

AT&T to sell home automation, security packages

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NEW YORK (AP) — AT&T Inc. is launching its home security and automation service in 15 cities Friday, with an eye toward getting customers hooked on security cameras, thermostats and locks they can control from phones and tablets.

AT&T's "Digital Life" packages will be sold in cellphone stores in markets including Los Angeles, Chicago, San Francisco and Miami. The company plans to roll the offering out to 50 markets by the end of the year.

The home monitoring and automation field is dominated by security firms such as ADT Corp. Other phone and cable companies sell security packages, but AT&T is going further than competitors by developing its own technology and selling it nationwide, not just where it provides local phone service. It has set up monitoring centers, in Dallas and Atlanta.

The entire U.S. home security market is worth about \$18 billion per year, said Glenn Lurie, who is in charge of expanding the reach of AT&T's network to new types of devices. That's small compared to AT&T's \$127 billion in annual revenue. But only 20 percent of homes have security systems, so there's an opportunity to expand the market, Lurie said.

The initiative comes as the wireless industry has slowed after a decade of heady growth. Now that nearly everyone has a cellphone, wireless companies are looking for other sources of growth.

"We see huge opportunity here. This is a significant, billion-dollar opportunity for AT&T," Lurie said.

AT&T is also hoping to get customers to pay more than the typical \$40 per month for home security alone, by providing connections to wireless cameras and other sensors.

AT&T will charge \$250 for the equipment and installation of a home security package, plus \$40 per month. Options include a camera package for \$10 per month plus equipment and installation, climate control for \$5 per month, and a remote water main shutoff control for \$10 per month.

The equipment ties into a central control panel which can be programmed through the app or Web interface to, for instance, shut off the water main if the water sensor detects a leak.

A basic, security-only package will cost \$150, plus \$30 per month.

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Ralph De La Vega, head of AT&T's wireless division, said employees who tested Digital Life in Atlanta and Dallas last year bought a lot more cameras than the company had been expecting. One of them set a camera to be triggered by motion sensor on the front porch, and nabbed a thief who had been stealing packages.

Only about 1 percent of homes have automation systems, and De La Vega said this could be a big opportunity as well. He's happy he can now check whether his garage doors are open and close them from his phone.

"It's just getting people used to living a different way ... We haven't even begun to tap into the available marketplace. I think the idea is huge," De La Vega said.

The central panel connects to AT&T's wireless network, but should also be connected to a wired Internet modem for redundancy, AT&T said. Any Internet connection will work — it doesn't have to be AT&T's.

Two years ago, AT&T bought Xanboo, a smart-home technology startup. Last year, AT&T announced its plans to launch Digital Life nationwide, and ran trials with employees in Dallas and Atlanta.

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