URBAN LIVING

A CUSTOMER UNDERSTANDING STUDY

KONE Residential Flow

KONE

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As our homes become more technologically advanced, we expect the same from the apartment buildings in which they are located. To help our clients and customers KONE conducted a survey to find out what people want and expect from their residential buildings today.
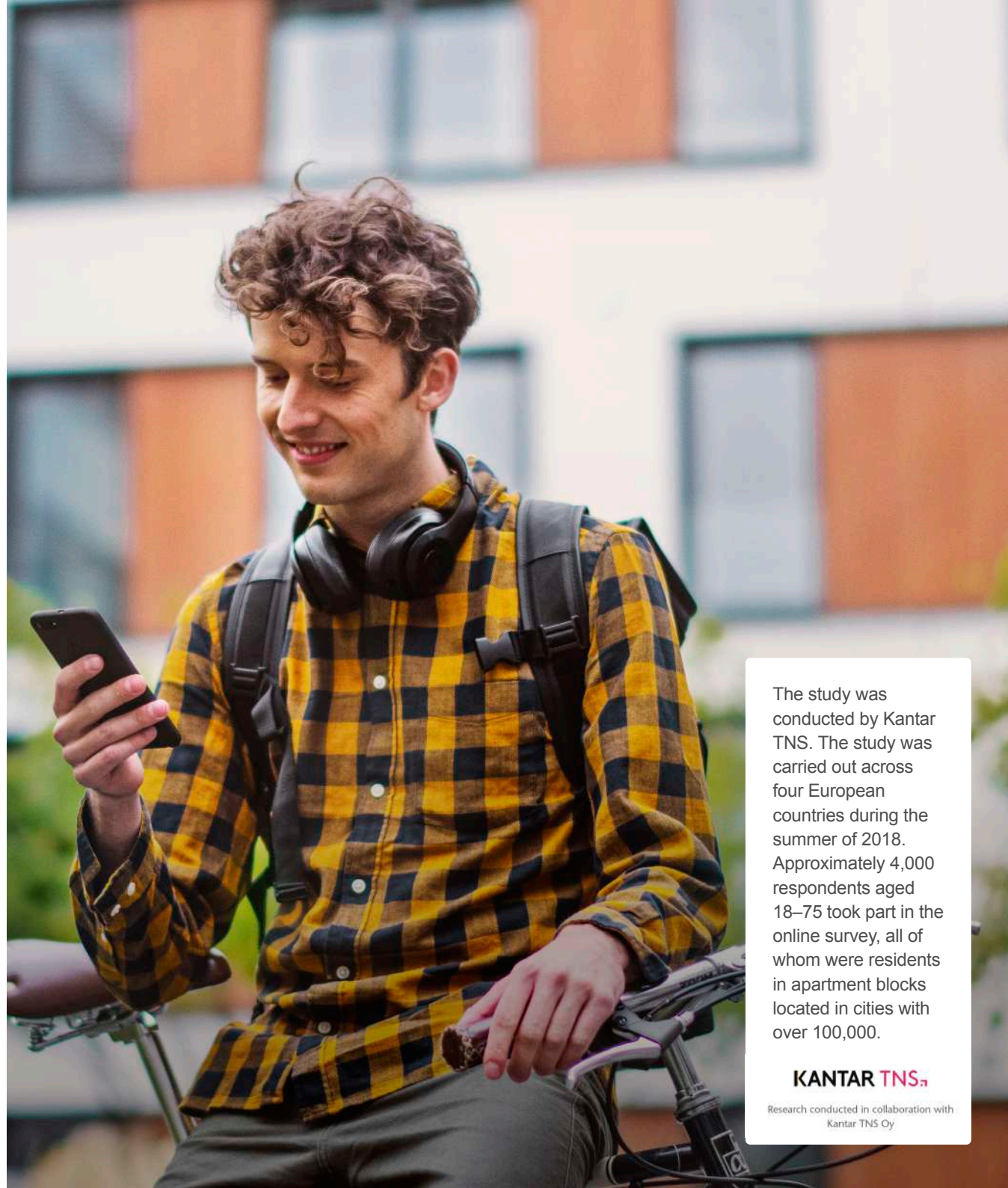
The study was conducted by Kantar TNS. The study was carried out across four European countries during the summer of 2018. Approximately 4,000 respondents aged 18–75 took part in the online survey, all of whom were residents in apartment blocks located in cities with over 100,000.

KANTAR TNS.

Research conducted in collaboration with
Kantar TNS Oy

HOW CAN DEVELOPERS AND OWNERS DIFFERENTIATE?

But what do these technological trends mean for developers and building owners? Put simply, if they do not keep pace with change and seek out new and novel ways to differentiate their offering, they risk missing out on the opportunity to stand out from the crowd, gain a competitive edge, and – crucially – justify charging tenants a premium for the privilege of living in forward-thinking new spaces.

As residents become more demanding and technologically aware, they will continue to expect more from the spaces where they live and work. The winners in this game will be the visionary players who seek to integrate value-adding benefits into their offering, including better accessibility, secure and intuitive access control, and new and novel communication methods – all based on cutting-edge technologies.

APARTMENT BUILDINGS that can offer these kinds of advantages not only attract a premium price, they are also much more attractive to prospective tenants and therefore sell more quickly.
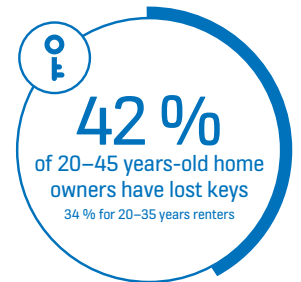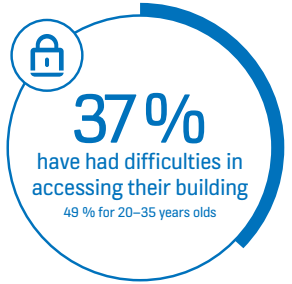
WHAT CHALLENGES DO RESIDENTS FACE?

No matter where in the world residents live everyone tends to face the same challenges and problems in their residential buildings.

- Many people face challenges with simple tasks like opening the front door when carrying groceries or receiving deliveries.

- A lot of people had missed out on deliveries completely because they were not at home to receive them.

- More than half of the respondents surveyed also said that they had missed important information relating to their building.

- In addition, two-thirds of all residents surveyed believe that buildings will become increasingly smart in the future.

2/3 OF RESIDENTS

believe buildings will become increasingly smart in the future, reflecting people's living trends.

37%
have had difficulties in accessing their building
49 % for 20–35 years olds

38%
have had to hurry home to let somene inside
51 % for 20–35 years olds

42%
of 20–45 years-old home owners have lost keys
34 % for 20–35 years renters

78%
have missed deliveries due to not being at home
83 % for 20–35 years renters

WHAT ARE RESIDENTS READY TO PAY FOR?

One of the goals of the survey was to gauge residents' interest in smart building features compared to the traditional "nice-to-have" premium-type features of an apartment building – for example, things like access to a private swimming pool, gym, or in-home laundry service. According to the survey results, residents were more interested in smart building features than traditional premium features.

Smart building features could include things like:

- the ability to receive relevant building information on their smartphone

- the ability to answer intercom calls via their smartphone

- the ability to send and manage digital keys via their smartphone.

According to the survey results, residents would typically be willing to pay and additional monthly premium of €/£5–20 for an apartment in a smart building, where a smart building is defined as one with features such as adjustable lighting and temperature, enhanced security features, automated doors, and digital and remote visitor management.
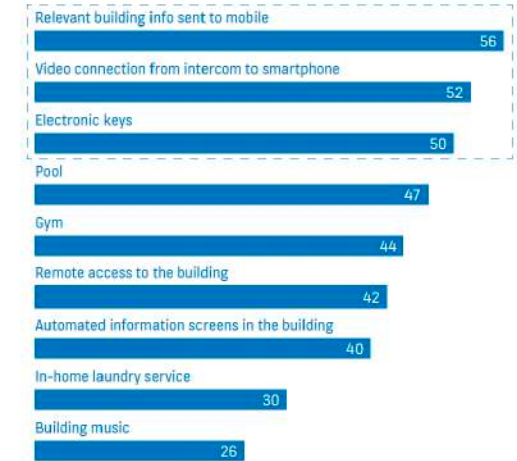
In addition – and a compelling statistic from a commercial point of view – 50% of residents surveyed indicated that they would be willing to be exposed to advertisements on digital screens in the building if the revenue from these contributed to the investment in smart building features.

60-70%

of the residents surveyed indicated that they would be willing to pay for smart solutions.
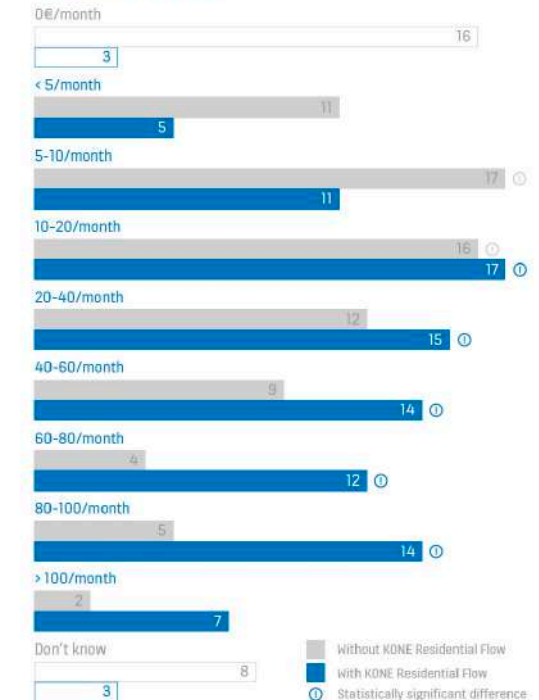
Most interesting premium / smart building features

% of respondents indicating interest, all ages

Feature	Value
Relevant building info sent to mobile	56
Video connection from intercom to smartphone	52
Electronic keys	50
Pool	47
Gym	44
Remote access to the building	42
Automated information screens in the building	40
In-home laundry service	30
Building music	26

How much more would you be willing to pay for an apartment in a smart building?

% of respondents, age 18-75, €/£

	Without KONE Residential Flow	With KONE Residential Flow
0 €/month	16	3
< 5/month	11	5
5-10/month	17	11
10-20/month	16	17
20-40/month	12	15
40-60/month	9	14
60-80/month	4	12
80-100/month	5	14
>100/month	2	7
Don't know	8	3

Without KONE Residential Flow
With KONE Residential Flow
Statistically significant difference

ENABLE SIMPLER HOMECOMINGS WITH KONE RESIDENTIAL FLOW

The KONE Residential Flow solution brings new levels of convenience for home owners, residents, and also facility managers by using mobile and cloud technologies to connect building doors, elevators, information channels, and intercom systems via an easy-to-use smartphone application.

It is easy to solve problems residents face everyday. KONE Residential Flow is designed to solve the exact same everyday challenges that the survey respondents indicated they were facing. The solution is available for both new and existing buildings, and covers access control, visitor management, and information provision.

THERE ARE THREE DIFFERENT PACKAGES AVAILABLE:

KONE ACCESS
which controls building doors and automatically calls an elevator to take the user to their home floor, eliminating the need to carry or use physical keys.

KONE VISIT
which includes a connected intercom system that allows residents to greet visitors and grant them access using their smartphone.

KONE INFORMATION
which facility managers can use to send relevant building-related information direct to residents' smartphones, or to info screens in the elevators or lobby.

KONE RESIDENTIAL FLOW

is designed to solve problems 40-80% of residents face in their everyday life.

WHO ARE WILLING TO PAY?

The results of the survey also show that KONE Residential Flow is of interest to residents of all kinds, regardless of age, gender, family situation, or income. Based on the results of the survey, however, there appear to be certain characteristics shared by those with the highest willingness to pay.

These include:

- Residents who are considering moving, i.e. those who are actively thinking about what they value in a potential new apartment

- Families with children are, unsurprisingly, acutely aware of the everyday challenges relating to accessibility, lost keys, and ensuring secure access

- Early adopters of technology.

Furthermore, according to the survey results the willingness to pay for KONE Residential Flow is not affected city size, apartment size, or the height of the building. For example, unlike adding an elevator, which people who live on lower floors may be less willing to pay for, KONE Residential Flow is seen as a value-adding service for all apartments.

The ability to market smart building features such as those enabled by KONE Residential Flow would therefore provide a significant competitive edge for building developers and investors in terms of increasing the attractiveness of their offering to these groups.

Another important point to note is that in Finland, for example, we are already seeing evidence of real-estate agents proactively using KONE Residential Flow as part of their marketing efforts.

HOW YOU CAN COMMAND THE PRICE AND SPEED UP SALES

In terms of commanding higher prices and speeding up the sales process for apartments, the results of the survey make compelling reading for building developers and owners. Based on the survey findings:

· 58% were ready to pay extra for KONE Residential Flow in their building

· 70% believed KONE Residential Flow would help apartment to sell more quickly

· 78% believed KONE Residential Flow increases the value of their apartment

58 %
are willing to pay
for the service

70 %
believe the service
will help their apartment
to sell more quickly

78 %
say the service will
increase the resale value
of their apartment

CONCLUSION

As we can see, residents are willing and eager to find smart solutions for their common residentail problems.

With a solution such as KONE Residential Flow in place, building developers and owners are well placed to answer the needs of increasingly demanding and technologically aware residents. Making life easier for residents by providing solutions to the everyday challenges they face in apartment living – with better accessibility, secure and intuitive access control, and new and novel communication methods – provides the opportunity to differentiate offerings with a genuine competitive edge.

HOW DID WE CONDUCT THE CUSTOMER UNDERSTANDING SURVEY?

At KONE, when developing our products and services we firmly believe that the best results are rooted in a solid service-design approach that puts people first. In addition to following the latest trends in the construction sector, we conduct in-depth surveys with users to discover their needs, desires, and pain points.

When developing our KONE Residential Flow offering, our goal at every step was to ask the right questions and listen to what customers and end users were telling us. Only then would we be able to create a solution that both addressed the real needs of tenants and enabled our customers to differentiate their offering. As part of the process we interviewed more than 200 developers, facility managers, and building residents around the world to understand their challenges and needs related to people flow in residential environments.

In order to quantify the benefits of KONE Residential Flow, we engaged the services of Kantar TNS – one of the world's largest research agencies – to conduct an independent survey into the needs of residents from the point of view of people flow. The goal of the survey was to provide statistical evidence relating to the usefulness of the service, people's willingness to pay for it, and their attitudes towards it.

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KONE RESIDENTIAL FLOW?

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