

Marketing For HVAC Companies

By Garry Upton

Marketing is a term that can strike fear, loathing, and/or ambivalence into managers in many industries. But for those who've discovered how to use it, marketing carries tremendous respect and appreciation.

People selling packaged goods were probably the first to understand marketing's value. To understand how well marketing works, look at any grocery store across the country. For the most part, there are just a few products in each category on any grocery-store shelf. More importantly, the shelves in a New England store and the shelves in a Southwestern store carry the same name brands.

Companies selling these brands have found that marketing to the public in general has assured their products a place on the shelf in the store, not only locally, but nationally as well.

Since the early 1970s, homebuilders have also learned how well marketing works. There are now more national companies selling houses in multiple markets, all at a time when, overall, new residential construction has been weak and local custom/spec builders have gone out of business.

Within the world of HVAC/R, a number of installing/servicing companies are marketing themselves, and for some it's working.

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Few customers can remember the names of their service companies or even the names of the HVAC/R brands in their homes.

So what is marketing and how can it work for you? Think of marketing as if it were a wagon wheel. The hub of the wheel is your company. The spokes are your marketing activities. The rim is the consumer franchise you count on to succeed.

Consumer franchise? This is a term for repeat customers who call only you whenever they have a need. It's based on how many times customers do business with you, versus how many times they do business with one of your competitors, and is the direct result of being aware of your company's image, products, and services.

The spokes that connect the hub and the rim (spokes connecting with your customer, marketing spokes) must be strong and of the

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right length for the wheel to serve its purpose—for you and your company to succeed. When the spokes aren't right, the ride may be bumpy and the company may fail.

What are the marketing spokes that connect the hub to the rim? There are six key spokes necessary for your success. They fit into three key separate functions of marketing.

Your Business And Its Wheel Of Marketing Your Company's Consumer Franchise



The Basic Spokes

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- Personal selling
- Consumer price

The Tactical Spokes

- Service promotions
- Product promotions

The Strategic Spokes

- Advertising
- Product/Service improvement

All spokes of the wheel are considered essential in developing your company's consumer franchise. However, each spoke is important in a different way. The two basic spokes are the fundamental parts of your company's marketing operation. You cannot build a consumer franchise if you're not talking to potential customers and/or the price of your service or product isn't considered to be fair.

The tactical spokes are designed to help you control where and when to increase service or product sales. Major objectives when considering the use of promotions should be:

- To attract new customers
- To increase overall purchases by your existing customers
- To cushion a price increase
- To stimulate and focus your sales force
- To counter competitive offerings
- To expand existing selling seasons

The third group is the strategic spokes. These are essential for an enduring consumer franchise. They give you name awareness and an aura of "authority" as a prosperous "expert" who should be remembered and called on when the time is right.

Often the strategic spokes are missing in smaller, entrepreneurial companies. When the strategic spokes of the marketing wheel are in place, you'll begin eliminating the sting of competition from new companies entering the industry every year.

Your company, at the hub of the wheel, is the most important factor in your marketing success.

Just identifying the spokes of the marketing wheel and working on a superb marketing plan will not spell success if something is wrong with the HUB!

The hub is not just some name or label. The hub is you, your employees, and your integrity. Your company not only must deliver its products and services, it must provide some added value that consumers can recognize and appreciate.

If you decide your company won't offer consumers an advantage over the competition, or if you choose not to effectively advertise and promote that advantage, you might as well resign yourself to living with the nightmare of heavy seasonal cycles and the continuous strains of new competition.

Marketing's task is to create and maintain customers. The marketing plan should include

the right tools to find and maintain a long-term consumer franchise. Any plan must spell out:

- The targeted market
- The type of products you will sell
- The brands you will represent
- The pricing plan for your services and products
- The timing and scope of promotions
- The type and amount of advertising
- The tracking plan to maintain success

When developing each annual marketing plan, make sure to devote the time necessary to assess the marketing you've done historically. Then build your next plan based on past successes and failures. Doing this each year will help create a living plan that can help you build your company to its total potential.

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About Decision Analyst

Decision Analyst is a global marketing research and analytical consulting firm. The company specializes in advertising testing, strategy research, new products research, and advanced modeling for marketing-decision optimization.



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