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## A case study on nest's "smart home energy" business model: Based on strategic choices for connected product

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The purpose of this study is to investigate Nest's business strategy, because simple Nest products have a big potential of connected one and have synergy with Google's current assets such as artificial intelligence. It makes sense to be developing them together. The key activities based on strategic choices for monetizing connected product are investigated. Nest's capacity and functionality is to offer a seamless integration of devices, platforms, and services and the "Works with Nest" offers an ecosystem fulfilling the needs of different partners. For utilizing and monetizing customer data, Nest also provides a seamless end-to-end customer experience supported by product incentives. Nest also introduces open APIs to connect its smart devices to the wider IoT and open to "If This, Then That."

With those activities Nest builds Nest home including energy. In terms of smart home energy (SHE), all Nest

products were designed to work together and if there is a carbon monoxide leak, the Nest Protect can send a command to the Nest Thermostat to turn off the heat. The Nest app also controls them from one single place. Thanks to the support of numerous partners and third-party developers, Nest has partnered with 32 energy providers as of 2017. These partners provide energy from renewable and non-renewable energy sources. Nest emphasizes how the consumer can benefit from sharing data with their energy and insurance provider. Even if 5% is not a significant discount, it has a potential to make consumers more responsible about preventing hazards by using SHE technology at home. Nest creates a sales channels in direct and indirect route and very interesting is that as part of the deal, AirBnB hosts using Nest has free access to MyEnergy, a platform tracking energy consumption and helping consumers become more energy-efficient at home.

### Biography

Minzheong Song currently is an assistant professor at Dept. of Media and Adverting at Hansei University. She worked for the Economics & Management Research Lab of Korea Telecom starting from Aug. 1996 to Apr. 2014 and to have a research professor position of Dept. of Human ICT convergence for one year at Seongkyunkwan University. She is now also a lecturer at graduate school of Media and Communication in several universities like Yonsei, Seogang, Hanyang and so on. For academic activity, she was executive director of Korea Media Management Association (2002-2011) and has been auditor for 3 years from 2011 to 2013. She has also served as auditor of Communication Academic Society (2008-2011). Since 2012, she has also worked as director at Korean Association for Broadcasting & Telecommunications Studies and vice-president of Cybercommunication Academic Society from 2012 to 2013. She was also a vice-president of the Korea Academic Association of Business Administration and the Academic Association of Digital management from 2014 to 2015.

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