



New Product Development Analysis

MyThermo



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II. Executive Summary

In this report, the reader will find a detailed outline of the product “MyThermo,” as well as its product variations, including supporting products that go along with the thermostat itself which are the MyThermo app, the MyThermo watch, and any services provided by MyThermo’s maintenance team.

This report will elaborate on the booming trend towards smart-home automation as well as the developments that go along with it (section V.). Included is this is the HVAC industry news, innovations and any corresponding governmental regulations that need to be considered. All information was gathered from secondary research, as well as primary reports that were made available via various sites. The industry news will cover consumer’s mindsets, competitor’s offerings and the overall market growth rate within both the HVAC industry as well as smart-home automation (section VI.).

MyThermo’s business model can be found in section VII. and covers how MyThermo will enter the market, as well as its business model, and customer acquisition strategies. The two differentiated products that MyThermo offers both have individual business models and can be found in this section as well.

Section VIII. will conclude the report and re-emphasize the findings of the secondary research as well as reinforce MyThermo’s advantages within the HVAC and smart-home automation industries. All references and visuals can be found in sections IX. and X. respectively.

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IV. Introduction

Our new product is called the “MyThermo”. Basically, we want to create a product that changes the temperature in the room a person is in to their most comfortable temperature by sensing things such as that person’s skin/body temperature and their preferred temperature. This will be used along with other smart home technology in the same way. Each room will have an individual heating/cooling system which will talk to an app on the user’s smart device through wi-fi. The device will tell the system when the user is in the room, then set the heater/cooler system based off the user’s current body temperature (if a smartwatch is being used), and their preferred temperature which will be based off data gathered in the past week of how the user prefers their temperature. Users can manually control this through the app on their smart device as well. The smart device will also tell the heating/cooling system when the user leaves the room, and the temperature will go back to normal to conserve energy (electric and gas for example).

This idea came from the fact that people never really feel like they are at the ideal temperature. They are either too hot, or freezing, no in between. After bouncing ideas around, it was suggested that we probably don’t use a lot of our living space, so what is the point of having a heating/cooling system that does the entire house all at once? Sometimes the systems are split up by sections of the house, but that still does not explicitly account for the spaces that are not being taken up by bodies, which change regularly. Therefore, we believe this system will not only make it easier for the user to be at a comfortable temperature, but will also be more efficient than current systems.

Anyone could use this product, so we believe there will be a high demand for it, but the target market would specifically be anyone looking into smart home technologies, and probably mid 30’s adults buying/building/improving their home. This younger generation would understand the technology best while still have the money to be able to buy it. Because this product is easier to deal with and more efficient, consumers will have benefits such as the fact that they will not have to get up to change the thermostat every time they are warm or cold. They won’t have to even manually change it at all because it will track their current temperature, and they will save money on electric and gas bills because rooms without people in them will not be heated/cooled. The device will still be able to be controlled as a traditional thermostat as well.

Competitors for MyThermo include Trane, Lennox, Carrier, Bryant, and other companies that sell heating/cooling systems. Most of these specific companies currently have a wireless system that heats and cools sections of the house based on the time of day, thus they would be big competitors because we have similar products. Our prices would be based off how much it costs to make the systems, as well as our competitors’ prices. Because our competitors work with outside dealers and contractors, it is hard to tell

how much we will charge for our products at this time, but the more advanced systems cost a few thousand dollars. We will get paid based on the revenue we make from sales.

This product could eventually be sold in any retail store. The cheapest models will use wi-fi with the heating/cooling system already installed in the house, which could be a simple, easy to install attachment and could be sold anywhere. The more expensive models would include the sectioned off smart system units which would have to be installed by a professional. This would be sold through the company's website. The app for this technology would be sold on any online store.

V. Trend Analysis

A. Industry Overview

The NAICS Code for the thermostat industry is 334512 according to NAICS.com. The thermostat began its history in the late 1800's as the basic hot or cold adjuster for the home. However, whenever 1986 came around, the first ever electronic thermostat was introduced. Once 1995 hit, a new thermostat was introduced that not only controlled hot or cold, but also controlled humidification, dehumidification and ventilation. Since then, there have been slight modifications, such as wireless technology, a bigger screen, and even a touch screen as the most recent innovation.

Two factors that affect the growth of this product would be technology and accessibility. There is only so much that can be done to update thermostat technology due to the the advancements it has made over the years. Therefore, any technology improvements to the thermostat could only do so much to affect the entire household. Accessibility is an issue as well because having the ability to access the materials and information needed to adjust multiple areas of the home, and do it in different ways, is something that has not yet been done.

A very recent government regulation that has been created is the use of government controlled thermostats. The purpose of this is it allows the government to control thermostats in the event of an energy crisis. The government would have control, but not total control. If an energy crisis did happen to occur then the government would be able to move the set temperature up or down four (4) degrees.

The size of the industry is not as large as some other industries, but there is still some sizeable competition. There are about 10-15 main competitors, the top one being "Honeywell". *Navigant Research* claims in an article of theirs that Honeywell is the clear leader based off of 12 different criteria.

The sales in thermostats containing Wi-Fi has increased greatly over the past couple of years. This adds even more convenience to the product than there was before. In fact, users do not even have to

get up and walk over to change the thermostat. This Wi-Fi compatibility pairs with a smartphone, so all the user has to do is download an app and connect it to the thermostat. They can then set the temperature in their house without even getting off of the couch.

One of the main trends to focus on at the moment in this industry is energy saving. All of the companies are looking at new ways to make their products not waste energy when changing modes or when they are simply just working on a normal day.

The most prevalent strategy right now would be differentiation. Because companies have all began changing their product in similar ways, for example, adding the Wi-Fi feature, saving energy and even more, they all have to show that their product can be more effective than the other. This is perfect for differentiation because now all the companies have to use it to show that their product is better than the other companies, even if they are extremely similar.

No this industry is not seasonal because this product is used to warm or cool a house down so it can be used all year round, depending on the weather outside.

It could possibly be sensitive to economic fluctuations because of the technology used and how expensive that can be.

B. Industry Developments, News, Innovations, and Government Regulations

The majority of households in the U.S. are heated from central air units. However, there are several other options such as wood stoves, space heaters, in-floor heating. All of these options can have efficiency levels of over 90% and those numbers are rising. Increased safety levels within industry, safety measures being taken by parent, manufactures.

From BBC News, "Heating houses with Nerd - Power," Computer servers putting off heat from operations to heat houses. "Do you know the silent killers in your home?" Various reports of Carbon Monoxide leaks/ poisoning due to furnaces/gas boilers. Safety concerns involving alternative heating sources, fires started.

Personal Cloud / Local Warming : Heaters on system of furnaces connected to ceiling start and stop with motion sensors, providing warm or cold air depending on settings, and could reduce energy consumption by roughly 80% (Three heating, cooling systems ...). Thermal - driven air conditioning: uses solar energy to provide more cooling power than any other system, and uses 0 electricity. "Passive" houses: These house are sealed very precisely so that little to no heat can escape, and the house is heated by the sun, appliances, and user's body heat. Compressed Air: System that uses moisture in air, and compresses it to create heat out of steam.

Technologies for Energy Security Act of 2017 : A credit for using energy efficient property, and investing in energy efficient property. Current Federal Government requirements of 80% + efficiency rating. EPA regulations on harmful emissions.

C. Consumer Market Data

According to the 2010 census, the population of the United States at that time was about 308.7 million people. Because we will not be successful if we target all of the United States as a whole, we have decided to look at demographic data for the five most populous states in the US and start to create our target market from this data.

New York has a population of 19,378,102 people, 3,416,922 are Hispanic/Latino and 15,961,180 are other. As for race data, 12,740,974 people are white, 3,073,800 are African American, and 1,420,244 are Asian. Sex is divided as male at 9,377,147 and female at 10,000,955. Finally, when only including data from our target market, there are 2,659,337, 25 to 34 year olds and 4,068,780, 35 to 49 year olds.

California has a population of 37,253,956 people, 14,013,719 are Hispanic/Latino and 23,240,237 are other. As for race data, 21,453,934 people are white, 2,299,072 are African American, and 4,861,007 are Asian. Sex is divided as male at 18,517,830 and female at 18,736,126. Finally, when only including data from our target market, there are 5,317,877, 25 to 34 year olds and 7,872,529, 35 to 49 year olds.

Illinois has a population of 12,830,632 people, 2,027,578 are Hispanic/Latino and 10,803,054 are other. As for race data, 9,177,877 people are white, 1,866,414 are African American, and 586,934 are Asian. Sex is divided as male at 6,292,276 and female at 6,538,356. Finally, when only including data from our target market, there are 1,775,957, 25 to 34 year olds and 2,665,984, 35 to 49 year olds.

Texas has a population of 25,145,561 people, 9,460,921 are Hispanic/Latino and 15,684,640 are other. As for race data, 17,701,552 people are white, 2,979,598 are African American, and 964,596 are Asian. Sex is divided as male at 12,472,280 and female at 12,673,281. Finally, when only including data from our target market, there are 3,613,473, 25 to 34 year olds and 5,218,849, 35 to 49 year olds.

Pennsylvania has a population of 12,702,379 people, 719,660 are Hispanic/Latino and 11,982,719 are other. As for race data, 10,406,288 people are white, 1,377,689 are African American, and 349,088 are Asian. Sex is divided as male at 6,190,363 and female at 6,512,016. Finally, when only including data from our target market, there are 1,511,119, to 34 year olds and 2,571,432, 35 to 49 year olds.

It is also important to look at psychographic data when determining a target market. According to Claritas MyBestSegments, psychographic data from the most populous cities from the demographic information include: New York City, NY, 10001: wealthy, tech-savvy, fashionable/ fashionable homes, highly educated, sophisticated tastes, early adopters, above average technology use, social, high income. Los Angeles, CA, 90003: immigrant community, hard workers, ethnically diverse, average technology use, enjoy variety of media, middle income. Chicago, IL, 60007: above average technology use, active professionals, enjoy cultural activities, frequent video game & accessory stores, middle income. Houston.

TX, 77002: wealthy, tech-savvy, fashionable/fashionable homes, highly educated, enjoy nightlife, early adopters, social, high income. Philadelphia, PA, 19050: convenience shoppers, college education, participate in community, social, average technology use, middle income.

D. Competitor Information

ThermoSmart is one of the leading wireless heating and air conditioning companies in Europe. Their product allows their customer to set the temperature from their phone. It also lets their customers to preset their homes at different temperatures for different days and times of the week. ThermoSmart's base of operations is in the Netherlands. They first came into the market in 2013 and were in the top 5 crowdfunding projects of 2013 (*ThermoSmart*).

Honeywell is a company whose main goal is making the world a more efficient and cleaner place. They offer a variety of products, but their wireless thermostat has been one of their most recent products. They are located in Morris Plains, New Jersey and have been in the wireless thermostat business since 2008. Their first wireless thermostat was controlled by a remote with thermostat sensors in all the rooms and the remote was connected to all of them (*Wireless Thermostat, FocusPRO Comfort System | Honeywell*). In 2013 they introduced a model similar to that of what ThermoSmart offers.

Nest is a company that sells wireless thermostats and smoke detectors. They originally came into the market with their first wireless thermostat in 2011. In 2013 they came out with a smoke detector to be paired with their wireless thermostat to detect smoke and carbon monoxide and shutdown the system to prevent spread of a fire or the poisonous gas. Nest's headquarters is located in Palo Alto, California.

Venstar offers a variety of different thermostats but they came out with a wireless model in 2011. Their new model has a color screen, built in wifi, and a faster processor. Their corporate headquarters is located in Chatsworth, California.

Ecobee is one of the most well known wireless thermostats companies, they have their products located in Taco Bell, McDonald's, and Wendy's. The company was founded in 2007 and have since come out with 4 different wireless thermostats. They are located in Toronto, Canada.

VI. Competitive Market Analysis

A. Introduction to Analysis

The smart thermostat industry is a relatively new market with untapped niche markets. That being said, this gives us the perfect chance to enter into the market with our own version of the smart thermostat, MyThermo. We believe that our product will not only be more appealing to our customer but

it will also be a energy efficient and cost efficient. In today's age, being environmentally friendly is very important to our society, and if we were able to exploit this market, our product could prove to be wildly successful.

B. Market Size & Market Growth Rate

According to Chisult Insight Co. Ltd.'s Global and U.S. HVAC Market Research Report, the U.S. HVAC market is estimated to achieve 5 percent growth in 2017. If we expand this market and add in our product "My Thermo" into the mix, options for further growth are endless. Telecompetitor.com states that homeowners are interested in using new technology to improve their homes and the quality of their life. Homeowners are looking for products that simplify everyday tasks, and give them control over various elements in their homes, such as the lighting, music, television, refrigerators, dishwashers, and in our case, heating and cooling.

Energy.gov states that three quarters of all homes in the U.S. have air conditioning, and that market continues to grow as more houses are being built in rural and suburban areas. Taking into account the 75 million millennials (2015 US Census) who are either homeowners themselves or will be going into the homeowner's market in the next few years, coupled with this age ranges love for, "smart appliances", My Thermo is in a great spot as far as market opportunities go.

C. Market Segments (Customer Segments) Description

As stated previously, smart home technology is a growing industry but is still fairly new and can be more expensive. Therefore, the individuals that will be targeted with this product are tech-savvy early adopters, with mid to high income. The target market for this product is specifically mid 30's adults looking for smart technologies that will improve their home. This younger generation will understand the technology best, but is a little older and will have the money to spend on the products.

As stated in the previous trend analysis, these individuals can be found in bigger cities, such as New York City, Los Angeles, Chicago, Houston, and Philadelphia. Based on this information, it has been concluded that the best city to introduce the product in is Chicago, Illinois. Illinois has a population of roughly four million people within the target market. The target market of this area tends to be above average in their technology use, active professionals, frequent video game and accessory stores, and have middle income. Chicago is a city that experiences climate change throughout the year, creating a need for a thermostat product that can easily change a home's temperature based on this. Figure 1 in the appendix is a climate map of Chicago throughout the year and includes average precipitation.

D. Competitive Offerings

The smart thermostat is still an emerging market in which there is only a handful of companies that are producing this technology. Some of the competitors that MyThermo will be competing against include but are not restricted to are ThermoSmart, Honeywell, Ecobee, and Nest. Most of the technology is still advancing with most companies having a new thermostat come out every few years.

Although we would be having a similar product as our competitors, our product would still be differentiated from them. Some of the main differences between our thermostat and our competitors thermostats is that we would have our thermostat linked to an application for smartphones, laptops, and tablets. There are a few that already do this but none that connect the application to a weather application as well. This will allow the thermostat to automatically adjust the temperature of the house based on the temperature outside. Also, our application will allow the user to make a schedule of temperatures for the house to be set at throughout different times and days of the week.

We will also offer different levels of our thermostat. The above information will be in all of the models, but the most advanced model will be for homes that are being built now. We will have our own ventilation system, along with a heater and air conditioning unit. These units will be able to be set to certain temperatures when no one is in the room or during the night time and a different temperature, if the user chooses, while someone is in the room. The units will be connected to small, unnoticeable motion sensors in the rooms that will tell the unit to turn on and off. By having these more advanced units the customers will be able to cut their electric/gas bill by fifty dollars a month. These savings will not be restricted to our higher end model, the basic model will save about forty dollars a month.

Most of the models that are available to the public today are between \$100-\$40,400. Our products will range from \$110 for our basic model but we are still price strategizing our higher end model. We are confident that our technology and low cost will be hard for our competitors to compete against.

E. Strategic Suppliers

Our first partnership that we would establish would have to be with the engineers that would develop our product, developing it as high a quality as possible. We would also have to focus on developing partnerships with retail stores which will be the main channel of which to sell our products. The stores would mainly be electronic stores and home goods stores, such as Home Depot or Lowes. We also would need to focus on developing partnerships with delivery and trucking companies so that we

could ensure enough of our products are delivered, and are delivered to stores throughout the entire country so we could reach as many markets as possible.

We would also have to develop partnerships with people or companies who design apps for smartphones so that we could make the app connected to our product to add convenience to it. We would also have to develop batteries for our thermostat, something that our engineering partners would be able to develop.

As our product begins to build success, we could find other partnerships to establish, such as advertising companies and commercial ideas to ensure that our product gets enough exposure to attract more potential buyers. In summary, getting our product as much exposure as possible is going to be one of the most important things we do since it is a newer product. In addition, we would focus heavily on forming solid partnerships with retail stores and advertising companies so that our product is entered in as many markets as possible. These will be our main focuses, along with developing our product, making it high quality, and making sure it is differentiated from similar products already on the market. This will ensure that we will draw as large of a profit as possible.

VII. Business Model/Concept Development

A. New Business Product Concept

MyThermo is a company that strives to help consumers turn their homes into smart homes through our advanced technological heating and cooling devices and applications. Our base product, the Original MyThermo, eases the user into the smart integration process by providing them with a product that can be used almost right out of the box. Simply plug the device into the existing thermostat outlet of the home and an ethernet port on the wifi box, then turn it on. To begin using the product, users can set the desired temperature of the entire house directly on the device, or through the MyThermo app provided in the app store. The MyThermo app can control the device as long as it is connected to the same wifi as the device is.

The newest additions to the MyThermo brand are both add ons to the original MyThermo device and app. The MyThermoWatch is a smartwatch attachment that can be placed on a user's existing smartwatch to read their skin and body temperatures. MyThermoWatch will connect with the MyThermo app and keep track of this information to create user preferences. In other words, the device will keep track of what temperatures the user likes to set the thermostat to when their skin and body are at certain temperatures. The MyThermo app will then connect with the original MyThermo device and change the temperature of the entire house to the user's "preferred perfect temperature" based on this information and

user's history. Users can turn off this feature in the MyThermo app by switching between manual and automatic settings.

The second addition to the MyThermo brand is an HVAC system that can be installed throughout the user's house that interacts with all of the MyThermo products. The MyThermoSystem can be installed in any home to section off different rooms of the house. This allows users to control the temperatures of each room individually instead of all at once. This can be done manually through the MyThermo app, or automatically based on history or user preferences through the MyThermoWatch. The MyThermoSystem will include a high-technology venting system, as well as sensors that interact with all of the devices.

Users must have the Original MyThermo and MyThermo app to be able to use both the MyThermoWatch and MyThermoSystem. Users must also already have a smartwatch to be able to use the MyThermoWatch device. Our original target market is wealthy individuals that are interested in smart home technology, and are aged about 30-40. However, because our products must all be purchased in addition, the new products will target wealthier consumers that are interested in smart home technology.

B. Business Model Development

Our base level MyThermo product is a plugin to the Wifi of the consumer's home, which controls the basic functions of a thermostat with smart features. The main segments that this product will serve are homeowners, business owners, and schools. Consumers from our B2B and B2C segments can purchase the product through our website, or in stores such as The Home Depot, Lowe's, Wal-Mart, Target, and Best-Buy. For these consumers, the product will help decrease energy consumption both for themselves and for the heating and cooling of the spaces they reside. MyThermo's base product will also lower consumers' gas and electrical bills by an estimated \$25 per month. Having an efficient supply chain and great customer services will be a key to our success. The technology that is put into developing and maintaining our products, along with the innovation provided by our company, including our MyThermo application, as well as the customer relationship management of our company, are resources that MyThermo will use with every product and every transaction. To keep these customer relationships intact, we will offer outstanding customer service, quick delivery of our products, and specialized MyThermo technicians that arrive in a timely manner to address any issues that may arise with the product. The base level plugin will have both fixed costs and variable costs associated with it as well as an allotted amount of money for advertising and promotion. Our main revenue streams to cover our costs

will be revenue from the product, revenue from our app, and any fees associated with maintenance or repair of the product.

Our high-end My-Thermo product will have many of the same elements of our base level business model with additions in a few key areas. This product will not only include the smart thermostat, but the entire HVAC system. The customer segments, relationships, channels, key activities, and partners associated with the product will all remain the same. This high-end product will save consumers money and be ultra efficient in its energy consumption. The technology used in this product will be more extensive than our base level product, and as such, will require trained personnel to install the systems, and result in higher levels of fixed and variable costs. Resources required for the high end product will also dramatically increase as we will be installing the entire heating and cooling system with ventilation, and the units themselves. With this in mind, revenue from the installation of our high end product coupled with our application revenue will cover the fixed and variable costs associated.

C. Customer Acquisition Strategies

Because our product is newer and there is competition already established in the market, we will need effective strategies to promote our product. Our target markets need to become more aware of what our products do and why they are better than their competitors. One acquisition strategy we would use could be social media marketing. This would be an extremely useful tool because of how popular social media has become with all ages. Formerly, social media was mainly used by children and teenagers but recently, social media platforms like Twitter and Facebook have largely grown in popularity because they offer more than was previously offered. Twitter and Facebook both have sponsored pages by businesses that are used to promote their products and if we were to use this method, we would reach a large majority of people. This would also be a good method for our product because if a consumer is using social media, that most likely means they are adept and comfortable with technology, which would mean that our product is something they may be interested in and something they would understand how to work.

Another customer acquisition method we could use would be product differentiation. This is helpful for us because our product will be different than its current competition because it will offer more advanced technology, like multiple thermostats throughout the house, but only one air conditioning unit, or the reading of the skin temperature and the automatic adjustment of the thermostat based off of that. We also have the ability to connect the thermostat to a smartwatch and adjust the temperature from there, as well as from a phone. Another very useful strategy we could use would be observing and studying the

trends of our consumers when our product is first introduced to the market, and use those trends to adjust our product in the future. This would help us see what customers are purchasing, why they are or are not purchasing our product, and will lead us to an even more desirable product after we implement those changes in the future. With all of this being considered, there are plenty of customer acquisition strategies we could use. After we would get our product out in the market and begin seeing profits, then we could always add more strategies to our business model to try and draw in even more customers and continue to increase our profits.

Since our product is brand new to the market we would most likely use a qualitative approach to demand forecasting. This is the case because we have obviously not sold our product before since it is brand new, so we will not have sales reports and history to look at. We could look at some statistics from the past on other thermostats currently in the market, but because ours has different features and is not exactly the same we should not rely solely on their results. One approach we could take to demand forecasting would be market research, where we could survey our target market and see how they would feel about a product like ours and adjust our product and the demand forecast accordingly. We could also hold focus groups to discuss with potential customers on what they would like to see in a thermostat that would make them buy it, and what current companies do that they do not like so we do not make the same mistake as the current companies on the market. These would probably be our best options for demand forecast at the beginning because then we can learn exactly what the customers want so we can make our product fit all of their needs. Then, after we have sales reports and figures to look at on our past sales, we can possibly move into qualitative demand forecasting and base our future demand on past results.

D. Best Business Model Selection

The first business model for our smart thermostat was for it to be a basic entry level smart thermostat. This is a cheaper alternative to our second business model which would attract more customers. Our entry level smart thermostat would cut costs of our customers monthly gas and electric bills adding to the value proposition for our product. We would sell our product through home appliance stores such as Home Depot, Lowe's and Best Buy, also we through online retailers like Ebay and Amazon. These key partners would be the driving source of revenue streams for our product. In 2015 there were approximately 5.8 million smart thermostats sold in the United States alone (*ACHRNEWS RSS*). The market is only expected to keep growing so this would give us room to enter the market. The

average cost of a basic smart thermostat is between \$200-\$250 (FIXR). We would sell our product for \$110, expecting more sales for our brand with our low price to enter into the market. With regard to our cost to manufacture and service our base model this would be the best choice to be minimize expenses.

Our second business model would be similar to the entry level business model in terms of almost everything except revenue streams and value propositions. Our more high end model would be targeting customers who have higher end homes and homes that are in the process of being built. This model would be expensive to install being that we would have our own heating and cooling system along with the thermostat. Additional features include room sensors, more features in the application for phones and smartwatches, and as mentioned our own HVAC system. The price of a basic HVAC system can range from \$6,000 and \$12,000 (Servicechamps). We still need to work out the costs of our own HVAC system but we would be at the higher end of that spectrum, if not higher, because of our advanced technologies that would be in place. Although this would be expensive to manufacture, between the price, service fees, and additional revenue streams (the application) we would be able to cover the fixed and variable costs.

VIII. Conclusion

Our group has decided that it would be best to chose our second business model, the higher end model. We have decided to pick this model for a number of reasons. First being that our entry level thermostat, with just the basic wifi features, is already a product that is in the current smart thermostat market. It would be hard to compete with the already well established smart thermostats. In addition we believe that with the advanced model we would have more revenue streams and we would be able to cover the costs at a more effective rate than relying on heavy sales from a basic model. Also, with regards to the higher end model, the world we live in is based around technology and we believe that wealthy individuals would be more inclined to buy our product now since there is no other competitor that offers the features that our product does. In summary, the business model for the more advanced model is what we feel would be best for our company moving forward.

Throughout the report, the group has talked about the market, our would be competitors, and how we would go about making our decisions. Being that is is still an emerging market with only a few competitors we feel that there wouldn't be any issues in entering the market. With all things considered our group believes that with the current market that our idea could prove to be very successful.

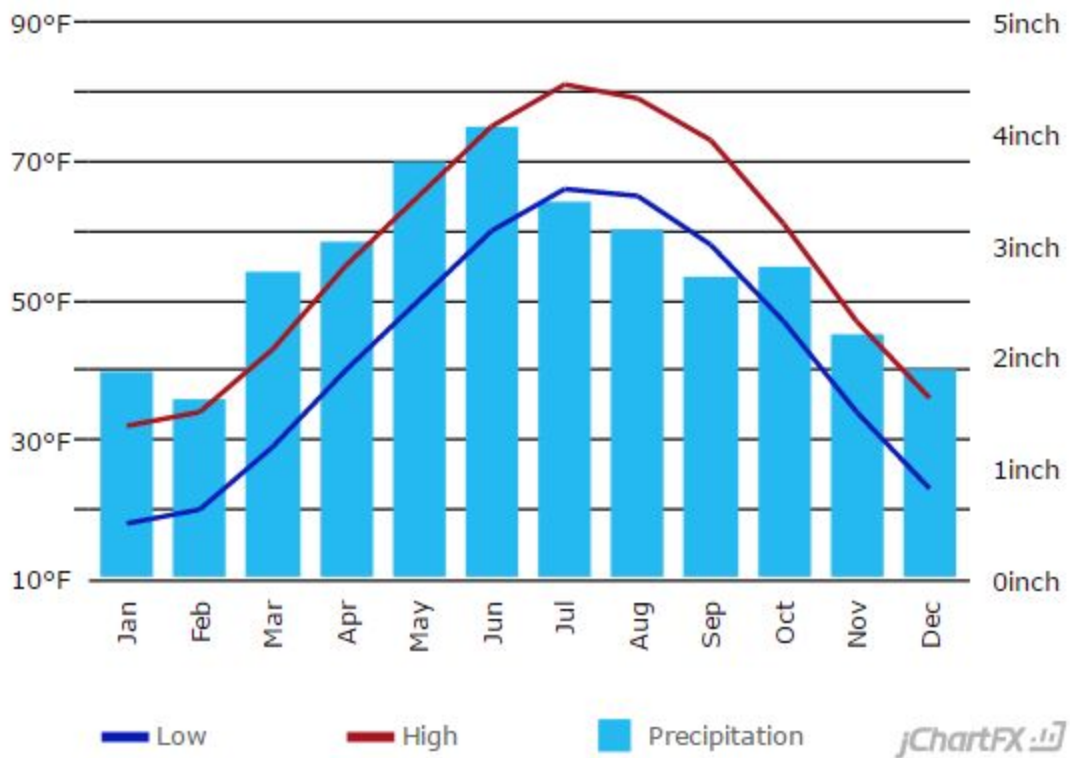
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X. Appendix

A. Figure 1

Chicago Climate Graph - Illinois Climate Chart



Source: U.S. Climate Data