



#### Specific insights included:

- How is the HVAC system market evolving?
- What features are important in a next generation HVAC equipment? Both holistically and separately for furnaces vs. air conditioners vs. heat pumps?
- What value do consumers ascribe to these features?
- Which features are critical and must be included?
- Is there any app functionality that the homeowner would find useful?

#### THE BUSINESS NEED

Every industry faces the same challenges: to remain competitive and gain an advantage over their competitors they must innovate. While they could look to their competitors for what's current, our client in the HVAC industry wanted to understand what new products and features would be the most relevant to their consumers. Looking to the future in a very competitive category, our client recognized their need to assess the evolution of the category's equipment. This would ensure that their new product development was relevant and that they were seen as innovative category leaders.

#### THE RESEARCH PLAN

The Stevenson Company worked closely with our client to develop a two-phase research plan. This qualitative and quantitative approach was designed due to the importance of obtaining fully comprehensive coverage of the various issues with all key constituents. The qualitative phase was necessary to understand consumer needs and attitudes, while the quantitative phase articulated and measured the learnings from phase one.

#### Phase 1-Exploratory Research

The initial phase of research was qualitative. The broad ranging discussion focused on understanding attitudes surrounding current HVAC equipment, exploring unmet needs and gaps, and a discussion of technology as it relates to other products and how that might be applicable to HVAC equipment.

Phase 1 research features:

- HVAC dealers and end-use consumers - both can be integral to the purchase decision process.
- Focus groups and in-home consumer ethnographies (allowing consumers to share their behaviors & attitudes in the context of their home)
- Different attitudinal segments within each group.
- Geographic dispersion ensured strongly developed markets in the different types of equipment.

## Phase 2-Quantitative Research

**Phase 1** learning was used to guide the development of the quantitative phase.

**Phase 2** provided a quantifiable and projectable assessment of the learning from Phase 1. As in Phase 1, both consumers and dealers were included.

The quantitative phase included a unique application of two types of trade-off methodologies, Maxdiff (also known as “best/worst scaling”) and conjoint (“trade-off analysis”), to address the following key issues:

- Relative and absolute importance of HVAC features/benefits
- Potential marketplace impact of differently featured HVAC systems
- Feature values and price trade-offs (feature worth to both consumers & dealers)

Using our approach, the customer trades off on the importance of features using an online tool. Using our software, we assign a utility to each feature evaluated, allowing us to build complex marketplace simulations which take into account our client’s proposed features & competition.

*“When it comes to developing our next new product, the team at The Stevenson Company is miles ahead of anyone else we’ve used...For this project, they helped develop an exceptional and creative methodology at the right price and delivering results that we can use that same day.”*

## OUTCOME

Utilizing the learnings in phase one was a critical component of this research. Without these learnings, phase two would have included an incomplete list of features. The integration of the two methodologies allowed for a trade off model to be built using The Stevenson Company’s proprietary Stevenson Market Simulator (SMS) tool. The SMS enabled our client to instantaneously build a marketplace that best represented their product and the competition’s products. From this SMS tool, our client could

determine the actual share of preference for each product they anticipated would be on the market.

The insights provided a head start versus key competitors in the development of the next generation of HVAC equipment. It ensured any new equipment comprised the most relevant features, priced appropriately.



### Contact Us

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