



resideo

**PORTFOLIO
STRATEGY
PROPOSAL**

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PORTFOLIO STRATEGY PROPOSAL

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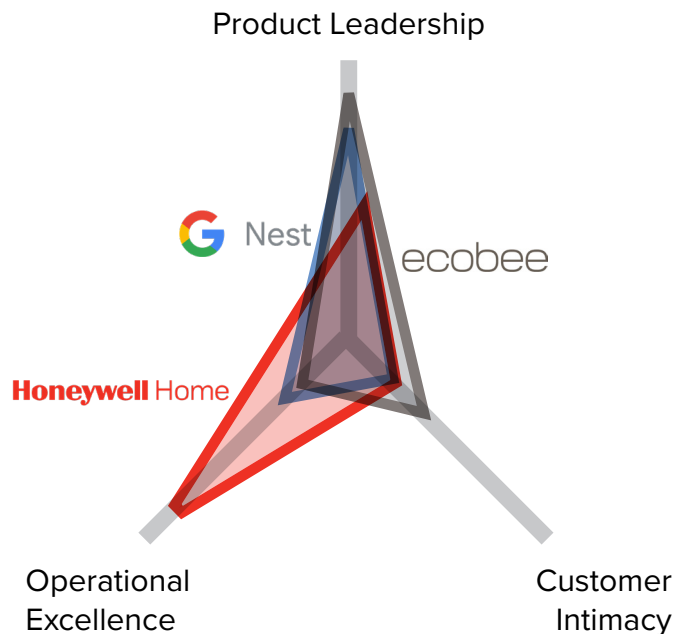
INTRODUCTION

GOODBYE, HONEYWELL MEET RESIDEO

On October 29th, 2018, Honeywell announced that it had completed its spin-off of **Resideo Technologies, Inc.** A newly formed company with a 130 year legacy, Resideo re-focused on consumer-facing, products with an emphasis on the **connected home**. Many of their devices are licensed under the Honeywell Home brand. As a result of Honeywell's legacy, Resideo Technologies has one of the broadest portfolios in the home security, safety and comfort markets and is a leader in the home heating, ventilation and air conditioning controls and security markets.



Resideo has more than 13,000 employees. After spinning off from Honeywell, Resideo maintained relationships with more than 110,000 professional contractors, more than 3,000 distributors, and 1,200 original equipment manufacturers, major retailers and online merchants. **Resideo's current value rides on the Honeywell reputation despite having a new, clearly-defined vision for their brand.**



Resideo's (Honeywell Home) strength is their execution of readily available, quality, and low priced devices. No one else in their market can match their existing infrastructure.

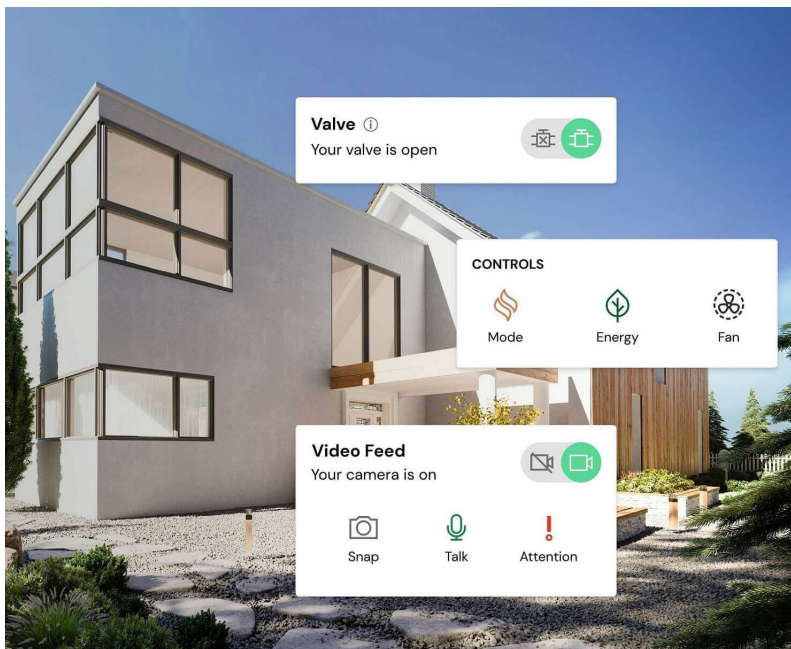
THE CONNECTED HOME

As the items around the home grow more connected to the Internet, the ability to track and monitor your homes status increases. **More data means better decisions for homeowners**, leading to easier accident prevention.

As the cost of connected devices and appliances come down, the demand for these products will go up. Consumers who include smart home devices inside their homes are looking for integration and ease of use. Smart thermostats act as a hub for a variety of connected home systems.

Resideo has one of the most diverse portfolio of smart home devices that covers many areas around the home.

Resideo divides their devices into four categories: air (thermostats), water (leak detection), energy (thermostats and smart light switches), and safety (security cameras, connected doorbells, and motion sensors). All of these devices work together within one unified Honeywell Home app.



INTRODUCTION

2008

ecobee introduces the world's first smart thermostat, the ecobee Smart.

GROWTH

2011

Nest's Learning Thermostat grew consumer visibility to smart thermostats, with a smart, stylish, and WIFI connected device.

MATURATION

2025

Smart thermostats will retain a more than 70% share of the new purchases over lower-tech connected options.

SATURATION

???

Long term, as connectivity increases, the need for a wall-mounted device could stagnate.

SMART THERMOSTAT
PURCHASES

PRODUCT PORTFOLIO

150 million households already have a Honeywell Home product installed within their walls. 6.7 of those millions are utilizing smart devices. The following products are the “DIY” part of Resideo’s portfolio that do not require any professional installation.

AIR

● Smart Device

Non-Programmable



Non-Programmable with Heating & Cooling
\$19.99



Non-Program Electric Heat Thermostat
\$21.99



Non-Program Thermostat Digital Display
\$21.99



The Round Thermostat
\$39.99

Programmable



1 Week Programmable Thermostat
\$19.99



Simple Display Non-Programmable Thermostat
\$23.99



T5 Touchscreen Thermostat
\$23.99



5-2 Programmable Thermostat
\$24.99



5-1-1-Day Programmable Thermostat
\$34.99



5-2-Day Program Line Volt Thermostat
\$51.99



T5 7-Day Programmable Thermostat
\$79.00



Touchscreen 7-Day Program Thermostat
\$79.99

Smart



● WIFI 7-Day Programmable Thermostat
\$99.00



● T5+ Smart Thermostat
\$149.00



● WIFI Color Touchscreen Thermostat
\$169.00



● T9 Smart Thermostat
\$169.00



● The Round Smart Thermostat
\$249.00

WATER



Single Use Water Leak Alarm
\$6.99



Water Leak Sensing Alarm
\$10.99



Water Leak Sensing Alarm
\$29.99



● WIFI Water Leak & Freeze Detector
\$79.99



Programmable Timer Switch
\$34.99



● ECONOSwitch Light Switch Timer
\$44.99

SECURITY

Sensors



● Security Access Sensor for Windows & Doors
\$39.99



● Smart Home Security Motion Sensor
\$49.99

Doorbells



● 3 Series Portable Wireless Doorbell
\$29.99



● 5 Series Plug-In Wireless Doorbell
\$39.99



● 9 Series Wireless Doorbell
\$49.99

Cameras



● C1 WIFI Security Camera
\$79.99



● Smart Home Security Indoor Motionviewer
\$149.99



● C2 WIFI Security Camera
\$144.99



● Smart Home Security Outdoor Motionviewer
\$199.99



● Smart Home Security Base Station
\$349.99

SMART HOME COMPETITORS

Resideo's diverse portfolio plays across multiple smart home markets. Within each category, there are different industry leaders positioning themselves as the best option for homeowners. With its existing strengths, **Resideo is well positioned to be the first in smart home to build a comprehensive ecosystem.**

SMART THERMOSTATS



 Nest



ecobee



EMERSON



Honeywell Home

LEAK DETECTORS



geeni



ring



Honeywell Home

SMART LIGHT SWITCHES



 LUTRON



brilliant



ecobee



Honeywell Home

SECURITY SYSTEMS



 Nest



SimpliSafe



ring



Honeywell Home

MAPPING THE SMART THERMOSTAT MARKET



FEATURE MATRIX

	Humidity Display	Weather Considered	Connected Apps	Smart Adjustments	Filter Notifications	Supports Multiple Rooms	Includes Speaker
ecobee Smart Thermostat \$249.99		●	5	●	●		●
Nest Learning Thermostat \$249.00		●	1	●	●		
Honeywell Round Smart Thermostat \$249.00		●	4	●			
Sensi Smart Thermostat with Touchscreen \$169.00	●	●	6		●		
ecobee3 lite \$169.99		●	4	●			
Honeywell T9 Smart Thermostat \$169.00	●	●	6	●	●	●	
Honeywell WIFI Color Touchscreen Thermostat \$169.00	●	●	4		●		
Honeywell T5+ Smart Thermostat \$149.00			6				
Sensi Smart Thermostat \$129.00	●	●	5				
Google Nest Thermostat \$129.99			1	●	●		
Honeywell WIFI 7-Day Programmable Thermostat \$99.00			1				

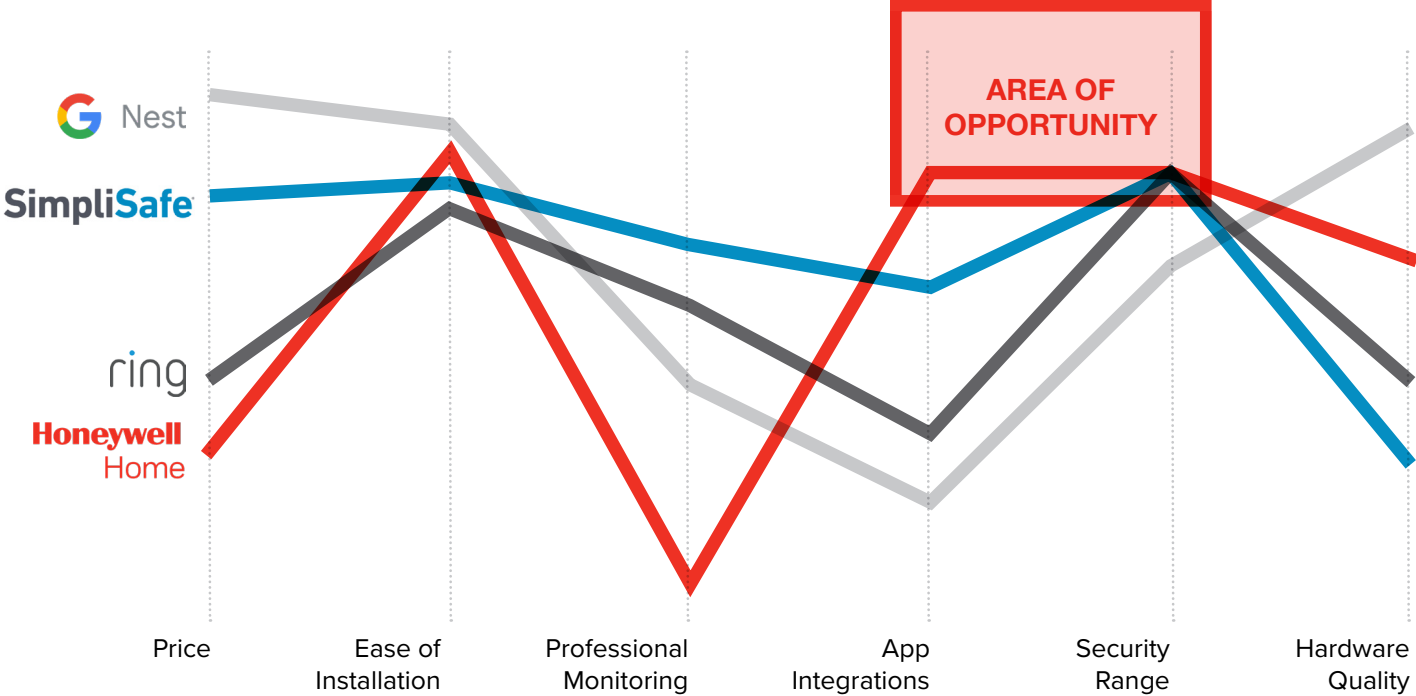
THERE'S ROOM FOR MORE CONNECTION BETWEEN PRICE AND BENEFICIAL VALUE

There is no clear correlation between price and included features among smart thermostats. There is a range of different features, but practical benefits, such as learning user's behavior and adjusting based off that data to save energy, is considered an industry standard and is promoted across most connected devices.

There is a clear area between the mid-priced and top-tier offerings for a strong option at around the \$200 point. If it included the benefits of the most expensive offerings, it could compete with them at a lower price-point.

If they can boost the capabilities of their lowest-priced options, then they can directly compete with the slightly more expensive devices, as a high-value option.

COMPARING SECURITY ECOSYSTEMS



STRENGTH IN OPTIONS: EMPOWERING USERS.

Many of the smart home security kits come with a few devices to start with, usually a sensor and a hub or keypad, and offer additional devices for an additional cost. The Honeywell Home option falls within this pattern, but includes a more impressive range of devices, such as a security camera, at a lower cost than all of their competition. Each additional device enables further customization and better piece of mind for users. **There is an opportunity to continue to develop additional devices, bringing added functionality to the entire system, to help stand apart for the rest of the crowd.**

Honeywell Home does not offer a professional monitoring service and is the only one in the market not doing so. To balance this missing piece, they offer the most integrations with existing smart home platforms such as Amazon Alexa, Apple’s Home-kit, and Google Assistant. **This once again sets Honeywell Home apart from their competition, giving their user the broadest flexibility in how they want to set up their smart home security system.**

BRAND PROMISE



Honeywell Home
CONTROL

“What makes home so valuable to those that live within is at the heart of what keeps it all connected. Resideo products, services and subscriptions are supported by apps that put you in control of your connected life.”



SimpliSafe
SAFETY

“At SimpliSafe, our mission is to make every home secure. We’ve pioneered a new way to make home the safest place on earth for everyone.”



Nest
SIMPLE

“Welcome to Google Nest. Build your helpful home. Safe and sound, inside and out. Know that everything is OK at home, no matter where you are.”



ring
COMMUNITY

“We believe that stronger communities are the key to safer neighborhoods. That’s why we’re driven to create products that help you protect what matters most at home and empower you to connect with your neighbors from wherever you are. Together, we’ll help make neighborhoods safer.”

CONSUMER SEGMENTATION

The people seeking out smart home devices all have a few things in common: a home, and a desire to improve it. The following two types of homeowners present specific opportunities to target the Resideo portfolio towards moving forward.



THE CAPTAIN OF THE SHIP

The Captain of the Ship is in full control of her home. She knows where the washing machine always leaks during the winter, and exactly which of her windows leaves her most vulnerable to break-ins. Having spent much of time addressing these problems herself, she would prefer to monitor the safety of her home herself, and wants to understand as much as possible about what happens withing her walls. The more data she can gather through new smart devices, the more empowered she'll feel over her domain.

Many of Resideo's existing strengths play will with the values that are part of the Captain of the Ship's homeownership.

VALUES:

that inform our

Functional Take-aways:

SELF SUFFICIENCY

Easy DIY Installation

DATA PRIVACY

Flexible App Integrations

GETTING EACH DETAIL RIGHT

Customizable Hardware Sets

THE HARD-PRESSED HOMEOWNER

The Hard-Pressed Homeowner has very little time, but has a great deal to lose, whether that's the value of her home, or the invaluable family members inside. She would rather pay for a professional installation that she knows will work without her dedication her time to it, than having a go at it herself. She needs a system for her home that she can trust to keep things running safely and efficiently while she manages the other demanding parts of her life. The Hard-Pressed Homeowner cares about her community, their impression of her, and what she can do to contribute. A small contribution to the world through reducing her energy usage aligns with her desire to leave a better world for her family, and also make her feel better about the upfront cost of smart home services.



VALUES:

that inform our

Functional Take-aways:

EARTH FRIENDLY

Automatic Energy Savings

PEACE OF MIND

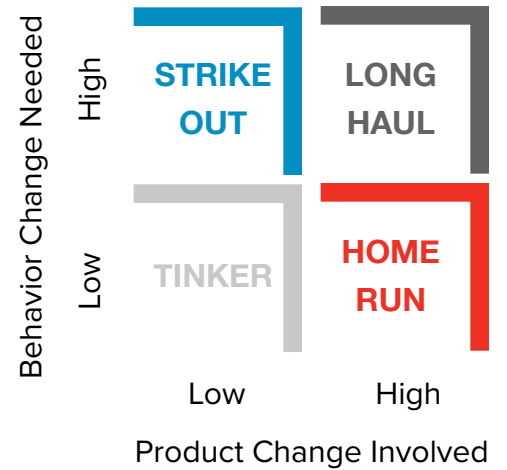
Professional Monitoring

EVERYDAY INDULGENCES

Stylish Hardware

STRATEGIES TO WIN

Ideas were generated and the top 12 were evaluated based on the ease of implementation from an business perspective and the **potential value they would create for the target consumers, the Captains of the Ships**, while balancing the behavioral change on the consumer’s need to embrace the solution.



NOT WORTH PURSUING

Introduce all new smart products under the Resideo name

Eliminate the mid-teir “Programmable” section of the thermostat portfolio

Build out robust energy usage data reports for homeowners for all devices in home

Integrate automatic “lights on” and “lights off” into devices as security feature

Contract professional home security monitoring services to provide services to users

Develop a smart water heater to expand the “water” category

Develop smart key-fobs for arming and disarming home security systems

Replace smart light switches with smart plugs at a lower cost than the switches

Simplify down to one item per function or category, like one security camera

Eliminate thermostats and focus on phone app as hub for smart devices

Develop smart smoke and air alarms for added safety functionality

Create “Build-your-own” security system tool on website based on house information

FARTHER DOWN THE ROAD

Ideas with long development timelines, including any products that are not in the current line-up and require ground-up design and development, that also require a significant shift in consumer behavior are better candidates for further down the product pipeline than the home run ideas.

TARGETED OPPORTUNITIES FOR TODAY

Ideas that require more investment in change from Resideo than the consumer are ideal candidates for today’s development projects. This group of ideas will build upon the existing smart Honeywell Home products and set their benefits apart from competitors, further building Resideo’s lead in flexibly and control.

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RING

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