

A photograph of a rooftop HVAC system with several condenser coils and pipes, overlaid with a white text box containing the title and subtitle. The entire image is framed by a thick orange border.

DIGITAL CHANNEL MARKETING

WHAT EVERY HVACR DISTRIBUTOR

NEEDS TO KNOW

Based on Our ROCs Initiative

@site-seeker
digital marketing solutions



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About the Authors



Brian Bluff



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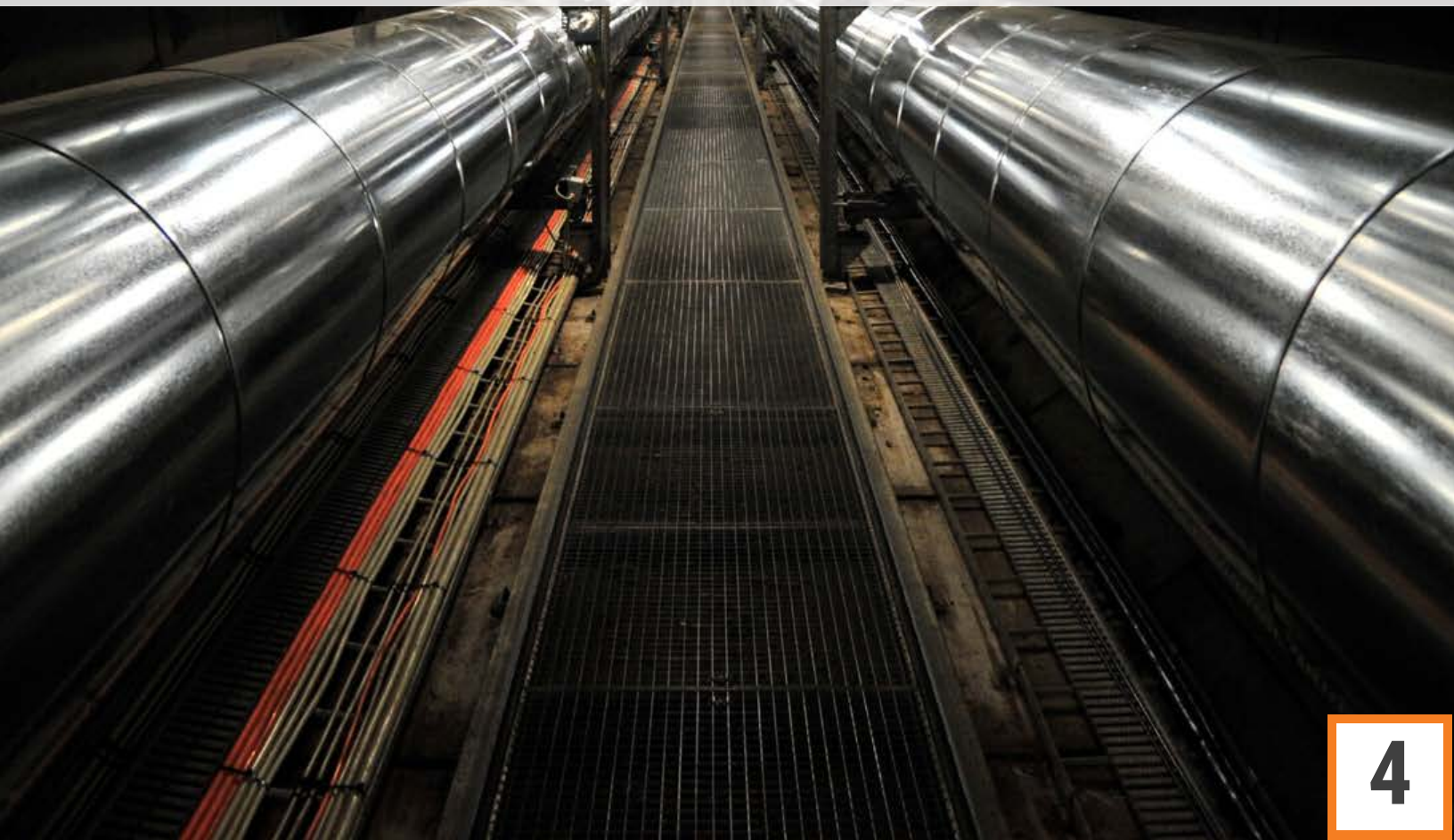
The Bluff Brothers, Brian and Eddie, are the co-founders of Site-Seeker, Inc., a full-service, digital marketing agency based in New Hartford, NY. They founded the company in 2003 after leaving ThomasNet and brought their more than 40 years of combined experience in sales, strategy, and marketing. The brothers have a passion for building long-term relationships with their partners and creating custom solutions for their clients which has allowed them to grow their business into a success.

They've helped more than 500 businesses across a variety of industries (including HVACR and Material Handling) grow their digital presence and have been keynote and session speakers at 150+ conferences.

They wrote the following ebook to help HVACR distributors integrate their business into the digital frontier. It was created from many tireless hours of interviewing, researching, analyzing, and writing. Brian and Eddie look forward to your thoughts, feel free to contact them at brianbluff@site-seeker.com or eddiebluff@site-seeker.com with feedback or questions.



PREFACE





Our first exposure to the HVACR industry was in 2013 at a HARDI (Heating Air Conditioning Refrigeration Distributors International) Marketing and Sales Conference in Laguna Beach, CA where we were hired to speak about Internet Marketing for Distributors. Since then, we've had numerous opportunities to dive deep into the inner workings of the HVACR industry.

After our first several years as students of the industry, we began to see just how complex this business environment is. We noticed a big gap between technology and the availability of online information and the online presence of the HVACR contractors and distributors. At the highest level, the industry is behind the times digitally; and we see a big opportunity for those that jump in first.

In September of 2016, we approached HVACR with a concept. We proposed to spend a year researching the industry and developing a solution to this dilemma - an ideal marketing plan that, when implemented, would support distributor growth.

Throughout the year, we spent over 1,500 hours interviewing manufacturers, distributors, and contractors, and documented our learning in articles, blog posts and talks provided to HVACR members. Now, with the year-long research effort in our rearview mirror, we have written this eBook and look forward to rolling out that best-in-class marketing solution for HVACR distributors.

However, our work is far from over. We are already making plans for a second eBook which will dive into some of the other technology solutions we've researched over the past year.



What Every HVAC Marketer Needs To Know

When consumers need information about a new air conditioner or are looking for someone to fix their furnace, they open their computer, tablet or mobile device and are quickly presented with mountains of available information. Ideally, the consumer would be provided with a comprehensive list of local contractors rated by other consumers who have used their service in the past and left reviews. However, the reality is that the information they're presented is incomplete. The vast majority of contractors are not found online and, when they are, often their websites do not provide a valuable user experience with quality information. This leaves the consumer frustrated and underserved.

Only about 10 percent of contractors have a strong online presence and provide information that serves their audience well. These are the guys that "get it" and are receiving the lion's share of leads and business. We aim to help distributors grow through the definition and implementation of a best-in-class marketing program that allows them to be the answer that consumers need.

This project would not have been possible without Emily Saving, Vice President of Services and Operations at HARDI, and Lauren Roberts, Executive Vice President of CFM Distributors, Inc. The two lent their support and introduced us to numerous HVACR suppliers and distributors, while also directing us to existing industry research and case studies.

To start our research, we read *Myths and Misperceptions: How Markets Are Really Made in HVACR*, by J. Michael Marks and Steve Diest. This book, a staple in the HVACR community, covers the role and value that distribution plays in the supply chain.

We then engaged in interviews with 35 distributors and six manufacturers. Those conversations focused on:

- What they do to grow their business
- Opportunities and challenges
- What's working and what's not
- How evolving technology affects their marketing efforts

Throughout the project, we kept HARDI members in the loop. We gave a preview of our findings at the 2016 HARDI Annual Conference in Colorado Springs, and as a result, landed more interview opportunities with interested members. Blog posts, video interviews, and articles were constantly being produced and shared within the HVACR industry.

We produced seven marketing templates that we'll introduce throughout this eBook and make available for your use. And, in an effort to define and present a comprehensive solution, we vetted a dozen solution providers and evaluated their solutions. Our analysis of these solutions, for the most part, will be covered in a second ebook set to be published in 2018.

We had an internal team of five assigned to the initiative. Collectively, we logged over 1,500 hours - and counting - toward this effort. Thanks to our fantastic Project Manager, Melinda Aiken, we stayed on task.

Thanks for your interest and for spending the time to review our work. We're passionate about this project and are excited to help HVACR distributors grow. If you have input, disagree with our findings, or would just like to discuss your experiences, give us a call at (315) 732-9281.

Happy Marketing!

A photograph of HVACR equipment on a rooftop. The image shows several large, circular, black mesh-covered fans mounted on a white metal surface. The fans are arranged in a row. In the background, there are metal structural beams and a corrugated metal roof. The overall scene is industrial and technical.

Challenges Facing the HVACR Industry

Massive Upheaval

There's a pretty massive upheaval going on in the HVACR industry. The source of this upheaval shares a name with the world's longest, highest-volume river - Amazon. While it's virtually impossible for any of us to disrupt or totally stem its flow, we can all learn how to compete with, or learn from, Amazon's online presence and strategies.

As contractors age-out and retire, younger ownership takes over, and the impacts are many. One distributor told us, "Where there was always loyalty to the Territory Manager, the sons and daughters taking over have a college education behind them, and are much more business-focused and don't share those same loyalties."

"These young people coming in are engaging with Facebook and Twitter and are much more receptive to a digital message and digital tools."

To a younger contractor, the use of technology is a given. They have smart phones in their holster and are not afraid to use them.

Another distributor recalled reading about a prediction that by 2020, 50 percent of the technicians would not have been working in the industry prior to 2010. He said, "these young people coming in are engaging with Facebook and Twitter and are much more receptive to a digital message and digital tools."

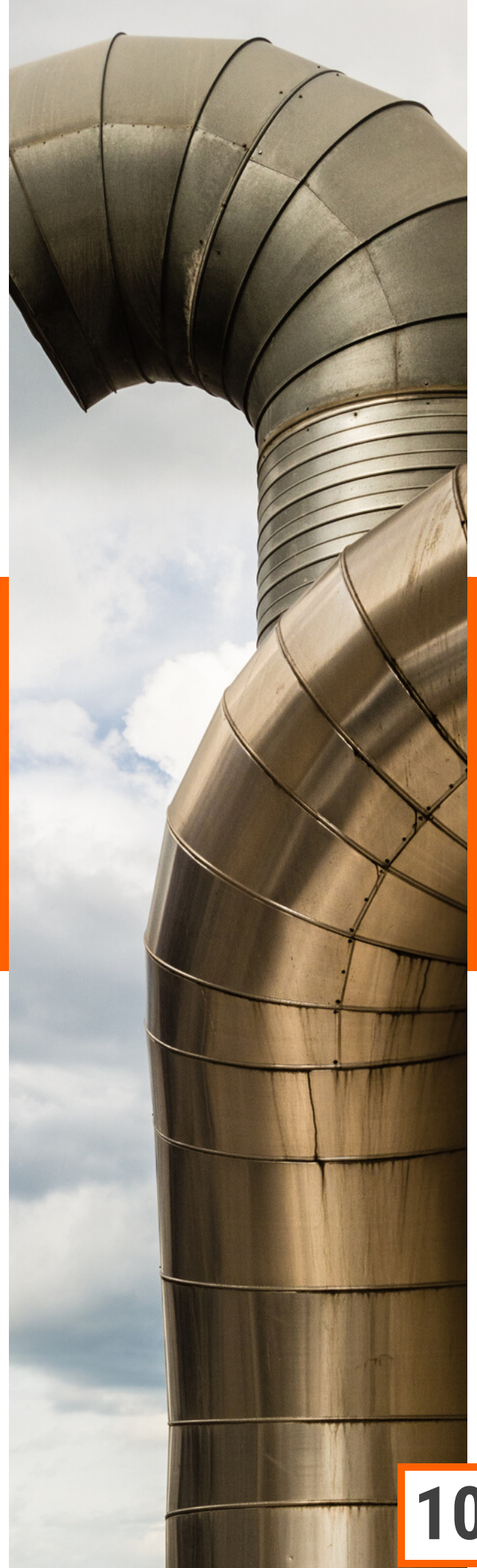
We spoke with a local three-truck, second-generation contractor owner in his mid-50s. He admitted that business is down

and he wanted us to help increase his online visibility. He's a really nice guy, but will tell you that he has no clue about digital marketing and using technology.

His son, Mark Jr., has an Electrical Engineering degree from Rochester Institute of Technology and is working in the business. Mark Jr. understands digital technology because he grew up playing games, taught himself how to write code and fully understands the need to embrace digital marketing. He told us,

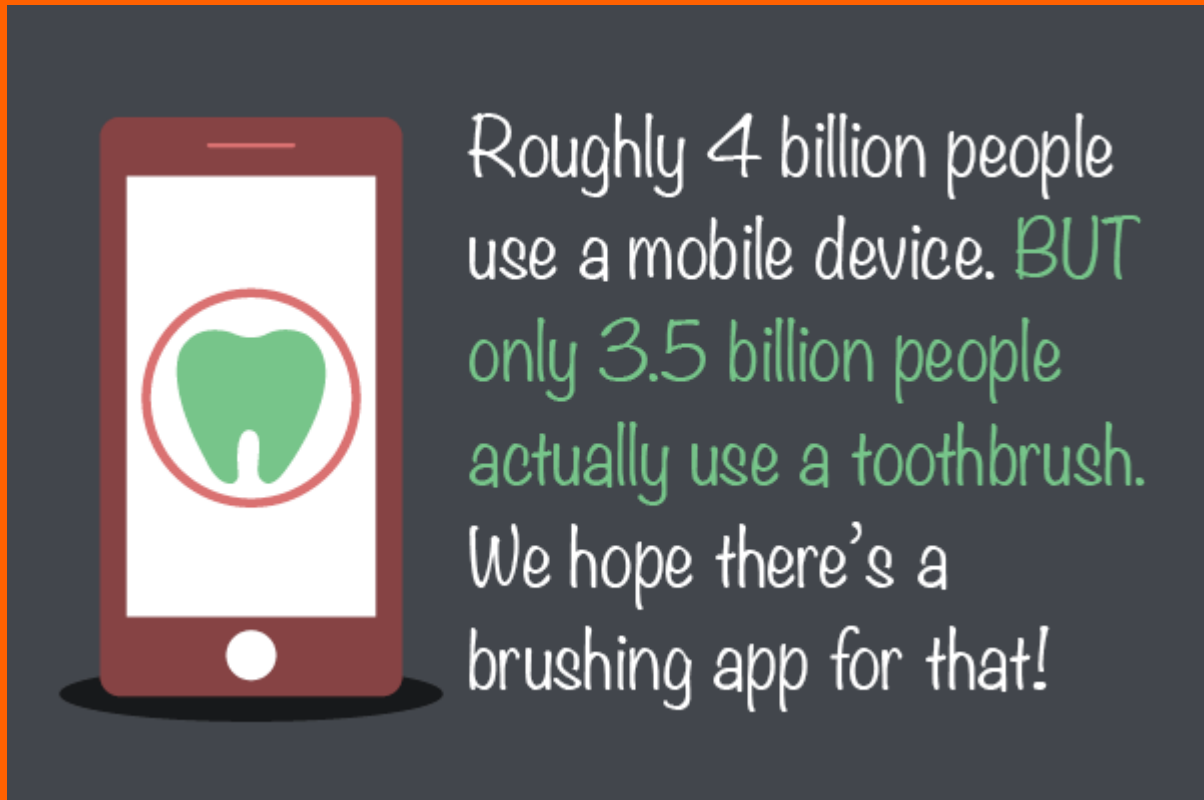
“This business will be mine in 5 years and I don’t want to try to pick up the pieces because I’m not sure how many pieces will be left. I’ll take care of the old man, you help me put together an effort to fix this and get us some business.”

HVACR is a complex industry, and the position of the middleman is challenging and changing. One distributor feeling the heat said that two challenges he is facing include pressure on prices due to online competition and competition from factory stores. He said, “they take chunks of our wallet from every direction.”



Changing Consumer Habits

There are all sorts of HVACR end-users. What we all have in common is that we are all constantly plugged in. We read a wild (and a bit scary) claim that there are more cell phones than toothbrushes.



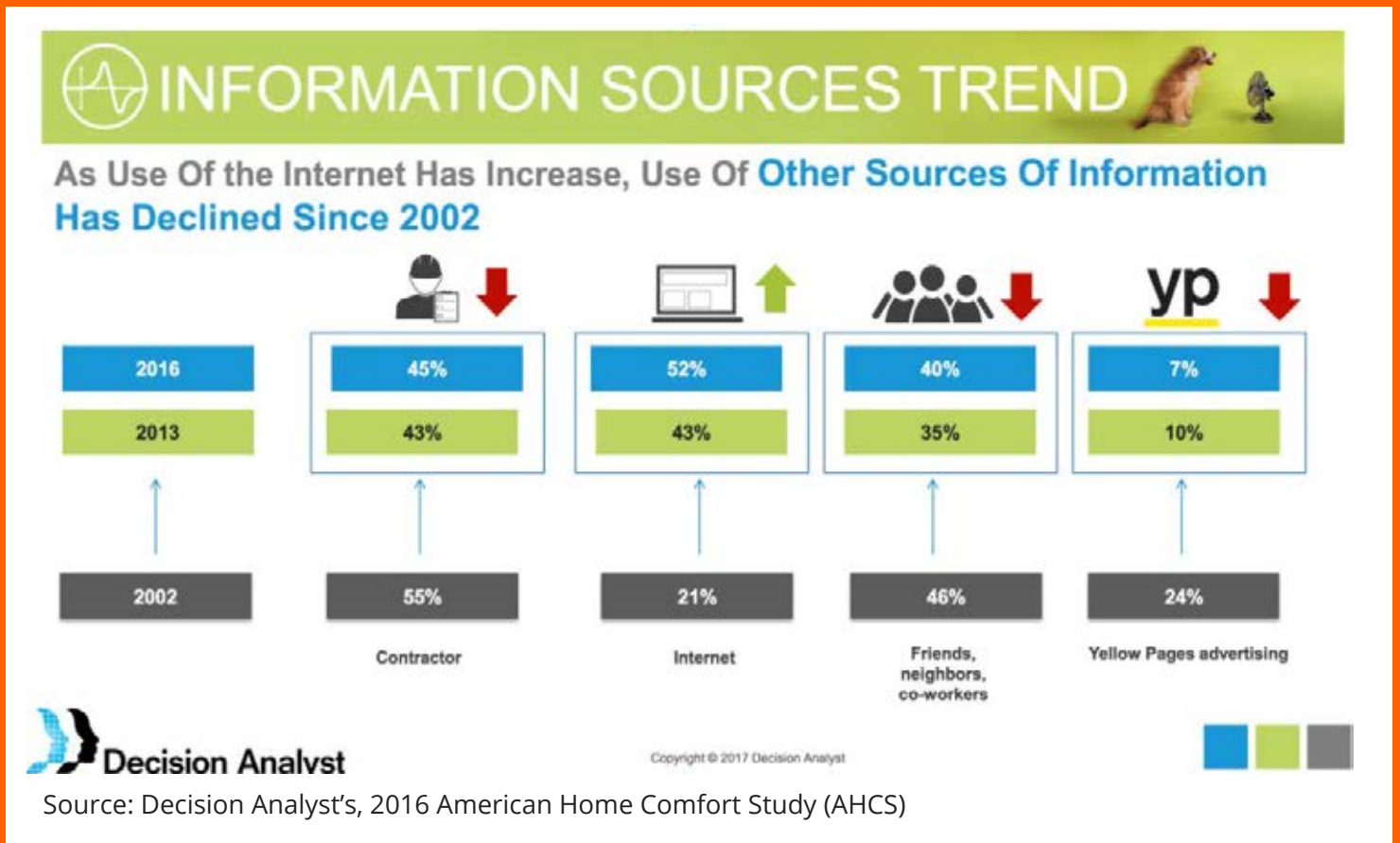
Source: <http://www.redmond Dentistry.com/blog/5-fun-facts-toothbrushes/>

And while we hope that is not true, it is true that we've become chained to and reliant upon technology.

When our furnace breaks or when we want to upgrade our HVACR system, we reach for our devices because we want to be informed and assured of our decision. All of this happens in a fraction of the time it would take us to gather information from other sources. We live in a world of personalization.

It is important to understand the specific needs, characteristics and habits of those you serve regardless of their age, income level, culture, or where they live. They are all out there looking for information. Your job is to educate prospects and provide information on their terms. When we do that, we'll have a much better chance of doing business.

If you haven't guessed, the way consumers source HVACR solutions has changed, too. Use of the internet has increased, and use of other sources like relying on contractor advice, recommendations from friends and family and yellow pages, have decreased. This may be influenced by the influx of millennials in the housing market and the general, across-the-board adoption of the internet by people of all age groups.



Buyers of HVACR solutions can be broken into two groups:

1. **Brand-first** - choose the brand of product first and then consider installation options
2. **Contractor-first** - choose a contractor first and then consider brand options

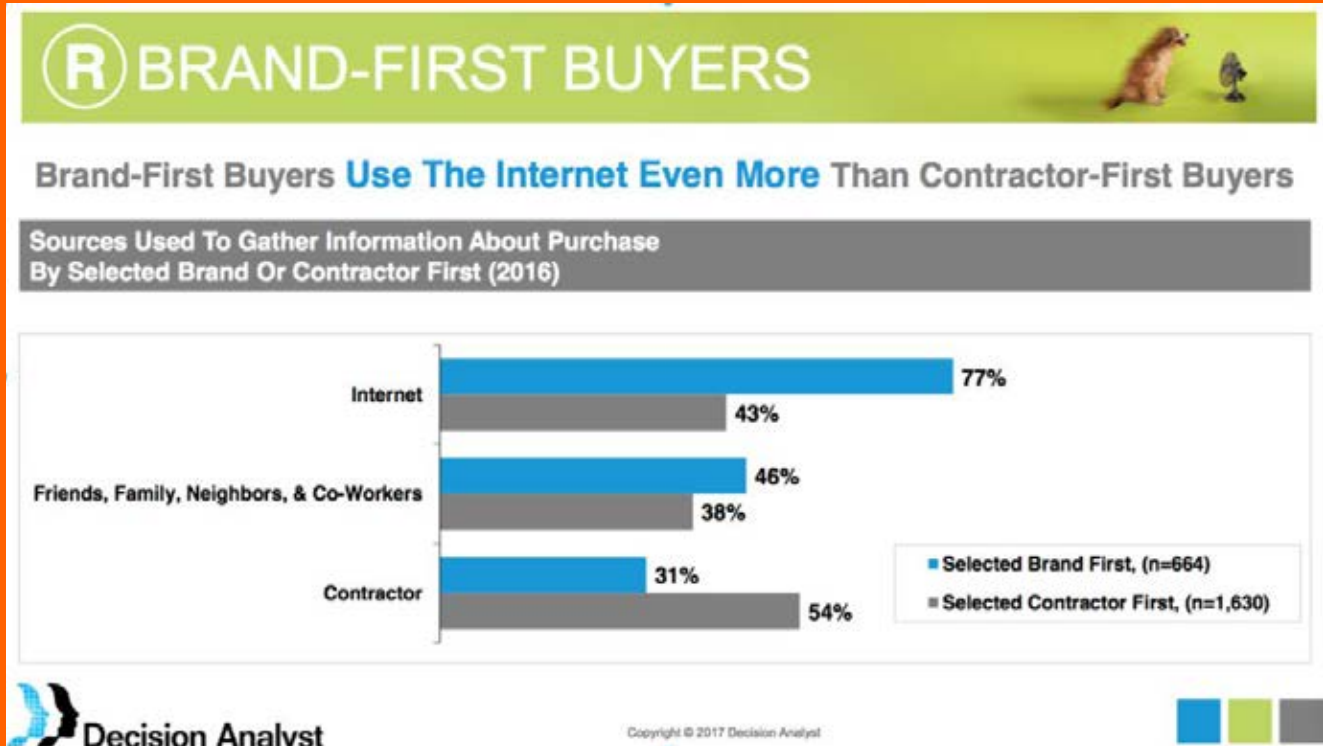
Decision Analysts found that brand-first buyers use the internet even more than contractor-first buyers.

- 77% of buyers that used the internet to conduct research selected the brand that they ultimately purchased first
- 43% of internet users selected contractor first

What's this Mean to the HVACR

Distributor?

The internet is growing as a source of information used in the sourcing of HVACR solutions; and when the internet is used, the majority of people select the brand first. That means that relying on contractors to steer the sale of equipment has become less effective. As access to information has increased, the consumer now has the ability to self-educate and make decisions, right or wrong, without the contractor.



Source: Decision Analyst's, 2016 American Home Comfort Study (AHCS)

What should Manufacturers, Distributors and Contractors do?

In general, there are two options.

1. Develop a plan to ensure that your brand receives maximum positive online exposure.
2. Develop an aggressive, concerted contractor first campaign. Create eBooks (like this one), videos, paid advertising campaigns, landing pages, lead nurturing campaigns (think smart email), etc., and place this information directly in the path of end users searching for an HVACR solution. The aim of these campaigns should be to educate consumers about the importance of selecting a good contractor and allowing them to use their expertise to guide the selection of a solution.

We believe that developing a plan to work both options is crucial. To do this though, requires understanding your audience and what their concerns are and then developing messaging and campaigns to address those information needs.

Think about buying a car online. Purchasing HVACR equipment is both similar and different from the car-buying experience. It's similar because more and more people conduct their research online. Consumers know what they're willing to pay, and if they see a deal, they buy.

This situation is different, because an HVACR system requires the equipment, technical, and installation expertise to be effective. When you buy a car, it's already built; the systems are already properly sized and work efficiently together. The wild card in the HVACR world is the building within which the equipment has to be installed and the importance of the contractor in this scenario shouldn't be overlooked.

For a distributor to seek out a bigger piece of the pie, they must play to both sides of this issue.

- 1. Gain online exposure for brand related terms. From this perspective, a distributor's goal should be to capture traffic for specific products and part numbers, but also equipment related terms with geographically modified terms - i.e. "ABC Brand furnace Syracuse, NY".**
- 2. Promote contractors. Distributors can promote contractors on their own site as well as help to promote the contractor on their site and other online platforms - i.e. review sites, local listing sites, etc.**

Further, since brand decisions are being made after brand information is consumed, distributors and contractors should include brand specific content on their websites.

This seems logical. First find what you want to buy, then where (from whom) you want to buy it.



DIGITAL MARKETING SOLUTIONS



A desk setup featuring a computer monitor, a keyboard, and a vase with green plants. The monitor is on the left, the keyboard is in the foreground, and the vase is on the right. The background is a light blue wall.

Strategies

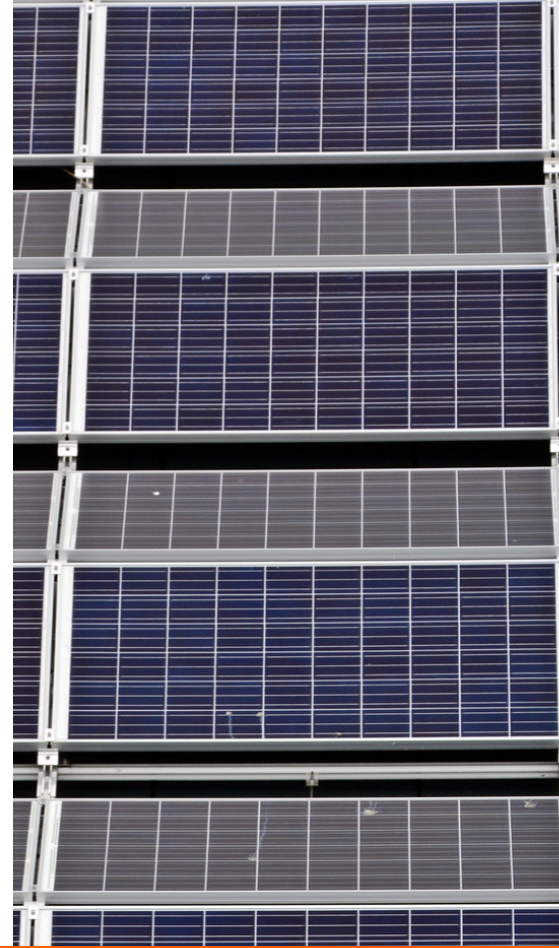
Before we lay out the specific tactics, there are two general strategies we've developed that should be kept in mind when implementing the solutions to the challenges already discussed.

Leapfrog Marketing

Retaining contractor business is most distributors' number one goal; and significant growth potential exists when distributors help their contractors grow. Since more and more end users rely on information from the internet to guide their decision-making process, distributors have an opportunity to leverage the internet to grow their businesses.

Most people jump to the conclusion that to capitalize on this opportunity, distributors should increase their own web presence. This is true. However, we've found that distributors can benefit by leaping over their customers - contractors - and market to their customer's customer, the end user.

We call this leapfrog marketing. By driving business to contractors, which are largely loyal to the distributor, the distributor sells more equipment.



Distributor (Mfg)



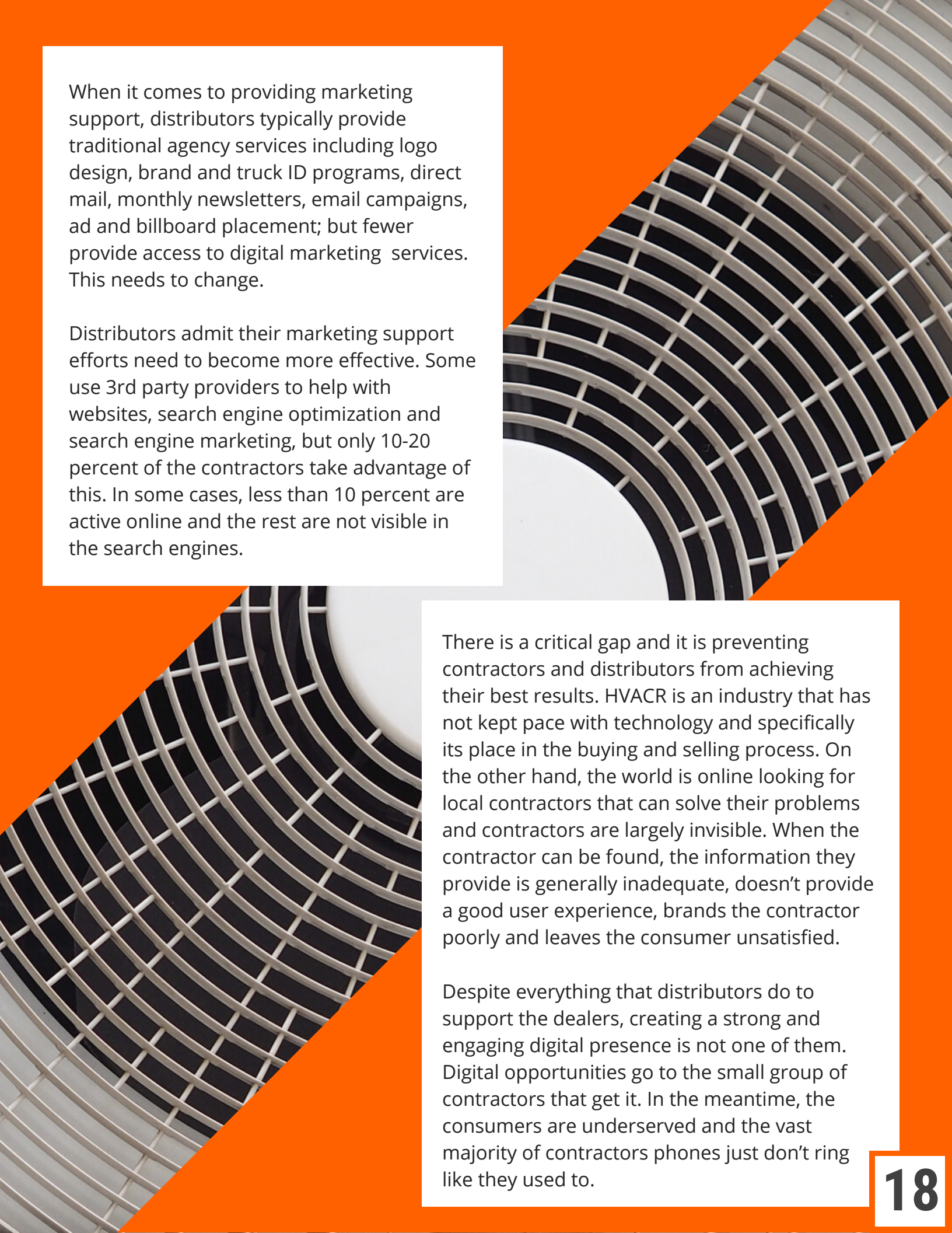
Contractor



End User

Leapfrog marketing allows HVACR distributors to leap over their customers and instead market to their customer's customer, the end user. As contractors grow, the distributor benefits through increased sales.





When it comes to providing marketing support, distributors typically provide traditional agency services including logo design, brand and truck ID programs, direct mail, monthly newsletters, email campaigns, ad and billboard placement; but fewer provide access to digital marketing services. This needs to change.

Distributors admit their marketing support efforts need to become more effective. Some use 3rd party providers to help with websites, search engine optimization and search engine marketing, but only 10-20 percent of the contractors take advantage of this. In some cases, less than 10 percent are active online and the rest are not visible in the search engines.

There is a critical gap and it is preventing contractors and distributors from achieving their best results. HVACR is an industry that has not kept pace with technology and specifically its place in the buying and selling process. On the other hand, the world is online looking for local contractors that can solve their problems and contractors are largely invisible. When the contractor can be found, the information they provide is generally inadequate, doesn't provide a good user experience, brands the contractor poorly and leaves the consumer unsatisfied.

Despite everything that distributors do to support the dealers, creating a strong and engaging digital presence is not one of them. Digital opportunities go to the small group of contractors that get it. In the meantime, the consumers are underserved and the vast majority of contractors phones just don't ring like they used to.

Distributors are very aware of the need to protect and nurture the grassroots relationship that the contractor network has sustained for generations. That is their inherent advantage. At the same time though, Amazon is eating into their business. This creates a situation where distributors have one foot in the old world and one foot in the new; distributors need to protect what they've been building for generations and also position themselves in a changing world.

It was interesting to hear distributors' opinions about marketing their business which stood in stark contrast to what most practice. Here's what a few distributors had to say:

- *"If we had the luxury of having a strong digital presence, that would translate to business because we could direct the consumer to the contractors."*
- *"It's the Manufacturer's website that's supposed to direct consumers to our customers but that's not happening."*
- *"We've not focused on ecommerce, our website or marketing our customers' websites. If we had, we might be able to grow our business."*
- *"We have to do a better job targeting information that is sent out to our customers and strategically placing our products in front of the people that use them."*
- *"Internet marketing has been ignored. We're not a marketing company so we don't know how to effectively find new people or find business for our people."*

Site-Seeker's ROC Principle

Remember the show Mad Men? Back then marketing was relatively new, but there was a maturity to the approach taken by agencies that seems to have escaped us today.



In this image, Mad Men characters are pitching a client and everyone had a role.

- **Salvatore Romano was the art director**
- **Paul Kinsey is a copywriter**
- **Peggy Olson is the copywriter chief**
- **Don Draper is the creative director**

Today, it seems that marketing professionals have forgotten about strategy and instead follow whatever shiny tactical penny catches their eye. To combat this, at Site-Seeker we've developed an approach that ensures strategy comes first. We call this The ROC Principle.

We believe that all successful marketing efforts start with the creation of a plan. The ROC Principle is explained as follows:

“R” represents a Roadmap and an effort of the complexity faced by HVACR distributors certainly needs a Roadmap. Developing the Roadmap involves auditing various online properties for current performance and identifying assets as well as liabilities. The Roadmap encompasses competitive research and ultimately the development of an integrated marketing plan that will be consequently built and executed.

R

“O” represents the need for Ongoing online, and offline, efforts to provide for continuous touch points with prospects, lead nurturing opportunities and the messaging of valuable content to target audiences. A key focus for this effort is the measurement of value (ROI), and specifically chasing this value into the CRM where companies have a better opportunity to associate value with orders.

O

“C” is about the Customer and ensuring that all initiatives are closely aligned with the needs of the target audience. This means that all web, social, blog, email, video, and other offline content is written to identify with the needs and/or pain points of established buyer personas. Buyer personas are fictitious archetypes representing the common characteristics of your most important customers, contractors, or if you are leapfrog marketing, the end user.

C

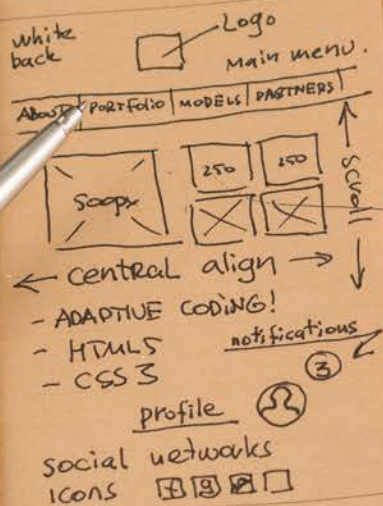
Contact us: www.site-seeker.com/contact-us/

Tactics

Increase Online Visibility

When we think about moving more product into the hands of the end user, we need to think about providing exposure and a valuable user experience. This includes:

- Contractors' websites
- Distributors' website
- Manufacturer websites
- Review sites
- Local listing sites



Ways to Increase Online Visibility

1

Display contact information - phone, email, social icons linking to your platforms.

Make sure that within every online website or platform, distributors or contractors are prominently and accurately displaying the appropriate contact information. We want to make this information visible to the search engines and people. As simple as this seems, a lot of the sites we looked at could do a better job here.

Include calls to action

Highlight the calls to action your customer personas value most and you will provide a valuable user experience.

Examples include:

- **Emergency service phone number**
- **Get a quote form or phone**
- **Schedule service form or phone**
- **Ask a tech live chat form or phone**

2

Promote your service offering

Today, more than ever, content is king. By adding detailed descriptive text about your offering, you will cast a wider net in the search engines and attract more people to your site.

Content should be high quality, unique, and not duplicated elsewhere on your website or other websites. When developing content, it's important to thoroughly discuss a topic. This includes addressing issues related to commonly asked questions.

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You'll know you're being treated fairly when you [request a FREE estimate](#) or sales quote from Res-Com Heating & Air Conditioning. Owner, Steve Bush will provide you with accurate information and answer any questions you have about your new air conditioning unit.

Be assured you're getting the right information and best price from our **locally owned and operated** business. We'll repair your current air conditioning unit or install a new one. Most of our equipment carries a **1-year** warranty on labor and **10-years** on parts.

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We install, maintain and repair your cooling unit. Add air purification filters to your system so you will have the peace of mind that, you and your family are breathing in the cleanest air possible.

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- Air conditioning maintenance
- Yearly maintenance of air conditioning units and **furnaces**

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This is an example of an effective contractor website. This website takes the time to answer, in detail, commonly asked questions or information related to topics of interest to their customers.

In addition to this information being useful to the reader, it helps search engine ranking, too.

List specials and rebates

Everyone loves a deal, some more than others to be sure, but listing specials, rebates and incentives within your or a contractor's website increases search engine visibility and causes more people to convert - call or fill out a form.

Rebates & Financing Tax Credits Incentives & Savings



Source: Red Barn Media Group contractor website highlighting a available tax credit incentives and specials.

4

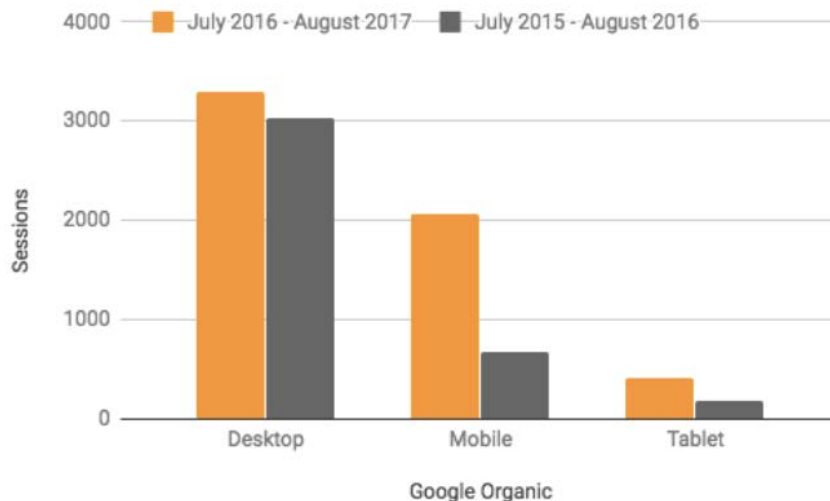
Mobile-Friendly Content

The use of mobile devices to research and source HVACR products and services is increasing; and Google has been pretty clear that it prefers to serve up mobile-friendly content to users searching from mobile devices. This trend will not go away and smart distributors (and contractors) need to be ready or suffer the consequences of decreased search engine visibility.

For a typical contractor, the time is soon arriving when mobile website traffic will exceed desktop traffic. The below graph shows that while desktop traffic to this randomly selected contractor's website is still greater than mobile traffic, mobile traffic grew at over 200% compared to an 8% desktop growth rate for desktop traffic.

5

Google Organic Traffic - Jul 16' - Aug 17' Vs. Jul 15' - Aug 16'



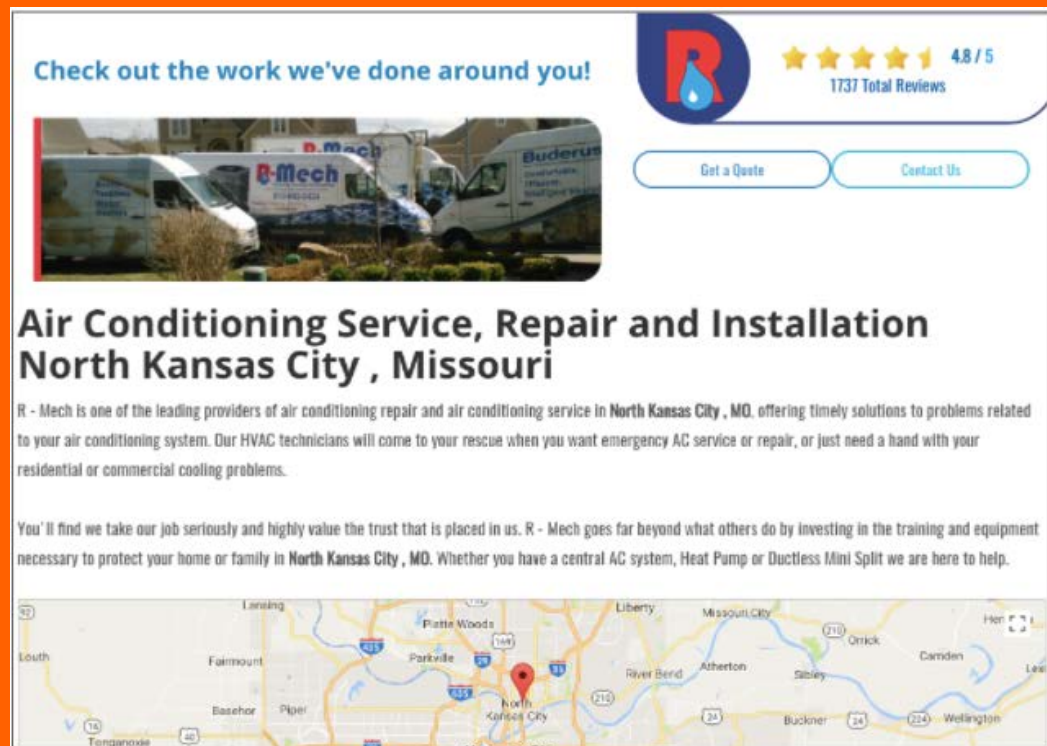
Source: Red Barn Media Group contractor client website

25

Build localized content.

At Site-Seeker, we've long preached the maxim that for a company to survive or thrive on local business, a significant portion of the people searching for the company's products or services will refine their search using geographic modifiers.

The point is simple: to do business locally, you need to look local. Your content needs to mention Country, State/Province, City/Town/Village, Zip/Postal Code. In the below screenshot, this contractor website has included a tool that easily allows contractors to summarize jobs and add new pages of content to their website. The contractor includes a detailed description of the job and includes the name of the the city (area) and state.



Check out the work we've done around you!

R ★★★★★ 4.8 / 5
1737 Total Reviews

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**Air Conditioning Service, Repair and Installation
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R - Mech is one of the leading providers of air conditioning repair and air conditioning service in **North Kansas City , MO**, offering timely solutions to problems related to your air conditioning system. Our HVAC technicians will come to your rescue when you want emergency AC service or repair, or just need a hand with your residential or commercial cooling problems.

You'll find we take our job seriously and highly value the trust that is placed in us. R - Mech goes far beyond what others do by investing in the training and equipment necessary to protect your home or family in **North Kansas City , MO**. Whether you have a central AC system, Heat Pump or Ductless Mini Split we are here to help.

Source: Red Barn Media Group contractor website

Build out listings on review sites

Yelp, HomeAdvisor, Thumbtack and other review sites are used heavily by consumers sourcing home service professionals. The quick answer to the question “which sites should my contractors be listed on?” is all of them. An equally valid answer is that it depends on which rank well in your area.

In the image below, you’ll notice that the review site ranking on Google varies depending on where the searcher is located.



7

It's a good idea for contractors to develop listings and reviews on all of the top review sites. However, the most immediate attention should be given to those review sites that rank well in Google in your local area.

When building out a contractor's review site presence or beginning an initiative to increase the number of 5-star reviews, priority should be given to those sites ranking highest in Google in the contractor's area of service. Don't stop here though; rankings change and just because a review site has low visibility today, doesn't mean the the site won't rank well in the future.

Build local search engine profile pages - Google My Business

In addition to being listed on review sites, every contractor and distributor can benefit from a well-built Google My Business page and other local search engine business listing pages - i.e. Yahoo! Local Works, and Bing Places for Business.

Of course reviews play an important role here, too. In this screenshot, a Site-Seeker client's Google My Business page saw over 12,000 views of its Google My Business Page over a 90-day period. That included almost 9,000 views of its listing within Google search results and nearly 4,000 views on Google Maps.



Not many people have difficulty understanding how contractors benefit from this Google My Business exposure. An end user has a need for a HVACR service, goes to Google and searches for a provider in their local area. They are returned a map filled with pins of local providers. They then read a bunch of reviews and call a provider they recognize or another that catches their eye.

But how about the distributor? Can Google My Business help you? Absolutely! Imagine a contractor working just slightly outside of their traditional area and needing a part or piece of equipment. They pull out their phone, search for a local distributor and up pops your listing. They click "call", verify availability, jump in their truck and drive to your location and buy the part. You've either just landed a new customer or prevented an existing customer from buying from a competitor.

Leverage the Power of Your Distributor Website(s)

A lot of what allows a website to rank well in the search engines organically depends on the site's power or authority. Power and authority come from a number of factors, but in general most SEO professionals agree that the number and quality of incoming links from other related websites site play a primary role.

And because distributors generally attract links from powerful manufacturer websites, they are more authoritative than contractor websites. This is not to discount the importance of relevancy, rather to point out that in the fight for ranking, the distributor website is a heavy weight, while the contractor is a lightweight.



9

To demonstrate this point, we analyzed 15 distributor websites and 15 contractor websites. Distributor websites were selected from the list of distributors interviewed throughout this effort. The contractor sites were selected from a list provided by Google in response to a search for "HVACR contractors Syracuse, NY".

Our analysis compared Trust Flow and Citation Flow.

Citation Flow is a number predicting how influential a URL might be based on how many sites link to it. Trust Flow is a number predicting how trustworthy a page is based on how trustworthy sites tend to link to trustworthy neighbors.

Source: Search Engine Land

The higher Trust Flow and Citation Flow the more powerful the website.

Trust Flow and Citation Flow - Distributor Vs. Contractor Websites



Site-Seeker analysis of 15 distributor websites and 15 contractor websites. Graph demonstrates that distributor websites are more powerful and therefore have a greater opportunity to rank in the search engines for more competitive keywords.

Our point is that a distributor with a strong search engine strategy can achieve rankings that most contractors cannot. This is particularly important when you consider, as discussed previously, that when consumers use the internet to source HVACR solutions, they tend to select the brand first as opposed to the contractor first. This being the case, it's up to the distributor (and of course the manufacturer) to become competitive in the search engines and generate content that will promote their brand.

We talked about how a distributor might develop an SEO strategy targeting part number ranking, and ranking for equipment type terms that are associated with a specific geography. This strategy works because the typical distributor website can be competitive in that arena.