted new connected technologies during the pandemic, and we’re finding that their experiences with those technologies were largely positive. This bodes well for the connected service and product marketplace. While COVID-19 forced new uses of smart products, the positive experience consumers had with those products will be the driving force that continues increasing adoption. Similarly, we’ve learned from the frustrations consumers experienced and are able to provide support and protection to alleviate those frustrations moving forward.”

– Keith Demmings, ASSURANT PRESIDENT 

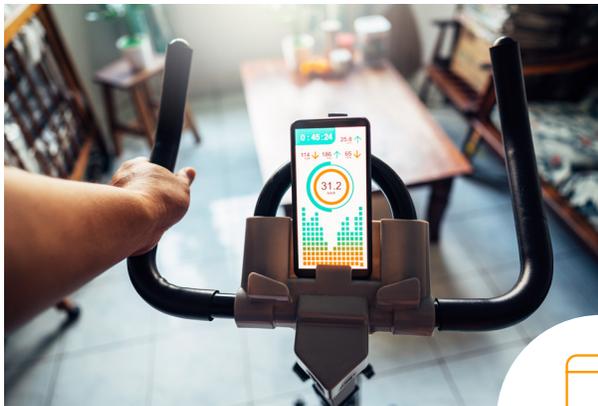




With their new smart products, **consumers across all generations gained new familiarity completing everyday tasks in a digital environment.** Connectivity increased the frequency with which they used technology to do things like use the internet, attend doctor appointments or work from home.

What do global consumers do more of since the pandemic started?

Activity	Percentage of global consumers who use connected technology to engage in activity more frequently
Use the internet	60%
Video conference	51%
Shop online	51%
Work from home	41%
Learn online	32%
Schedule and attend telehealth appointments	24%



As a result of the positive experiences global consumers had with technology during the pandemic, data shows they're poised to make new purchases in the future. For example, respondents to the Assurant Connected Decade study definitely plan to buy a newer version of their connected devices (e.g., smartphones, tablets, laptops, speakers, etc.) when they're made available. More than half of smartphone users (54%) said they are likely to upgrade in 2021 and 34% are extremely likely to do so. Similarly, consumers are now more aware of 5G than they were a couple years ago, and they're more likely to upgrade for its capabilities. Now, 36% of U.S. consumers are willing to upgrade for 5G capabilities, up from 25% in 2019. Interest in products like smart security systems, smart watches and connected appliances is also on the rise.



WHAT THIS TREND MEANS FOR YOU:

Connect with the right consumers.

- Based on the activities global consumers engaged in more frequently during the pandemic, you may want to pay special attention to [Utilitarian](#), [Leisure Seeker](#) and [Technophile](#) consumers. These are the people who are coming out of the pandemic with a higher-level understanding around how technology can add convenience and automation to their lifestyles, how to use connected products for entertainment purposes, and, on the more sophisticated end, the value of connecting multiple products across the same ecosystem for a seamless experience.

Keep innovating your products.

- A necessary increase in connected product purchases and use during the pandemic has opened the door for voluntary increases in repeat purchases and connected lifestyle adoption. Data shows that consumers, especially millennials and Gen Xers, are more likely to upgrade to newer models of the technology they've enjoyed using during the pandemic when it's available. Similarly, all generations are more interested in buying new smart tech products as a result of the positive technology experiences they've had over the last year and a half. Now is the time to optimize your sales strategies to capitalize on higher consumer familiarity with connected tech and ensure you're providing the solutions that help your customers continue expanding their connected ecosystems.

Take technology on the go.

- As consumers feel more comfortable leaving their homes and returning to pre-pandemic routines, they're taking their increased familiarity with technology with them. We expect to see higher interest in connected cars, emerging technology like AI, and adoption of 5G-enabled devices that provide higher speeds and increased bandwidth in and out of the home.

Stay connected across the board.

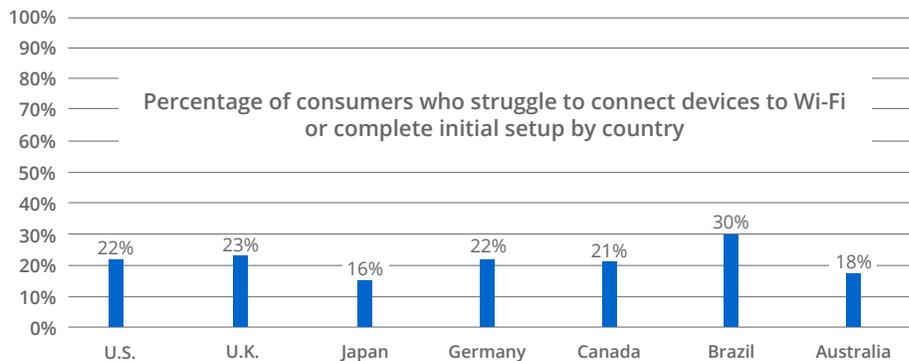
- With the increased adoption of technology inside and outside the home, consumers will naturally want all the smart products in their life to connect. This means that interconnectivity across the home, car and mobile device is going to be critical moving forward. Holistic, advanced diagnostic tech support, onboarding resources and installation services are now a necessity to help consumers develop and maintain a truly connected ecosystem.



Finding 3: Continued Frustrations

While their experiences with connected technology have been mostly positive, consumer frustrations and expectations have naturally increased as well.

For all the benefits and interest around connectivity amid the global pandemic, many consumers also expressed frustrations with their connected devices. In 2021, 46% of U.S. consumers said they encountered challenges with their connected products – a 35% increase from 2019. The most common frustrations U.S. consumers faced were connecting



to a phone or other smart device or Wi-Fi (22%), and insufficient troubleshooting self-help (18%). Establishing internet connectivity across smart products was a consistent frustration for consumers in other parts of the world as well.

“The number of consumers who struggle to connect their devices to Wi-Fi should be a big concern for connected product and service companies. For consumers to get the full value of their smart product, it needs to be connected to Wi-Fi and communicating with any other smart devices they own. Without this critical initial setup step, consumer satisfaction and likelihood of repeat purchases decreases. That’s why holistic support services like onboarding and installation for all products across the connected ecosystem – delivered via self-help, virtual support and in-home solutions - provide differentiating value that connected lifestyle companies can offer their customers.”

– Jeff Unterreiner, PRESIDENT, U.S. CONNECTED LIVING





While Wi-Fi connectivity is among the top consumer frustrations experienced, other common frustrations included broken or malfunctioning hardware, software glitches or crashes and confusion around how to operate the connected product purchased. And consumers want these issues solved quickly and more conveniently now, which is likely a result of increased reliance on technology during the pandemic.

Increased use of connected technology has led to:

- Higher consumer demand for repair options that are quicker and more convenient. Come-to-you device repair preferences rose 120% from 2020 to 2021; preference for same-day specialty repairs saw a 57% increase over the same period.
- A much higher need for tech support. Interest in on-demand tech support increased 44% from 2019 to 2021 as consumers relied more on technology to connect to others.
- More interest in protecting smart products against damage. Consumers are now 35% more likely to want insurance against loss, theft or damages than they were in 2019. Similarly, they're 24% more likely to explore an extended warranty at the time of purchase.

“The Connected World is conditioning consumers to want more, faster, easier. With information and solutions available in real-time online, people are becoming accustomed to solving problems quickly. And the increased speed of 5G and Wi-Fi 6 will only accelerate that. To keep up with consumer lifestyles and deliver premium customer outcomes, companies will need to provide faster, easier and contextually relevant resolutions including repairs when a device breaks and instant access to advanced tech support with the training to keep the entire connected ecosystem running smoothly.”



– Biju Nair, EVP & PRESIDENT, GLOBAL CONNECTED LIVING





WHAT THIS TREND MEANS FOR YOU:

Put your customers first.

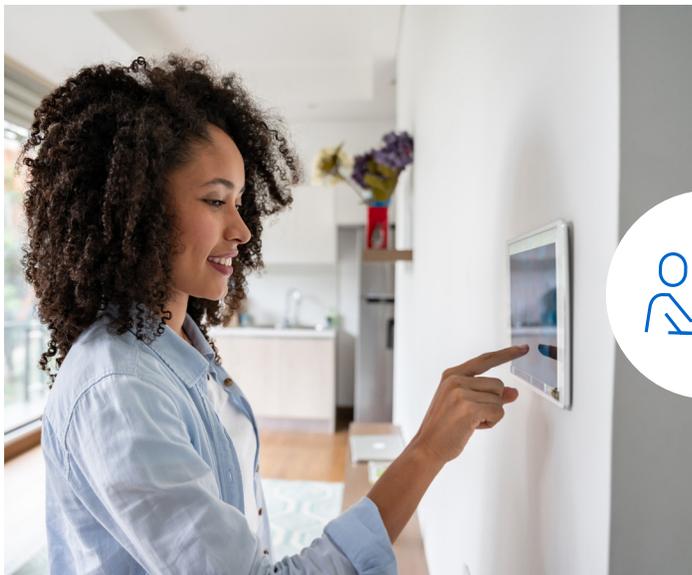
- Customer experience is the deciding factor when it comes to brand loyalty. Companies that provide a strong experience will be well-positioned compared to competitors that deliver mediocre or subpar experiences. This includes everything from comprehensive onboarding and setup to fast, efficient repair and replacement when necessary.

Give multiple customer-service options.

- Providing more choice when it comes to support and repair options will set your company apart. This is especially true for mobile devices since they act as [the heart of the connected ecosystem](#). Services like same-day specialty repairs in-store and at the consumer's home will become critical competitive advantages.

Provide the right support.

- The tech support you deliver will make or break a consumer's future connected product purchases. This is why Assurant's advanced diagnostic tech support takes a holistic approach, helping consumers fully integrate each smart purchase into their connected ecosystem to drive the highest likelihood of new and repeat purchases.





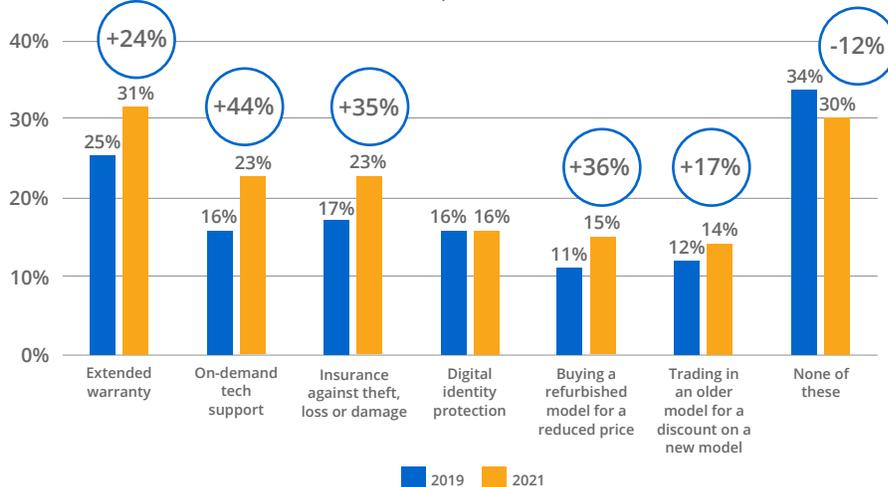
Finding 4: Support Demand

As consumers use connected products more regularly, they want an increased level of support from you.

With many people working from home for the first time, helping kids learn from home and using more streaming and video conferencing services than ever before, consumer use of connected products in the U.S. increased 50% from 2019 to 2021. Connected product usage is also notably up across all generations in the U.K. (41%), Japan (28%), Germany (31%), Canada (38%), Brazil (64%) and Australia (33%). Early technology adopters expanded their connected ecosystems during the pandemic, and laggard adopters were pushed into the ecosystem for the first time.

The result is that more consumers than ever before have established partially- or fully-functioning connected homes where smart products like security systems, appliances, entertainment systems and home-office printers are controlled from their mobile devices. And they want the premium level of support required to optimize and maintain the connected home ecosystem they've started to invest in.

Factors Likely To Positively Influence Product Purchases (Across products)



Of the different types of support needed, the largest increase in interest from 2019 to 2021 was in on-demand tech support, which jumped 44%. Clearly there's a growing need for consumers to get expert guidance with installing, connecting and using their connected purchases. The impact of offering insurance against theft, loss or damage and extended

warranties grew 35% and 24%, respectively. There's no doubt that increased reliance on connected technologies has heightened the importance of support and protection products for consumers during the last two years.

“With interest in smart technology and mobile devices at an all-time high, connected technology adoption is at an inflection point. Consumers have a strongly positive outlook on smart products, but they want additional support and protection options to make them feel comfortable in



purchasing new products or upgrading to newer models. It's up to connected product and service companies to meet consumer demand for these services, which is where Assurant comes into play.”

– Jeff Unterreiner, PRESIDENT, U.S. CONNECTED LIVING



WHAT THIS TREND MEANS FOR YOU:

Satisfying current and future customers.

- Consumer demand is positioning you well to capture new market segments and increase penetration across existing customer segments. The right protection and support products make a big difference in your ability to execute on this opportunity.

Become an industry innovator.

- While switching providers is often cumbersome, you want a leader in connected technology support services and protection products to be behind your customer experience. This increases your ability to deliver premium customer experiences, drive brand loyalty and capture new consumers.

About ASSURANT®

Assurant is a Fortune 500 company that partners with leading brands around the globe to connect, protect and support more than 330 million consumers worldwide. We have extensive experience helping large and small connected product and service companies switch providers, driving increased customer satisfaction and delivering consistent financial results when partnered with Assurant. Reach out to our team to learn more.

 EXPLORE ASSURANT