

REPORT

Google Nest: Why Google finally embraced Nest as its smart home brand

The search giant's smart home division is now called Google Nest

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May 7, 2019, 8:49 PM GMT+2



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Starting today, Google is done holding smart home appliance maker Nest at arm's length. It was folded into the Google Home division last year, but now, the entire group has a new name: Google Nest. The new name is more than just a rebranding effort. It also includes a new product philosophy

and — critically — a new set of data privacy policies for Nest customers.

One way to look at the change is to say that Nest has fully become an extension of Google and its ambitions in the smart home after years of bouncing around within the Alphabet / Google org chart nightmare. Another is to say that Nest as we once knew it is now well and truly gone. It's all just Google now.

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The truth is probably somewhere in the middle, but the bottom line is that Google is unifying all of its smart home efforts. It just launched a smart speaker called the Google Nest Hub Max, which Google will begin selling this summer for \$229, and future smart speakers will also be branded “Nest.” As the head of Google services and hardware Rick Osterloh puts it, the Nest brand is now a direct parallel to the Pixel brand. It’s just another line of hardware Google makes that’s focused on the home instead of on mobile.

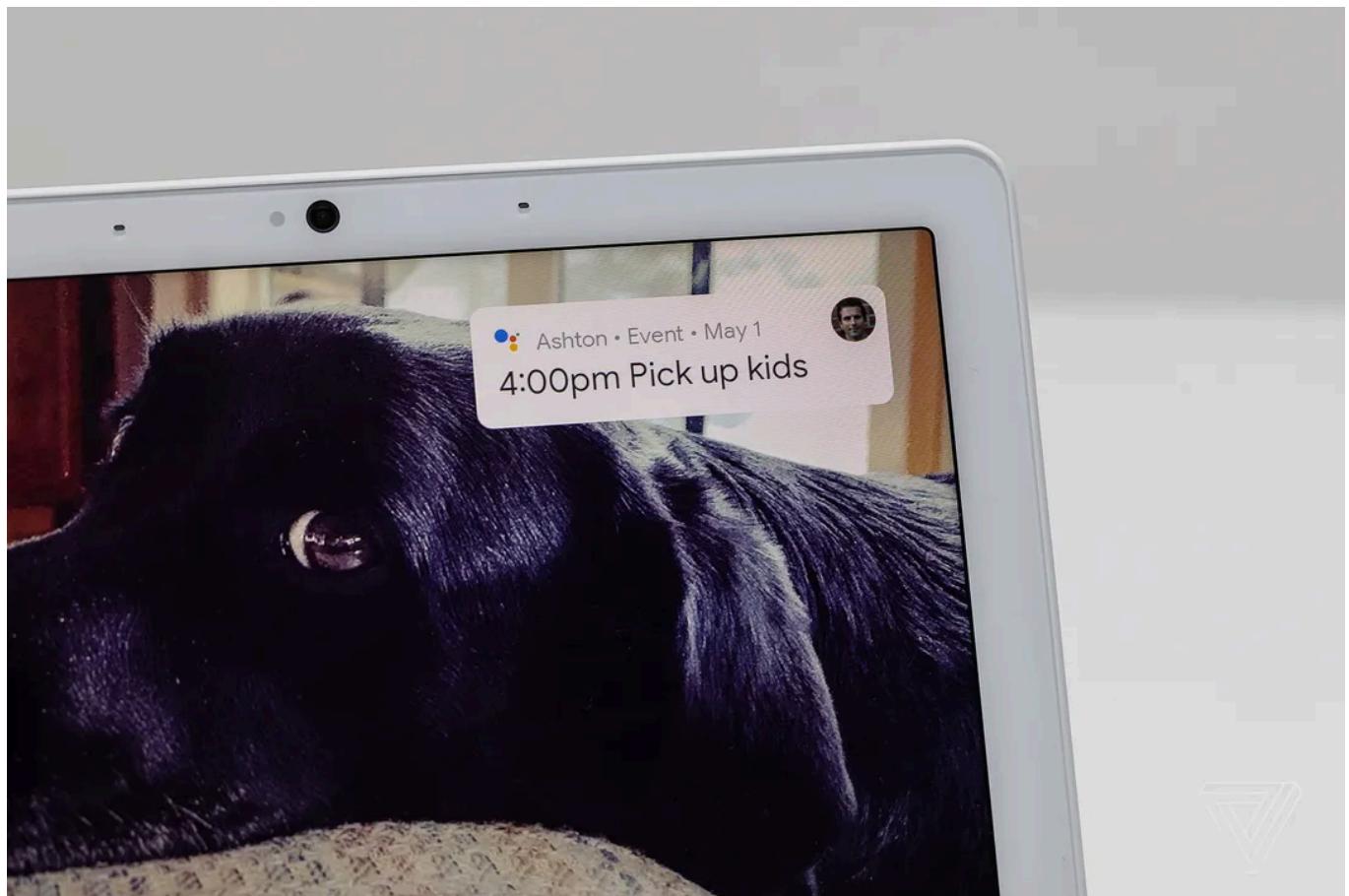


Photo by Vjeran Pavic / The Verge

This is the latest of many reorganizations for Nest, a company founded by one of the principal creators of the iPod, which enjoyed superstar status in its early years. Google acquired the company for \$3.2 billion in January 2014, signaling even before the launch of Alexa and Amazon's first Echo speaker that the tech industry's biggest companies were interested in the smart home.

Since then, however, Nest has had a bumpy road. The company was initially part of Google, but it spun out as a separate entity during the restructuring as Alphabet in the summer of 2015. In the ensuing years, Nest lost both its CEO Tony Fadell and its other co-founder Matt Rogers, and it acquired the Dropcam team to build its Nest Cam line, only to have the CEO of the startup depart shortly thereafter and later publicly disavow his decision to sell to Google.

Nest has had a bumpy ride since Google acquired it in 2014

As pressure mounted from Alphabet leadership to ship more products and turn higher profits, Nest was struggling to find success as high-profile as its thermostat. All the while, the smart home industry was shifting toward voice assistants, with Amazon and Alexa leading the charge, and Nest and Google left with disjointed divisions operating independent of one another.

In early 2018, Nest was folded back into Google to align it with Google's growing smart home business, anchored by the Google Assistant and its Google Home smart speaker, with Nest's existing product family. The mission was clear: the only way to thrive in the current market was to be as competitive with Amazon as possible. And the only way to do that was to bring everything under one roof, with Osterloh steering the ship. In July of last year, Nest CEO Marwan Fawaz stepped down, and Google put Rishi Chandra, who reports to Osterloh, in charge, finalizing the years-long transition from Nest as its own unique identity to a proper subdivision of Google.

Chandra, the vice president of product at Google who is in charge of all Nest and smart home products, says the merging of the two brands is a necessary step to continue chasing the next wave in computing. "Every decade, there's a big

computing shift," Chandra tells *The Verge*. "Twenty years ago, it was the transition to web. Ten years ago or 12 years ago, it was the transition to mobile. And now, we think we're in the third stage, which is AI or ambient computing."



Photo by Vjeran Pavic / The Verge

According to Chandra, ambient computing is as much about creating a unified and cohesive consumer platform as it is about raw advances in artificial intelligence. That requires Google to rethink its approach to product development. You can no longer think of smart home products as singular devices with unique selling points.

Instead, Chandra explains, every new feature and device needs to be thought of as a piece of the bigger smart home puzzle. He spells out three unique challenges the smart home division at Google is trying to solve to build out that ecosystem.

The first is designing devices that exist within a system instead of trying to do everything on their own. "There's not one device that makes your home smart," Chandra says. "Each device has different types of sensors, and inputs and outputs, and capabilities. But from the user standpoint [...] it should feel like it was architected as one system design that all works together."

“There’s not one device that makes your home smart.”

The second challenge is that Google Nest is focused on the home, and you probably don’t live alone. Your phone can be a very personal device with all of your information on it behind a passcode, but that’s more difficult to do with a smart speaker anybody in the room can use. Smart home devices need to be able to operate both communally and personally. Google thinks it can do both by having its devices recognize our faces and voices to tailor experiences specific to each user, which is one of the big reasons the new [Google Nest Hub Max](#) has a camera.



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Third, Chandra says, Google needs to do a better job of communicating its principles around privacy. And in the context of privacy in the home, it needs to be more restrictive than it was before. Chandra plans on presenting “a set of privacy commitments” that include new formal privacy policies for Google Nest products.

For example, Google believes any camera that’s recording should have a light on next to it, so Nest cameras will lose the ability to turn that light off. Google also believes that the data that smart home devices can collect is so personal and private that the company needs to take a stronger hand in deciding whether third parties can get access to it. That will mean that the Works with Nest program for third-party apps (including [IFTTT](#)) will be wound down in favor of the Works with Google program.



Photo by Vjeran Pavic / The Verge

Chandra knows those decisions “could be controversial” with some Nest users who bought into the ecosystem knowing it was at least partially distinct from Google. As part of the announcement, Google says it will let Nest owners transition their accounts into Google ones to create one single platform on which all of the company’s smart home products can connect and run on. That may bode well for Nest, which has had issues of late with users relying on poor passwords or failing to enable two-factor authentication.



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The need to establish those commitments for Google Nest products is obvious on many levels. Trusting Google to put a microphone in your house is one thing. Trusting Google to put in a camera that can recognize your face is something else entirely. Because this rebrand involves pulling Nest fully into Google's product orbit, a lot of Nest users may balk at their Nest devices suddenly feeling like Google ones.

It's an issue that has similarly plagued Amazon, which wasn't exactly met with a warm welcome when it purchased mesh router company Eero. Amazon also bought smart doorbell maker Ring, only for questionable privacy practices at the startup's R&D center in Ukraine to surface, highlighting the fraught situation tech giants face when trying to oversee a sprawling smart home ecosystem of both internal and external divisions.

A lot of Nest users may balk at their devices feeling like Google products now

Earlier this year, revelations about Alexa employees listening in on voice request recordings to improve its AI capabilities revealed an uncomfortable reality. Millions of consumers who use these products tend not to realize how the underlying software is trained, and companies like Amazon and Google aren't always crystal clear.

We'll need to take a closer look at Google and Nest's privacy commitments when they're released — more specifically, at the actual privacy policies that Google is going to make consumers agree to. Assuming they really are more restrictive about what can happen with your data, that does seem like a good thing (assuming you trust Google with it in the first place).

The stricter policies are necessary because what Chandra is aiming for with Google Nest is a holistic vision of an ambient computing future where smart home devices are simple to use, recognize your face so they can proactively provide information, and work in concert with each other as part of a unified system.

"We took those three kind of core beliefs or insights and assumptions, and said, 'Okay, well, how do we at Google bring together our product and assets to actually go solve the next generation of computing that we have to put in the home?'" Chandra says. "That's what really drove this push to actually bring Nest and Home together — to actually think of this in a very different way."



Photo by Jake Kastrenakes / The Verge

While merging Google and Nest sounds like it will certainly help with what was becoming a messy internal corporate structure, the change will also have big implications on how Google approaches the smart home, its Google Assistant platform, and its rivalry with Amazon.

Google can no longer ignore tricky issues related to data privacy and security that arise when some of its products and software are designed to extract as much information about you as possible, while others are cameras and microphones literally in your bedroom and living room. In that way, Chandra says this brand merging is more than just a marketing tool. It's an opportunity for the company to stake out its positions on a wide range of consumer issues that it's ignored for years by treating Nest as something separate from Google.

“Our goal is to be as transparent as possible.”

“Right now, our belief is the smart home has been defined by technology-driven innovation. Even smart home itself, the name, implies technology,” Chandra says. “Our belief is that we need to shift from the smart home to what we believe is the helpful home. That’s going to be our mantra.”

For Google to get this right, it needs not only to make [Google Nest](#) a cohesive brand with a clear pitch to customers, but it also has to earn the trust of a consumer base that’s grown increasingly distrustful of Big Tech and the ad models that have shaped, and distorted, the modern internet. You need to look no further than the Facebook Portal to [find a good product that was universally dismissed](#) because people don’t trust the company that makes it.

“When we talk about privacy commitments, that’s exactly what I want us to be transparent about. What is and is not being used for things like ads, personalization of ads, which most people are scared of. In the end, the intention we have, the reason why we need that data, is to give you helpful features,” Chandra argues.

“Our goal is to be as transparent as possible,” he adds, “so that people will have confidence that we are in fact using this to build better features for you versus trying to sell you something.”

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