High touch retail environments, home monitoring via a service provider, and turnkey systems in new homes are three approaches that will help home automation vendors penetrate what has until now proved a stubborn market, says ABI Research.

Using a combination of these, home automation vendors can expect to build revenues for wireless home automation nodes from a historical $1.1 million in 2005 to more than $58 million in 2011.

"For many years, home automation technology was available to consumers only in niche markets," says ABI Research senior analyst Sam Lucero. "At one end of the spectrum were technophile hobbyists; at the other were homeowners with custom home automation systems costing up to $100,000 or more. But home automation has largely been ignored by the vast majority of mainstream consumers."

Three new strategies may change that, according to ABI Research.

The first is a move by big-box retailers to add a new "high touch" environment within their massive stores: a store-within-a-store concept, in which knowledgeable staff can demonstrate home theater products and networks to customers. Customers who enjoy the advantages of networked entertainment are likely to see the benefits of automated control of lighting, climate and window coverings as well. "High touch consumer electronics retailers are ideally positioned to capitalize on this market dynamic," says Lucero.

Two US companies, iControl and Xanboo, have taken a different tack. They offer customers the ability—through service providers such as ISPs, cable companies and mobile operators—to monitor conditions in their homes remotely. Although home monitoring services are at a very early stage of deployment to mainstream consumers, ABI Research believes the service provider channel shows much promise.

Finally, says Lucero "There is growing interest among builders in offering home automation technology as a standard option. Builders are well-positioned to demonstrate new home automation technologies in model homes, and to educate potential buyers about their benefits." A new class of technology vendors is focusing on the use of standard technologies such as ZigBee and Z-Wave to create packaged solutions. These vendors include Control4, Cortexa Technology, Exceptional Innovation, and Nobu, and all are looking closely at new home builders as a key channel.

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