



HVAC to Home Performance.

What the transition means for your marketing
(and why it makes lead generation easier and cheaper)

The home performance industry presents a massive opportunity for HVAC companies. Home performance is, by definition, a “whole house” approach to home improvement, which typically includes energy audits, upgraded heating and cooling equipment, air sealing and insulation, as well as windows and doors. As consumer demand increases for “whole house” services aimed at improving the comfort, efficiency, and health of existing buildings, HVAC companies are uniquely positioned to make a successful transition into this exciting, burgeoning industry.

Transitioning into Home Performance Marketing

While the transition to home performance, on the surface, involves an expansion of your services (energy audits, insulation, duct sealing, air sealing, indoor air quality solutions, etc.), it offers a deeper opportunity to dramatically increase your marketing opportunities. Traditional drivers of customer acquisition (service contracts and emergency repair calls) become just two arrows in your greatly expanded marketing quiver. **Not only do you elevate your business to a more authoritative, comprehensive positioning, but each of your additional services also becomes a valuable lead source.**

Benefits of Repositioning

Making the transition to home performance can have positive effects on multiple areas of your organization:

Grow your Business

Revenue

Expanding services offerings to include the full array of home performance measures creates an opportunity to significantly increase revenue. Successful HVAC companies that have made the transition can see substantially larger job tickets as well as a generally larger sales for high-efficiency heating and cooling equipment.

Margins

By expanding into air sealing, insulation, and, in some markets, paid energy audits, home performance companies can expect to see higher margins. These companies also benefit because comprehensive efficiency projects tend to lend themselves to selling higher-efficiency equipment.

It's worth noting that each of these additional lead sources also provides an upsell opportunity. If you get a lead looking for attic insulation, but realize during an audit that the home would really benefit from an air sealing or HVAC upgrade, you

have an authoritative platform on which to make these expanded recommendations.

Use Energy Audits as a Sales Tool

A home energy audit (or whatever label you prefer for an upfront diagnostic process) provides a unique opportunity to 1) identify home performance problems based on building science diagnostics, and 2) to convey the benefits of a comprehensive building performance upgrade. An energy auditor is face-to-face with homeowners, carries the authority associated with formal credentials, and can offer customers upgrades to their building that are borne from a range of health, safety, cost-saving, efficiency and comfort problems.

Many of the successful firms that have made this transition have seen improved sales rates.

Strengthen Your Brand

The whole house approach is proven to be a positive in the minds of customers and, at least for time being, HVAC companies integrating home performance are in the minority. So, for a period of time before your competitors figure it out, you have the advantage. Your goal should be to manage your brand in a way that conveys you are a different, more well-rounded kind of heating and cooling company. Here are just a couple of the benefits of rounding out your brand:

Differentiate as the Whole House Expert & Establish More Credibility

A home performance contractor isn't merely a specialist, but is regarded as the authority on all matters pertaining to home comfort, energy efficiency, health, safety and environmental impact. It's a big role to fill, but it's a great business move.

Find Opportunities To Connect with Clients

Opportunities for speaking gigs, workshops and relationship-building around HVAC topics are few and far between. Home performance topics, on the other hand, are extremely varied, can be approached from many different angles and are generally more engaging and compelling. As a whole house expert, community outreach and involvement goals become much more attainable. Look at schools, churches and community programs to widen your reach and connect with new markets.

Increase Customer Value

Balance Seasonality Challenges

The home performance approach balances out some of the seasonality challenges of the air conditioning and heating repair cycles. Services like insulation, air sealing, audits and ventilation upgrades are generally sellable throughout the

seasons, since they reduce energy bills and improve comfort for homeowners year-round.

Boost Customer Lifetime Value (LTV)

In much of the US housing stock, typical home performance upgrades can be extensive, offering the opportunity for a phased series of retrofit activities over time. By adding a broader array of services to the traditional equipment sales revenue stream, home performance services can extend customer lifetime value (LTV).

Driving Home Performance Leads: Your Digital Strategy

What's the best way to go about this repositioning? Do you need a new logo, a new name, a new brand?

Thankfully, HVAC and home performance are already so closely tied that you probably don't need a top-to-bottom transformation of your business that requires new truck wraps and uniforms. We generally recommend sticking with your current brand and incorporating the home performance story rather than pursuing a costly rebranding project. You do, however, need to put in some effort on a few key fronts.

Digital marketing is becoming an increasingly vital avenue for customer acquisition, and the [digital channels](#) themselves are becoming increasingly diversified. Here are the key initiatives you need to take to optimize your online presence:

Website

When it comes to driving new lead sources, [your website is your primary tool](#). While the "face" of an HVAC company from a client's perspective often comes down to a service tech, your website is very likely to be the face that new leads see at some point in the sales process. Whether they are coming from organic search (Google or another search engine), paid search, social media or even word of mouth, your website is a crucial piece of getting that lead to pick up the phone and contact you.

First and foremost, your website should be optimized for conversions (customers calling you or filling out a form).

Content & SEO

The holy grail of the internet is organic search traffic—people searching, finding you first, and converting to leads. When you successfully rank for key terms in your

market, you'll build a steady stream of traffic that grows over time and is very low-cost to maintain. Good content, smart keywording and link building are the keys to organic success.

High-quality content is critical to the search performance of your website. In our industry in particular, good content is vital to helping homeowners understand the value and benefits of high-performance buildings. By updating your value proposition and creating new service pages based on home performance offerings, you clearly describe the business to visitors on the website **and** capture search traffic for each of the related search terms.

Content and search engine optimization (SEO) go hand in hand. When done correctly, SEO ensures that your ongoing publishing efforts maximize your site's traffic, conversion and authority. Local SEO is designed to help you show up in search results and listings in your particular service area.

Paid Search

One marketing tactic that is quick to market and low in risk, particularly for home performance companies, is pay-per-click advertising (Google Adwords).

Expanded Keyword Opportunities

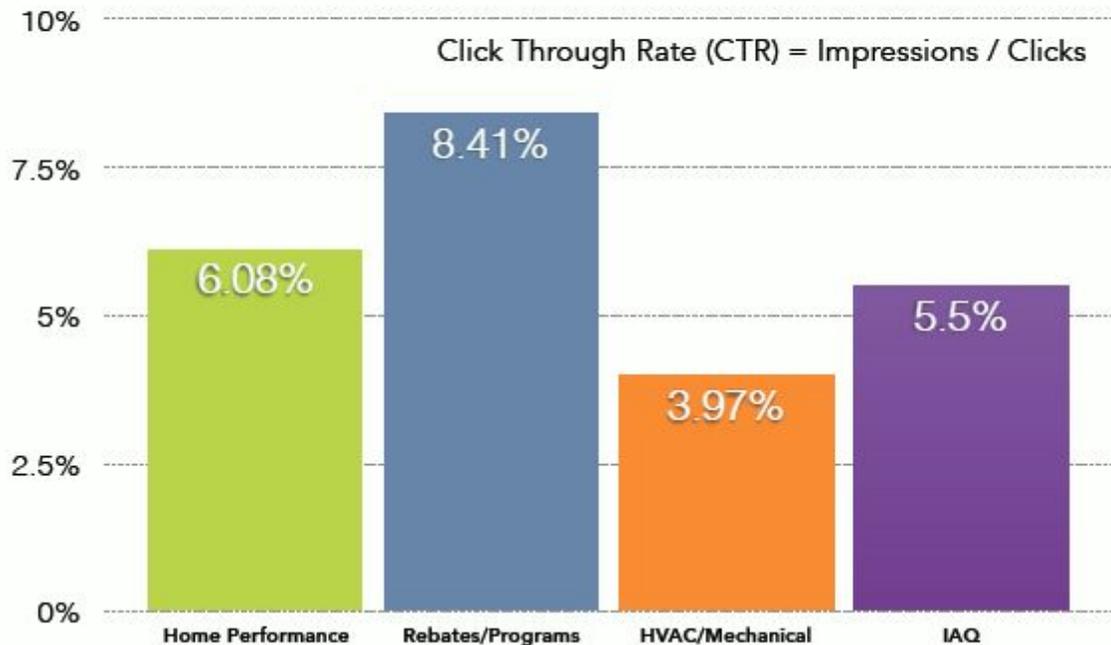
Adding home performance to your services cocktail adds a significant number of search terms, such as the broad array of insulation terms. With so many expanded keyword opportunities, you can run more ads that target a more diverse body of search terms and queries. An additional benefit? Home performance search terms you may be competing for -- things like "duct sealing," "air sealing," "spray foam insulation," etc. -- are less competitive in your market, which makes advertising for them more cost-effective.

Better Click Through Rate (CTR) and Cost Per Click (CPC)

Based on a sampling of our client base comprised of nearly 64,000 search queries and \$1.5 million in Google Adwords spend, we found resounding evidence that home performance keywords are more cost-effective and have better click through rates. Compared to HVAC and mechanical keywords, home performance keywords were, on average, around \$2.25 less expensive per click and click through rates were more than 2% higher. Advertising for these keywords not only broadens your keyword horizons; it also increases the likelihood that users will click on your ad.

Making search work is part art and part science, since it depends on structuring your website for conversion so you maximize return on your click spend. Allocating PPC money to home performance keywords absolutely works to drive low-cost, high-conversion leads.

Click Through Rates



¹ Integrated marketing works.

Social Media

Though your website should be your first order of business, the importance of your presence in social media increases dramatically when you integrate home performance. Simply put, adding home performance to your HVAC business gives you a lot more to talk about. Home performance topics are extremely varied, can be approached from many different angles, and may be more engaging and compelling for your customers than HVAC topics alone. You now have myriad opportunities to virtually interface with new and old clients alike. Facebook and Twitter should be staples of a B2C business and are a great forum to build awareness of your new services.

Organic

Posting regular, relevant, and interesting updates to your company Facebook and Twitter page is a great way to gain an online following, build a social media community, and boost your brand awareness.

¹ Biggish data: 63,749 real search queries, ~\$1,500,000/yr Google click spend. Limited timeframe -25 contractors + BPI, mixed geographies & seasonality.

Paid Social

Paid advertising on Facebook has become an increasingly effective way for businesses to build brand awareness in their service area as well as, in a limited sense, drive customer leads and conversion. When targeted correctly and budgeted appropriately, conversion rates can be between 1-2%, while costs per click (CPC) can come in around just \$1. Facebook's ad platform has comprehensive and detailed targeting capabilities to build out audiences, the ads are highly customizable, and the costs to run the ads are low. With the ability to get as granular with audiences as income level, address, interest in energy efficiency and related topics, job titles, and a whole lot more, the possibilities are pretty endless.

Customer Lists

Your biggest asset in making the jump to full home performance is your existing customer base. Assuming you have your customer relationship management (CRM) database in good shape, you should be able to identify the best prospects for these additional services based on housing type, recency of equipment upgrades, known comfort challenges, financial capacity and other identifiable building performance issues. Having a list of current customers allows for a variety of targeting marketing tactics, including:

Retargeting

In both paid search and social advertising, Google and Facebook offer the ability to create custom audiences. One of the key ways to do this (using Facebook as an example) is to match up your customer email list with people's social media profiles. You can specifically target those exact people while they're on a social platform. The same goes for Google; you can specifically run ads that display to users who have visited your site or to former customers. Making sure your lists are segmented (according to, say, the service the customer got or the step of the pipeline the customer is in) is key to a successful remarketing strategy.

Email

Regularly sending out email newsletters is an excellent way to market your home performance services, promote current specials you are running, share company news and more.

Offline

Maintaining a customer list also opens the door for offline marketing tactics like direct mail. You can, for example, mail a special offer to customers who have gotten an energy audit and are in need of an AC replacement, or send a reminder to inactive customers about your comprehensive home performance services.

Third Party Online Reviews & Reputation

Having positive online reviews is of ever-increasing importance for both HVAC and home performance companies. Whether on Google+, Yelp, Angie's List or

numerous other sites, people are reviewing your company's performance. Potential customers are increasingly looking first at those independent reviews, sometimes before even looking at your website. All the work you've done to build your brand, reputation and company image can be undone by just a few negative reviews. The best route to positive online reviews is a proactive approach: survey all your customers and target your most enthusiastic promoters to write reviews on your behalf.

About Energy Circle

Energy Circle builds tools and services to grow companies and organizations dedicated to providing comfortable, efficient, healthy buildings. It's our job to stay on the cutting edge of the digital marketing. It's your job to make better buildings. We're here to help you move that needle.

We help companies, organizations and institutions within this vertical excel at marketing through our unique and industry-specific products, tools and services. Based in New England, we're proud to support over 350 of the most successful national, regional and state businesses and organizations dedicated to home performance, HVAC, solar, low-energy builders and architects across 49 states. We measure our ultimate success in the \$787 million+ in energy retrofit work that our client base has accomplished since Energy Circle's 2009 launch.

Our Solution

We've built our innovative website platform as a digital marketing tool to help companies dramatically grow their businesses. We offer comprehensive marketing services that encompass the most effective tactics with the highest ROI for clients, and we're constantly developing more. Energy Circle's project and account managers excel at communication and will work collaboratively with you on each step of the process to ensure your solution is practical, scalable and permanent. Our platform and services enable contractors to easily manage their marketing efforts, maintain a dynamic online presence, capture quality leads and take advantage of online marketing opportunities in their multifarious forms.

Additional Resources

Energy Circle:

[“Choosing the Right Words: Keyword Research Tools for Successful Content.”](#)

Krahe, Amelia. February 2016.

[“10 Digital Marketing Predictions for Home Performance in 2016.”](#) Troast, Peter. January 2016.

[“The Year Ahead in 2016: Home Performance, Solar, Programs & More.”](#) Troast, Peter. January, 2016

[“Paid Search Engine Marketing for Home Performance: The Year in Review.”](#) Krahe, Amelia. December, 2015

Home Energy, the [Home Performance Magazine:](#)

[“HVAC Contractors: How to Set Up a Home Performance Vehicle.”](#) Todd, Jason. July, 2015.

[“Incorporating Home Performance into HVAC.”](#)Dolan, Thomas. October, 2012.

[“For HVAC Contractors, Home Performance Delivers a Year-Round Blast”](#) Thayer, Leah. October, 2012.

ACHR - [the News:](#)

[“Perfecting the Home-performance Pitch.”](#) Krawcke, Nicole. October, 2015.

[“Home-performance Shift Benefits Nevada HVAC Contractor.”](#) Krawcke, Nicole. October, 2015.

[“The Power of Performance-based HVAC Contracting.”](#)Woerpel, Herb. September, 2015

Miscellaneous:

[OmStout Consulting.](#) Rogers, Mike.

[Efficiency First](#)

[“HVAC Spells Wealth”](#) Smith, Ron. January, 2007