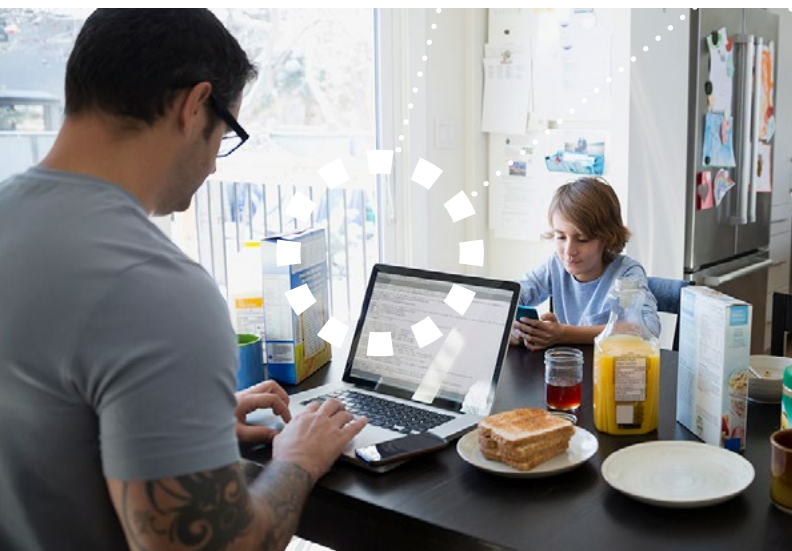
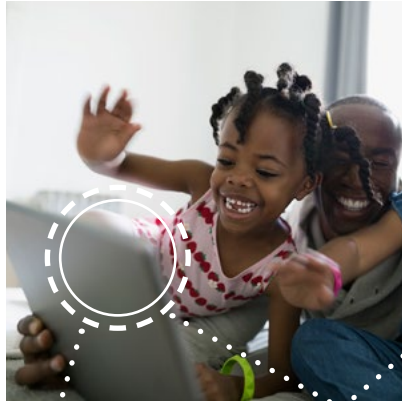


The New Connected World



**The Pandemic Kicked
Technology Adoption
Into High Gear Across
all Generations.**

Adapting to the digital world around us

The COVID-19 pandemic has massively impacted the way consumers interact with the Internet of Things. 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 — Australia, Brazil, Canada, Germany, Japan, UK and U.S. — where the study is 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



UK



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 their 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 collaborative systems they're used to. Other consumers simply want to maintain the ability to connect to family and friends long-distance or maximise 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, laid the foundation for consumers to expand into new smart product categories they hadn't considered previously, and identified 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 programmes 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 programmes 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 discuss how we can work together to support and expand the Connected Home and the Connected World or email hello@assurant.com.

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).



Finding 1: Positive Outlook

For the first time in Assurant's 6 years of researching connected consumer trends, the majority of people across every generation in almost every country surveyed have a positive view of connected technology.

Among its many impacts, the COVID-19 pandemic accelerated the adoption of connected products around the world. Smart technology quickly became the primary method many of us used to connect to family and friends, and to work or learn from home – and it performed well.

A Generational Breakdown of Smart Tech Use

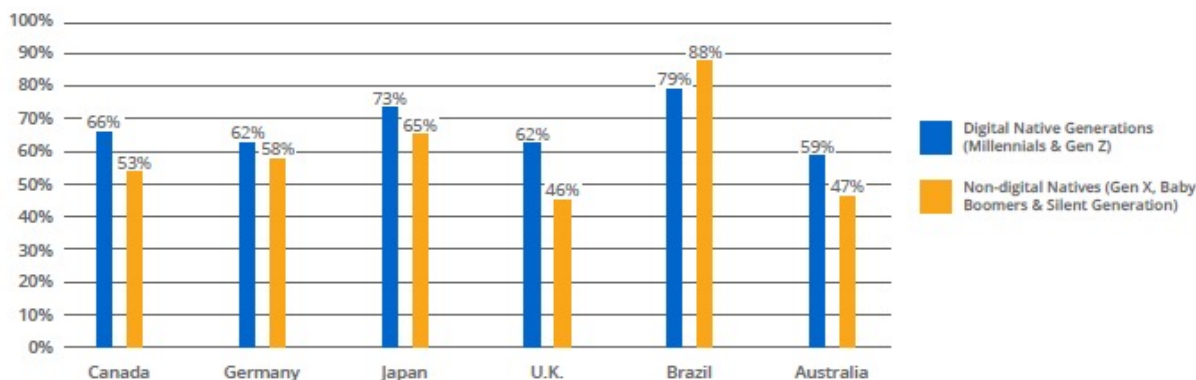
It's no surprise digital natives — Millennials and Gen Z consumers — like connected technology. That's long been the case. But this year, when asked if connected consumer technologies have made things better or worse, every other generation agrees with their younger counterparts; they say technology is improving their lives.

It's easy to see how social distancing and shelter-in-place mandates played a key role driving not only technology adoption but also positive sentiment around smart tech. Here's why:

- Many people shifted to a work-from-home (WFH) model that was enabled by technology. While Millennials and Gen Z may have worked from home pre-pandemic, Gen X-ers and Baby Boomers were more likely to have experienced WFH for the first time as a result of COVID-19. They got front-row seats to the benefits it provided, including:
 - More time at home with family
 - Less time commuting
 - Lower overhead costs

This trend persisted in other countries (see below table) 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 percent 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.S. the most notable uptakes were in Gen Z, Millennials and Gen X-ers, who perceived life improvements as a result of technology. Australia's consumers shared similar sentiments, with 54% of Gen X-ers having a positive outlook and only 45% and 41% of Baby Boomers and the Silent Generation sharing that sentiment respectively.

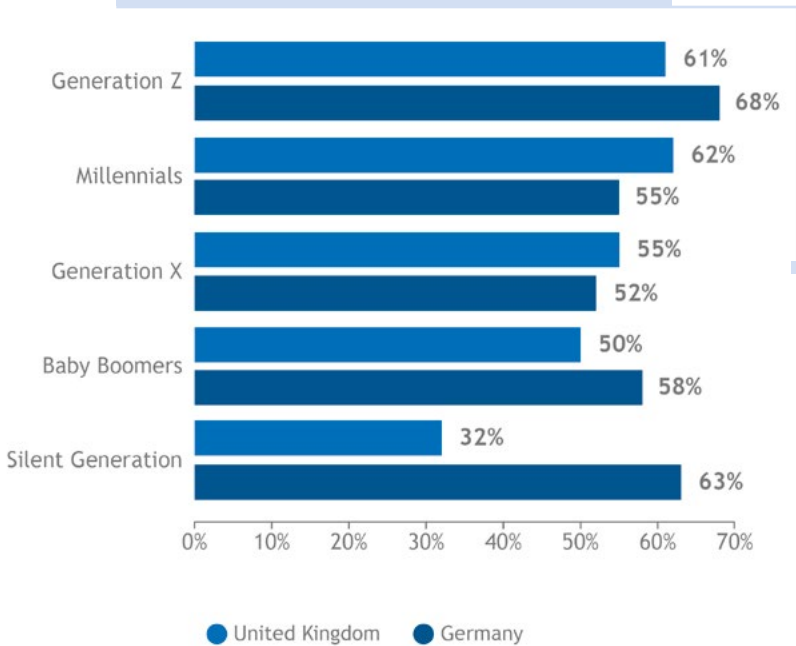
Percentage of Digital Native vs. Non-Digital Native Generations Who Believe Technology is Having a Positive Impact on Life Across Countries (2021)



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

In the UK and Germany, the positive outlook on technology was strong across the board with the highest positive responses coming from UK Millennials (62%) and German Gen Z (68%) respondents. When looking at the Silent Generation in Germany, it shows that 'internet-connected consumer technologies' significantly 'made life better' with 63% in agreement. This is almost 50% more when compared to just 32% of UK respondents. For the Baby Boomers generation, the results were much closer by comparison with only 8% difference between the two European countries.

Positive impact of Technology by Generation



Across nearly every country surveyed, connected technology use was up. Whether it was working or learning from home or online shopping, consumers spent a lot of time with their technology completing tasks remotely.

As consumers who were once slower adopters of technology started using more remote services, they naturally became more willing to purchase equipment to support those services. While most people who purchased a connected product said they purchased it for themselves (more than 75%), nearly a quarter (23%) purchased a smart product for a child or parent.

New Connected Purchases During the Pandemic

	Japan	Germany	Canada	Brazil	Australia	UK
Use internet	46%	49%	60%	87%	50%	66%
Video conf.	36%	44%	53%	73%	44%	55%
Online shop	39%	45%	52%	76%	40%	55%
Work from home	28%	37%	32%	74%	31%	42%
Learn	21%	25%	26%	70%	19%	32%
Telehealth	12%	14%	30%	39%	30%	20%

WHAT THIS TREND MEANS FOR ASSURANT'S CLIENTS:

Greater positive regard for connected technology spells opportunity in three main areas for providers of connected products and services.

- 1. COVID-19 has turned these 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.
- 2. Older consumers want targeted support.** Gen X, Baby Boomer and Silent Generation consumers are concerned about replacing broken products, data security, and product know-how. To drive adoption and loyalty in these segments, provide onboarding help, tech support and clear explanations around the value of protecting products to avoid costly repairs.
- 3. Flexible tech support is on everyone's radar.** With more people connecting from home now and in the future, flexible tech support options are critical. Everything from self-service digital solutions to assisted advanced diagnostic tech support is the key to winning business from digital consumers across generations.



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, opening 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 66% 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 UK 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 Meier, president, International, Assurant

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.

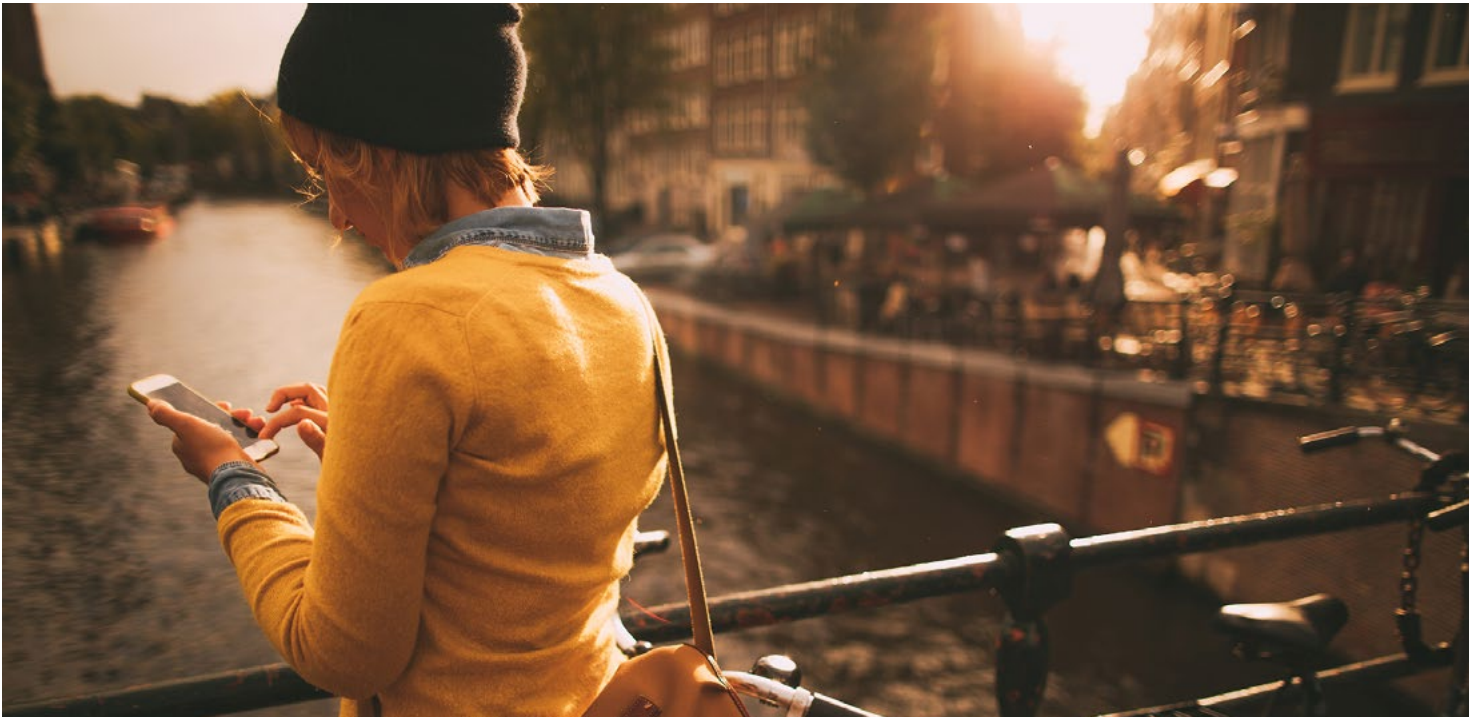
What do global consumers do more of since the pandemic started?

Activity	Percent 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. For the UK and Germany, there was an exact 50/50 split for users, as they were equally divided on whether they were likely to upgrade in 2021. Both countries stated that 'price' and 'flexibility' were the most important factors when considering an upgrade. For Germany, a quarter of consumers said they are 'a lot' more aware of 5G but wouldn't be more likely to upgrade for its capabilities. Generationally, Germany showed a leap in 5G recognition by Gen Z between 2020 and 2021, with an increase of nearly a third (27%) either seeing or hearing about 5G. By comparison, the UK Gen Z audience only increased their awareness by 10%, closely followed by Gen X with a 9% increase in awareness.

WHAT THIS TREND MEANS FOR ASSURANT'S CLIENTS:

- **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 X-ers, 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 optimise your sales strategies to capitalise 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 that UK consumers faced were internet connectivity and/or speed issues (16%) and software bugs, glitches, or crashes (13%). For Germany, the same frustrations were felt, with 15% for internet frustrations and 13% frustrated by bugs and glitches. Establishing internet connectivity across smart products was a consistent frustration for consumers in other parts of the world as well.

Percentage of consumers who struggle to connect devices to Wi-Fi or complete initial setup by country

U.S.	Japan	Germany	Canada	Brazil	Australia	UK
22%	16%	22%	21%	30%	18%	23%



“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, and ongoing support to provide uninterrupted connectivity, consumer satisfaction and likelihood of repeat purchases decreases. That’s why holistic support services like onboarding and installation for all products across an evolved connected ecosystem – delivered via self-help, virtual support and in-home solutions - provide differentiating value that connected lifestyle companies can offer their customers. This trend is certainly accelerating in all the major markets Assurant studied.”

[Christian Formby, president - Assurant Europe](#)

While Wi-Fi connectivity is among the top consumer frustration 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.



WHAT THIS TREND MEANS FOR ASSURANT'S CLIENTS:

- **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

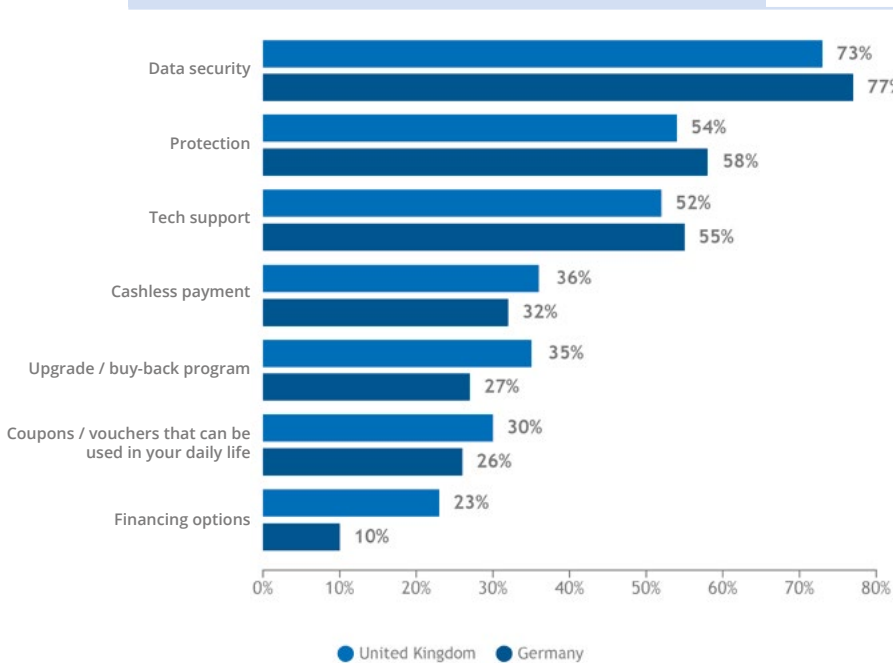
As consumers use connected products more regularly, they want an increased level of support.

With many people working from home for the first time, helping children access online learning, 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 UK (41%) Germany (31%), Japan (28%), 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 optimise and maintain the connected home ecosystem they've started to invest in.

For the UK and Germany, the top requirements needed from consumers' network providers, were Data Security, followed by Protection and Tech Support. With the introduction of the Data Protection Act (2018) and the average handset now costing £355 in the UK, it is no surprise that these were the top requirements from network providers, as consumers clearly have a growing need to ensure that their data is secure as well as protecting their financial investment in their devices.

Which services do you want from a mobile network?



WHAT THIS TREND MEANS FOR ASSURANT'S CLIENTS:

- **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.



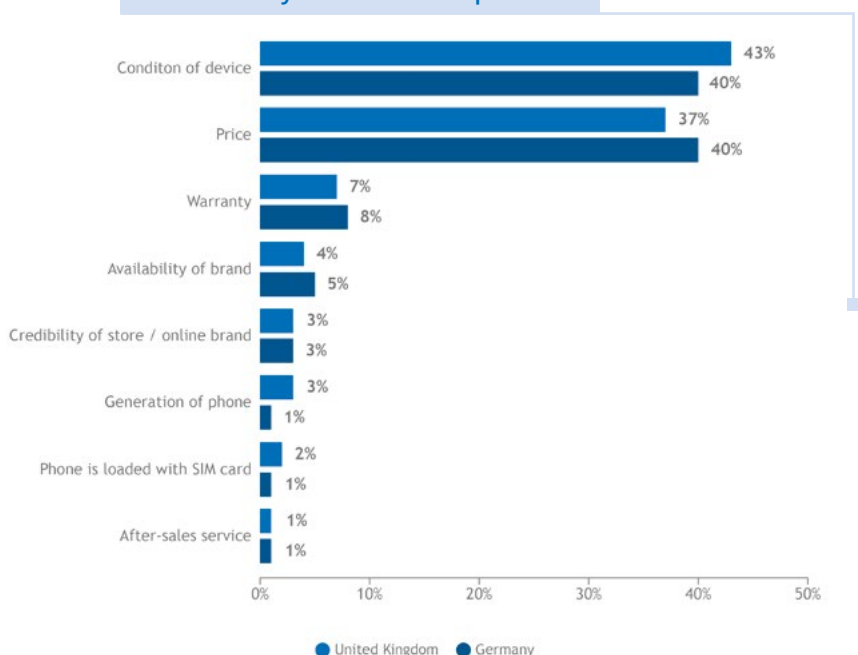
“With interest in smart technology and mobile devices at an all-time high, connected technology adoption is at an inflection point. Consumers have a strongly positive outlook on smart products, but they want additional support and protection options to make them feel comfortable in purchasing new products 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.” [Marco Prada – Managing Director Central & Southern Europe](#)

Finding 5: Interest in Refurbished Devices

In continental Europe, purchasing refurbished devices is still not as popular as premium new devices, but in the UK, they surpass buying a new device.

When it comes to looking at the refurbished device market, there is clearly a growing interest for consumers to consider a secondhand device. This is subject to important factors such as the condition and cost of the device, and warranty for their connected purchases.

What factors are important when you decide to buy a second hand phone?



For the UK, 47% would consider purchasing a refurbished device and 9% already purchased a secondhand smartphone/refurbished device previously. Consumers in Germany aren't far behind, with 39% considering a refurbished device and 5% having already purchased one. Consumers have a strongly positive outlook on secondhand devices, but they want additional factors to support and protect their choice to make them feel comfortable in purchasing secondhand products. It's up to refurbished device market providers to sooth consumer concerns for these services, which is where Assurant comes into play.



WHAT THIS TREND MEANS FOR ASSURANT'S CLIENTS:

- As the refurbished market grows, you want to partner with a leader in providing quality secondhand devices that are cost efficient and in like-new condition to enhance your customer experience. This increases your ability to drive brand loyalty and capture new consumers.
- Assurant's bespoke UK-based Device Care Centre, provides the capabilities to support your consumers if they face issues with their mobile devices. This includes testing, repairing and replacing broken devices, so that your customers can stay connected and carry on with their lives with as little disruption as possible. With new technology, such as Assurant RescuTech, for liquid damaged devices, we have ensured over 80% of the devices we receive are fully dried and returned to full working order. RescuTech uses patented technology, which is exclusively available to Assurant in the UK.



"We have seen a clear shift in acceptance and desire to purchase refurbished devices. With new cosmetic reconditioning technology enabling a used device to be taken back to a 'like new' status and society's growing consciousness of a sustainable planet, the benefits of refurbished devices are substantial. Collectively it becomes clear why the interest for refurbished devices is growing, especially in the UK".

[Dane Hipkin – Business Development Director Assurant Europe](#)

Find out more about how the Device Care Centre is a key part of Assurant's offering to your customers. Email us today: hello@assurant.com