INDIA IS BUYING SMART DEVICES; SMART LIVING HAS YET TO SCALE

A view of India's next smart-home opportunity

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August 2026

Table of Contents

India's Smart-Home Market Is Expanding Faster Than Smart Living

The immediate opportunity is no longer to prove basic demand. It is to understand which moments, benefits, and frictions determine whether a connected device becomes part of daily living.

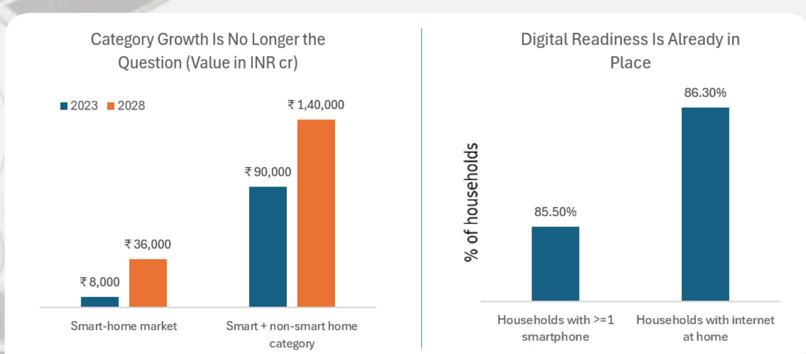
In many Indian homes, the day no longer belongs to a single room or a single routine. The living room has become an entertainment zone, a work corner and, in some households, even a classroom. The kitchen is expected to be efficient, the bedroom restful and the entire home responsive. That shift helps explain why India's smart-home story has moved beyond early premium novelty and is entering a broader, utility-led growth cycle.

The market numbers reflect that momentum. Various sources estimate the smart-home category at about ₹8,000 crore in 2023, with the potential to reach ₹36,000 crore by 2028, while the wider smart and non-smart home category could grow from roughly ₹90,000 crore to ₹1.4 lakh crore over the same period.

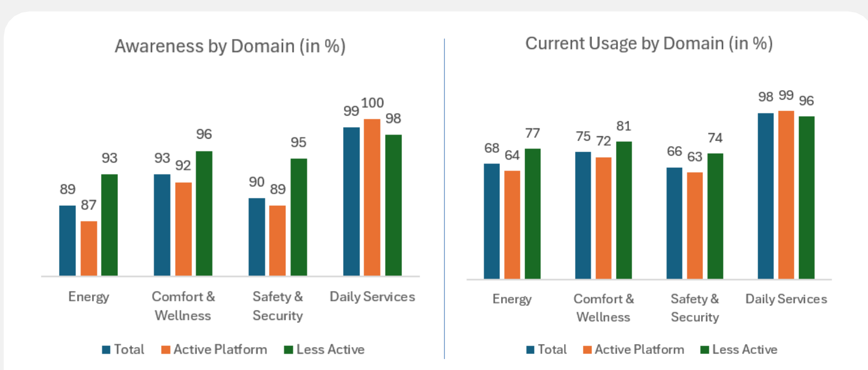
That growth is underwritten by a stronger digital foundation than many brands may assume. The Government of India's telecom survey shows that 85.5% of households already have at least one smartphone and 86.3% have internet access at home. NIQ research suggests that access is no longer the primary barrier; the more important question is whether connected products can become part of everyday household behaviour.

That is where the story becomes more interesting. Awareness is high across key smart-home domains - Energy (89%), Comfort & Wellness (93%), Safety & Security (91%) and Daily Services (99%). Yet current usage drops materially outside daily-service devices: Energy 68%, Comfort & Wellness 75%, Safety & Security 66%, versus Daily Services at 98%. In other words, India is buying into the category faster than it is living with it at scale.

This gap matters strategically. It suggests that Indian households are open to experimenting with smart products, but habit formation still begins with devices that solve immediate, repetitive tasks - TVs, washing machines, refrigerators, ACs and speakers - before extending to deeper automation around energy, security and care.



Sources: Government of India Telecom Survey



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- *Active Platform users - Use smart platforms more than once a week*
- *Less Active users - Use smart platforms once a week or less often*

The Consumer Journey Is Shaped by India's Multi-Constraint Home

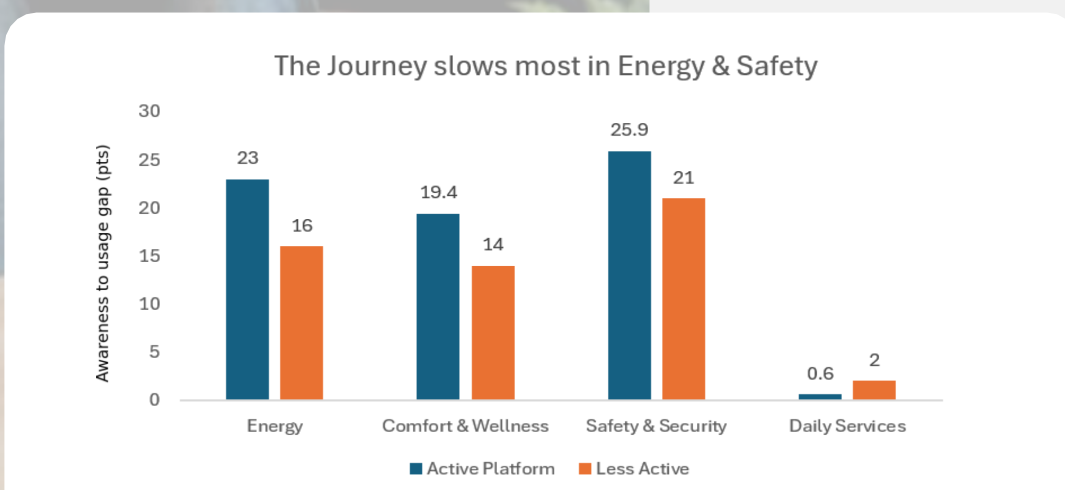
If the first chapter of the category has been about adoption, the second is about lived reality. The Indian home is structurally different from the "single user, single app, single room" assumption embedded in many global smart-home journeys. It is often multi-user (parents, children, elders, domestic help), multi-room (devices spread across living areas, bedrooms and utility spaces), and multi-constraint (space limits, variable connectivity, established routines and differences in digital confidence).

NIQ qualitative research conducted in 2026 reinforces the same point. Indian consumers increasingly describe the home as "Home++": office, classroom, café, gym and entertainment space rolled into one. In other words, the smart-home challenge in India is not automation alone; it is applicability under real household constraints.

That is why household-level design matters. Shared permissions, room-based scenes, visibility for elders, easy overrides for domestic help and role-based notifications for parents are often more valuable in India than abstract control sophistication. The winning experience is not only smart; it is also socially and spatially usable.

Looking at the picture through the lens of Active Platform users (use more than once a week) and Less Active users (use once a week or less often) reveals where the journey slows:

- At the overall level, awareness-to-usage gaps are widest in Safety & Security (24.4 pts) and Energy (20.9 pts).
- The Active Platform user segment converts better than the Less Active user segment across every domain, but even this more engaged cohort still sits meaningfully below awareness in Energy (87.5% aware vs 64.5% using) and Safety & Security (89.1% aware vs 63.2% using).
- Daily Services remains the only near-fully-converted category, with awareness at 99.1% and usage at 98.1%.



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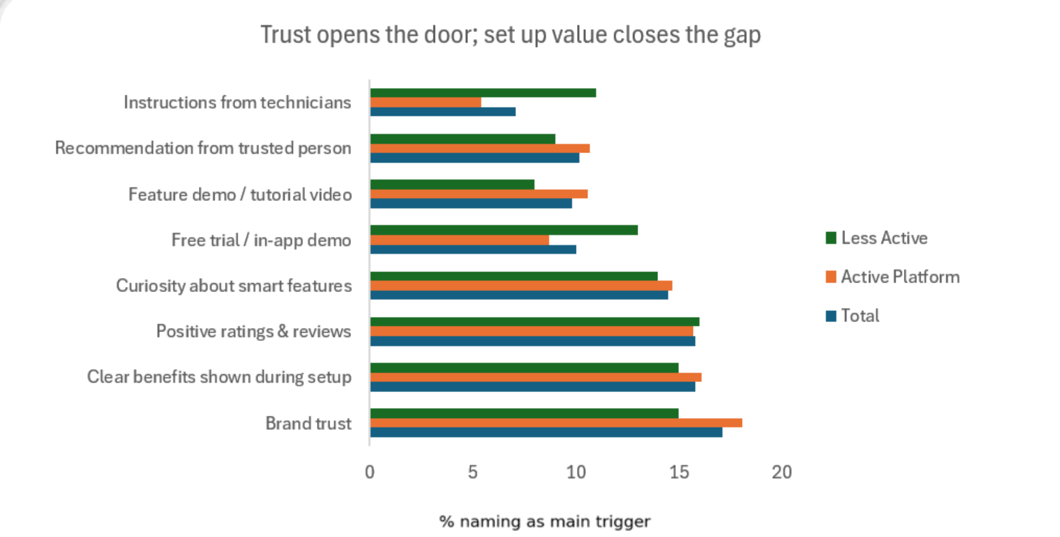
What prompts households to invest in smart-home platforms?

- The strongest single trigger for trying a smart appliance app is Brand trust (17.1%), followed by clear benefits shown during setup (15.8%) and positive ratings and reviews (15.8%).
- The Active Platform user segment remains strongly trust-led (18.1%), while also showing greater openness to curiosity, reviews and social validation.
- The Less Active user segment is more dependent on visible, setup-led reassurance: technician guidance (11%) and clear benefits shown during setup (15%) matter more here than they do for more active users.



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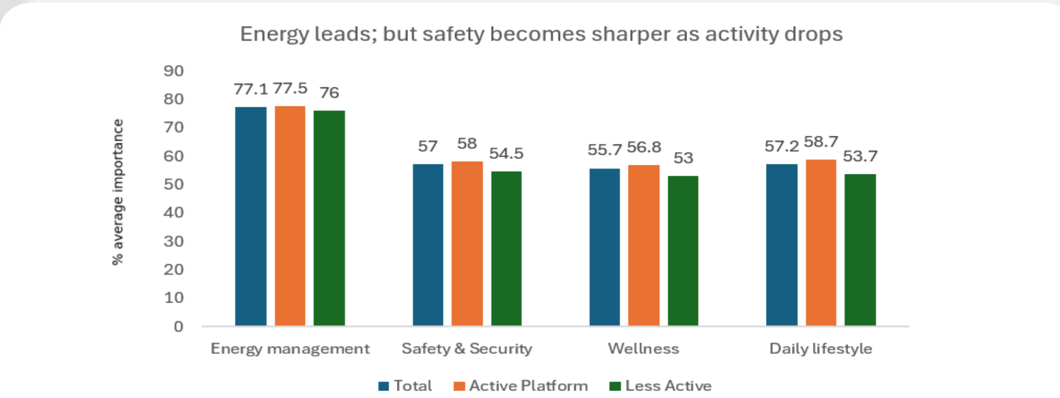
Which smart-home domains matter most?

- Energy management is the strongest interest domain in the Total segment (77.1%), driven by energy consumption tracking and cost-efficiency.
- The Active Platform user segment is also energy-led (77.5%), but Safety & Security rises sharply among the Less Active user segment (54.5%).

NIQ research suggests that these are two distinct narratives:

1. Active platform users respond more strongly to measurable control and efficiency
2. Less Active users respond more to reassurance, family safety and home protection.



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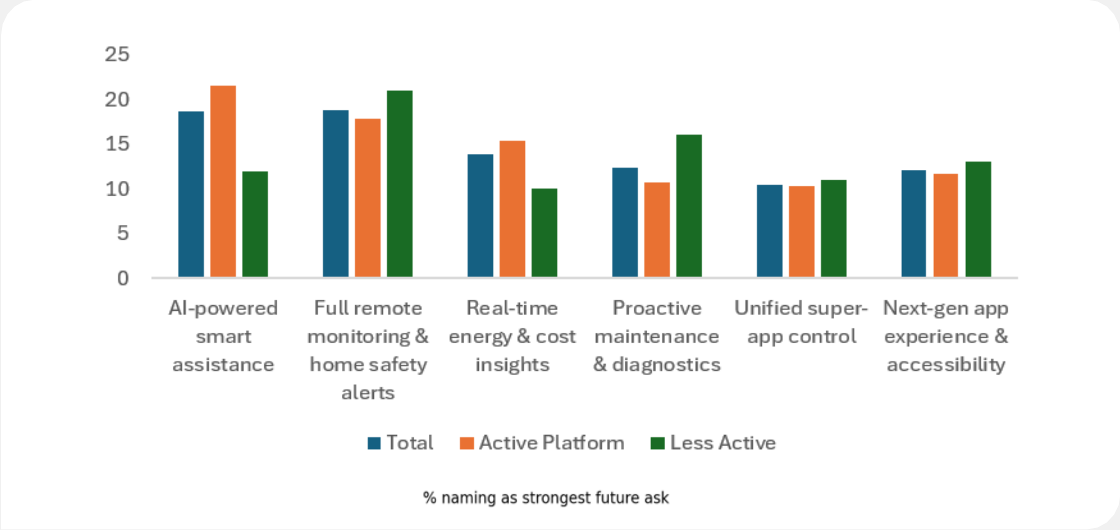
What expectations are forming for the next wave of features?

- AI-powered smart assistance is the strongest main future ask in the Active Platform user segment (21.5%).
- Full remote monitoring & home safety alerts are the strongest future ask for the Less Active user segment (21%).
- Real-time energy and cost insights cut across all segments, underlining that practical ROI remains central to the category's next phase.

The next wave is expected to be more intelligent, safer and more useful



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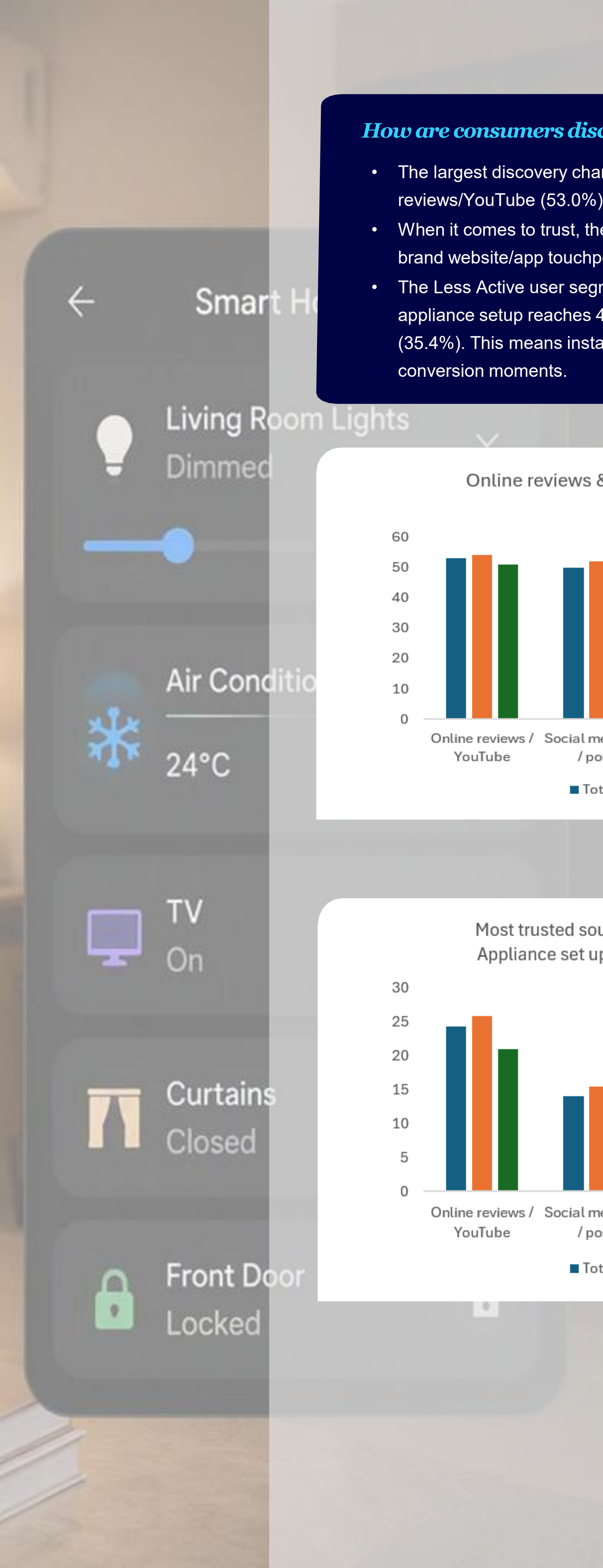
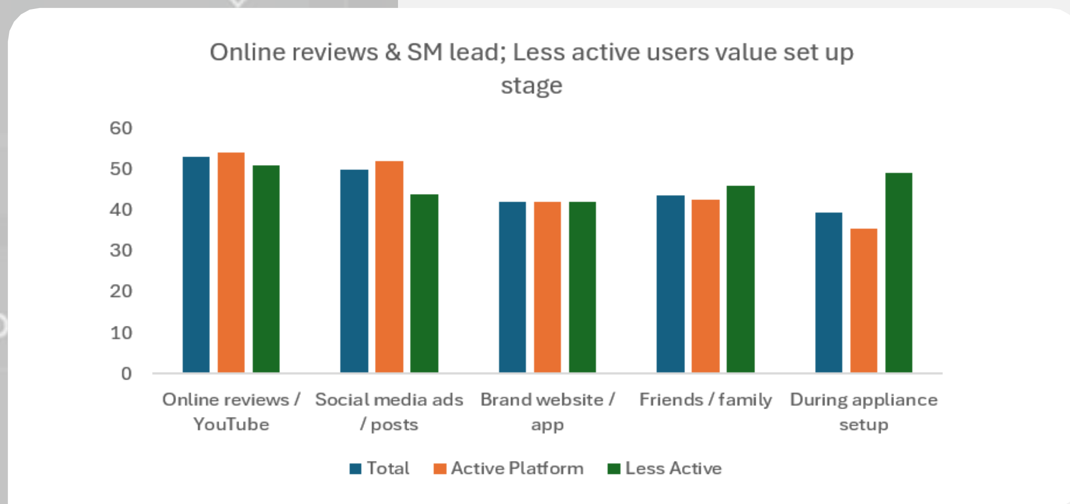


How are consumers discovering platforms - and what do they trust?

- The largest discovery channels are social media ads/posts (49.3%), online reviews/YouTube (53.0%) and brand website/app touchpoints (42.1%).
- When it comes to trust, the strongest sources are online reviews/YouTube (24.4%), brand website/app touchpoints (15.1%) and social media influence (14.2%).
- The Less Active user segment is particularly setup-sensitive: discovery during appliance setup reaches 49%, materially above the Active Platform user segment (35.4%). This means installation and onboarding are not operational details; they are conversion moments.



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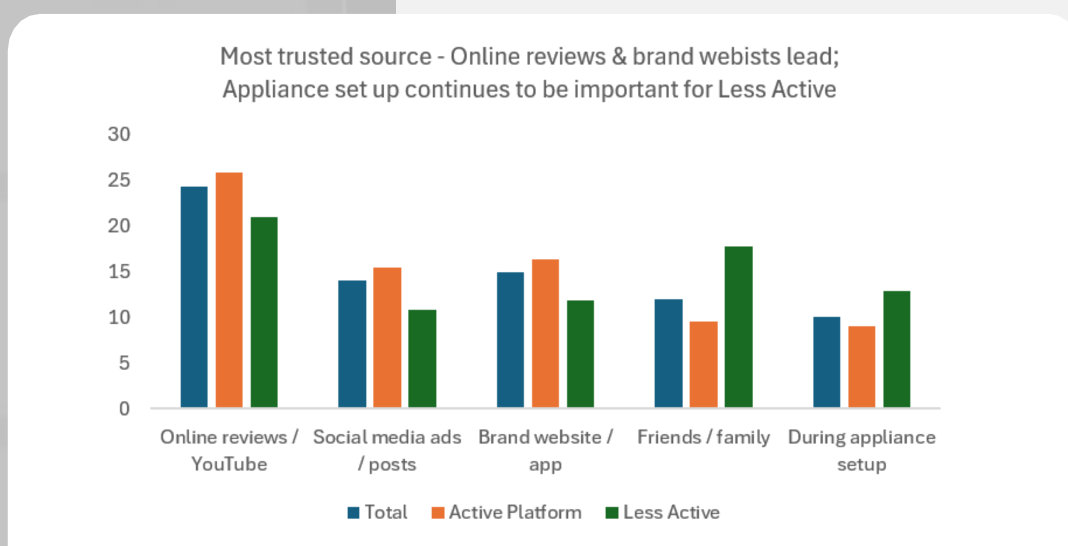

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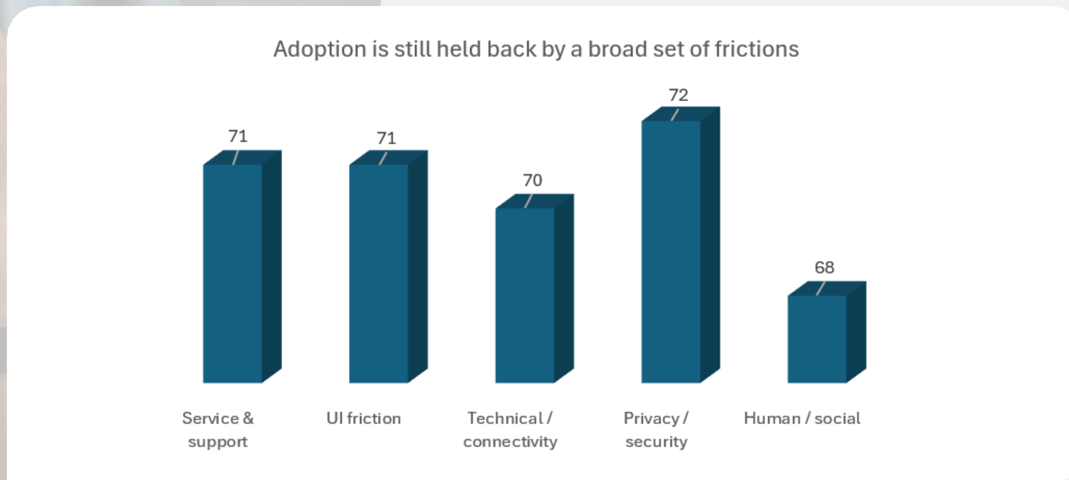
What continues to hold adoption back?

- Barriers emerge around service and support, UI friction, technical/connectivity issues, privacy/security concerns and broader human or social barriers.
- The challenge is systemic rather than isolated to one platform: support, usability, technical setup and trust all continue to inhibit scale.



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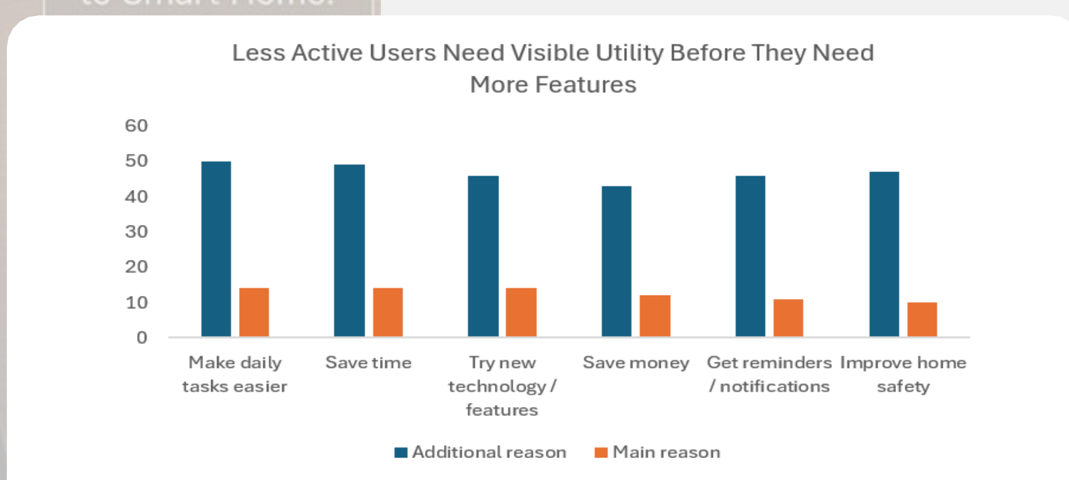
What would activate the Less Active user segment?

- Less Active users are most likely to engage more actively when apps clearly make daily tasks easier, save time and offer useful new technology rather than complexity for its own sake.
- NIQ qualitative research points to six unlocks for less-active conversion: instructional onboarding, error transparency, ROI-led messaging, proactive safety alerts, inclusion through voice / simplified profiles, and a genuinely unified hub experience.
- This suggests that the Less Active user growth strategy should look different from the Active Platform strategy: less emphasis on ecosystem breadth alone, and more emphasis on simplicity, savings and safety in a low-risk way.



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Less Active user communication / onboarding needs	Experience unlocks / desired outcomes
1) Step-by-step onboarding rather than QR-led setup ***2)*** Error messages that explain what to do ***3)*** ROI-led communication that proves energy savings or practical benefit	***1)*** Proactive safety alerts ***2)*** Voice-led and simplified profiles for non-tech-savvy users ***3)*** One consolidated “super app” ***4)*** Faster, more reliable experiences that can beat muscle memory / manual fallback

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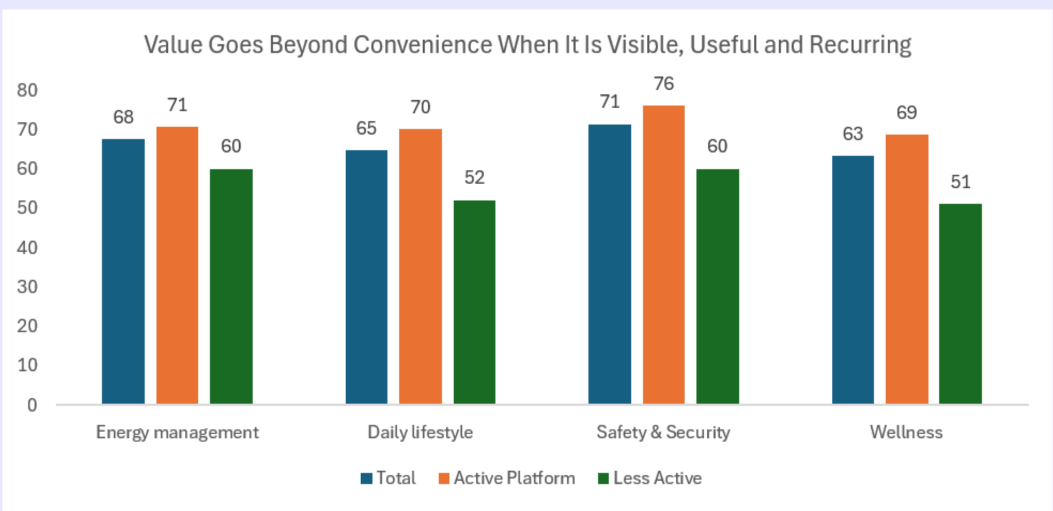
The consumer journey is already pointing to where adoption slows and where it accelerates. The more important question is which interventions - in setup, value communication, trust or product design - are most likely to unlock deeper engagement.

The Next Value Pools Extend Beyond Convenience

By this point in the story, the category starts to look less like a gadget market and more like a household-value market. In India, the more durable value pools are safety, energy, care and services - each of which goes beyond a convenience narrative and ties back to measurable household value.

- **Safety and security remain emotionally non-negotiable**. They offer reassurance for children, elders, domestic help, home access and deliveries, and consumers continue to ask for better locks, cameras, emergency assistance and proactive alerts.
- **Energy management is compelling because it translates directly into ROI**. Households are looking for granular kWh tracking, customised alerts and estimated-bill visibility. In a price-sensitive market, energy remains one of the clearest areas where software can demonstrate recurring value.
- **Wellness and care are moving from the margins toward the mainstream**. Comfort and wellness already show strong awareness and meaningful usage, while NIQ research suggests that home-healthcare adjacencies are becoming more relevant to the category's next growth phase.
- **Services are the monetisation bridge**. Consumers are often sceptical about paying monthly for "software only", but show more openness when smart-home propositions bundle diagnostics, AMC, warranty, installation, upgrades and commerce assistance. In India, smart-home monetisation is therefore more likely to scale through service augmentation than through control alone.

The category's next growth phase is unlikely to be won by convenience alone. The winning proposition will need to make value visible - whether through reassurance, savings, better care or stronger service support.



Platforms That Blend Control, Context and Trust Will Set the Pace

The strategic battleground is widening from devices to platforms, and from control to outcomes. The challenge is no longer only about connected hardware; it is about understanding what makes a platform feel useful, dependable and worth returning to.

If the first phase of the category has been about access, and the second about real household usage, the next chapter is likely to be about orchestration. By 2030, the most successful smart-home offerings in India are likely to look less like stand-alone brand apps and more like living-services operating systems. They will combine control, intelligence, service and trust into one coherent experience.

First, stronger platforms will need to make interoperability feel natural

- ✓ Consumers do not want ten separate apps; they want one dependable platform that can coordinate lights, locks, TVs, cameras, purifiers and appliances across brands.

Second, great smart homes will need to become proactively useful

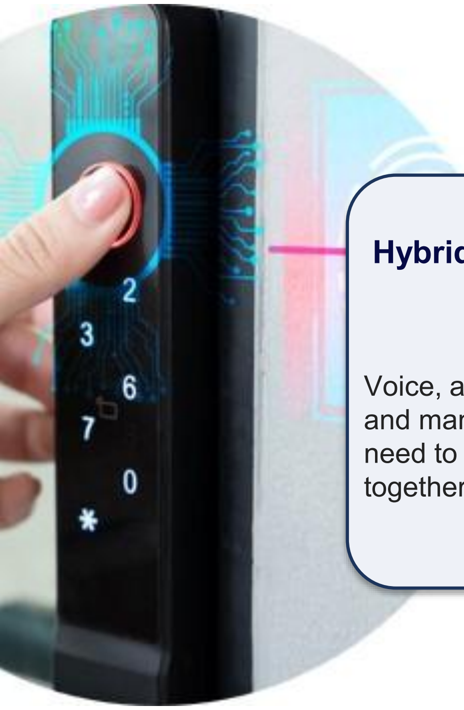
- ✓ The next wave is likely to move from reactive commands - such as “turn the AC on” - to contextual support like maintenance prompts, energy trend alerts, AQI-led recommendations and home-safety nudges.

Third, the India-ready offer will need to be family- and role-aware

- ✓ Permissions, family sharing, elder-friendly modes, offline-safe controls and visible room-level states are likely to matter more than abstract AI sophistication.

Fourth, monetisation is likely to broaden from subscriptions alone to service bundles

- ✓ Platforms must deliver visible household value - energy savings, security assurance, uptime, diagnosis, maintenance and convenience



What stronger smart-home platforms in India are likely to combine next

Hybrid control

Voice, app, scenes and manual fallback need to work together

Contextual automation

Inputs need to be relevant to support users’ everyday routines

Trust by design

Transparency and privacy must feel embedded

Service-based value

Diagnosis, safety, care, and measurable savings must be visible

Questions the Market Has Yet to Answer

Every category reaches a point where the biggest questions are no longer about whether consumers are interested, but about what will make the category truly stick.

NIQ believes India's smart-home market is now at that point. Several issues remain under-explored, and they are likely to determine where value truly scales in India.

- *Which smart-home benefits are most likely to* ***convert awareness into daily behaviour*** *across different Indian household types?*
- *How far can brands stretch* ***from single-device utility to broader ecosystem trust*** *before consumers begin to disengage?*
- *What will persuade Less Active users to* ***move from infrequent app use to routine engagement*** *- simplicity, savings, safety or some combination of all three?*
- *Which* ***monetisation model*** *is most likely to feel credible in India: subscription, bundled services, performance-linked savings or ecosystem lock-in?*
- *How should brands prioritise the* ***balance*** *between interoperability, proprietary control and partnership-led platform growth?*
- *What is the* ***meaning of trust*** *in this category - data privacy, setup reliability, service support or transparency of value - and how does that vary by household cohort?*

That leaves the market with a striking tension. India is no longer short of smart devices. What it still lacks is greater clarity on what will turn connected products into connected living at scale - and which brands will be closest to understanding that shift first.

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With operations in more than 90 countries, NIQ covers approximately 82% of the world's population and more than $7.4 trillion in global consumer spend. Through cloud-based platforms, advanced analytics and AI-driven insights, NIQ delivers The Full View™—helping brands and retailers understand what consumers buy, why they buy it, and what to do next.

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