



MARKETING STRATEGIES FOR NAVIGATING A WEAK MARKET

Peter Troast, Founder & CEO

October 4, 2023

Ongoing Focus on the Implications of AI



THINKING ABOUT AI IN HVAC & HOME PERFORMANCE:

VIRTUAL ASSISTANTS
FOR COMPLETION

Peter Troast, Founder & CEO

March 29, 2023



WEB SEARCH IN A WORLD OF AI:

WHAT WILL CHANGE FOR CONTRACTORS AND THE CUSTOMER JOURNEY?

Peter Troast, Founder & CEO

May 10, 2023



VIDEO MARKETING IN A WORLD OF AI:

WHY THE HUMAN COMPONENT IS CRITICAL FOR SUCCESS

Peter Troast, Founder & CEO
Jake Van Paepeghem, Senior Media Producer

July 26, 2023



CONTENT IN THE AI AGE:

STRATEGIES FOR NAVIGATING A SEA OF ROBOT-DRIVEN WRITING

Peter Troast, Founder & CEO
Cory Allyn, Senior Content Strategist

July 11, 2023



What We'll Discuss

- 1 Data on the State of the Economy as Relates to Home Expenditures**
- 2 What We're Seeing in the Energy Circle Data**
- 3 High Level Strategies for Overcoming Homeowner Uncertainty**
- 4 Specific Tactics We're Recommending**



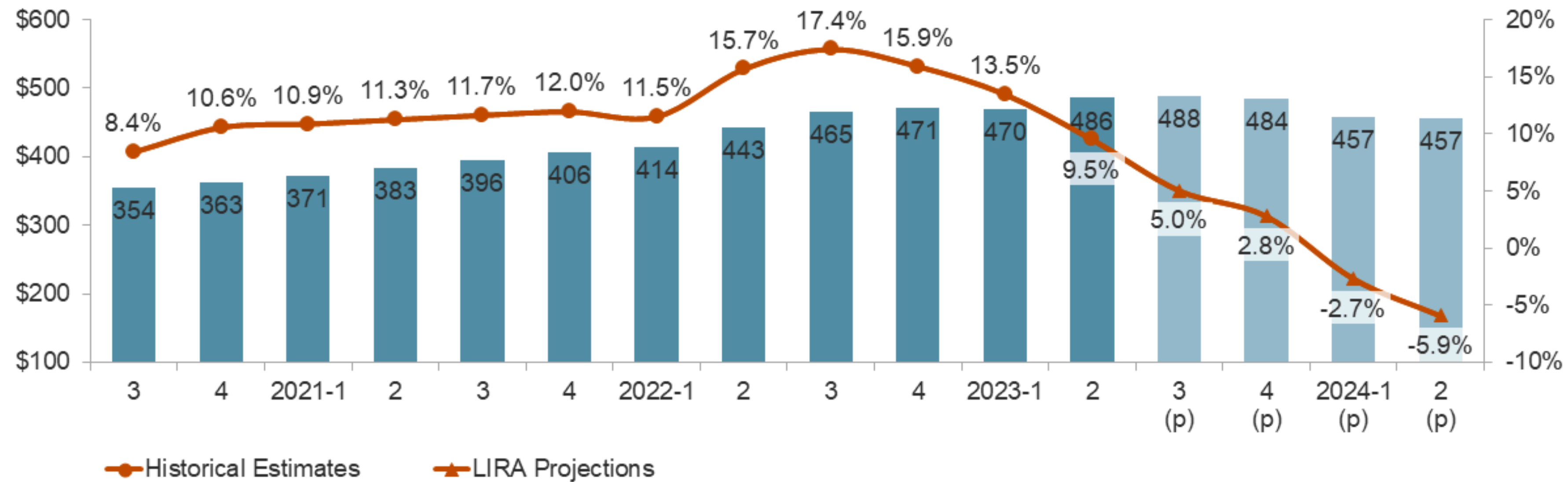
DATA ON THE STATE OF THE ECONOMY AS RELATED TO HOME EXPENDITURES



Harvard Joint Center on Housing Studies: LIRA Report June 2023

Leading Indicator of Remodeling Activity – Second Quarter 2023

Homeowner Improvements & Repairs
Four-Quarter Moving Totals
Billions



Notes: Improvements include remodels, replacements, additions, and structural alterations that increase the value of homes. Routine maintenance and repairs preserve the current quality of homes. Historical estimates since 2021 are produced using the LIRA model until American Housing Survey benchmark data become available.

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Joint Center for Housing Studies of Harvard University JCHS



Angi State of Home Spending Report June 2023

How Interest Rates Could Impact Annual Home Related Spending Expectations

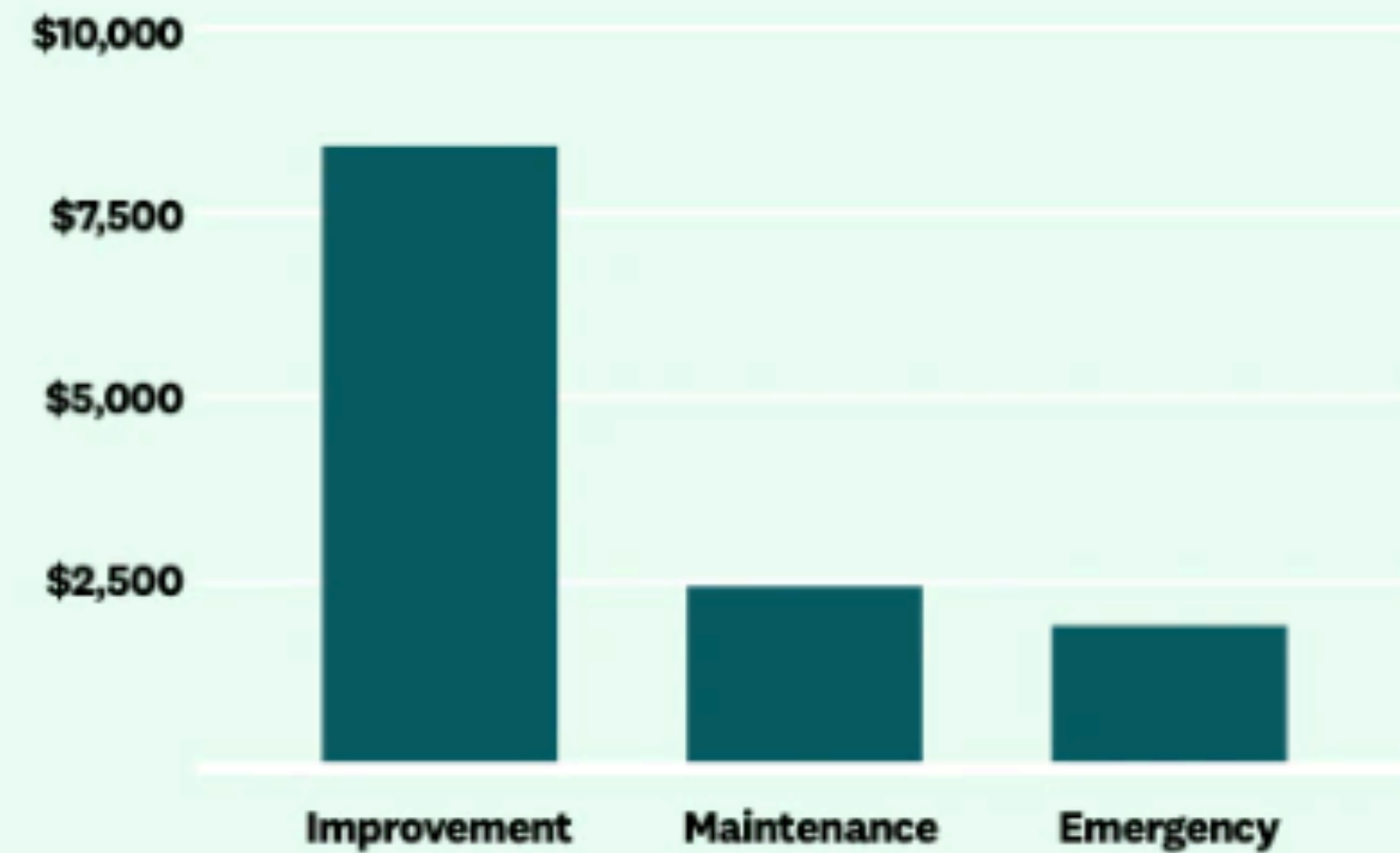
	Less	More
Home Improvement	28%	22%
Home Maintenance	21%	23%
Home Emergency Repairs	23%	24%



Angi State of Home Spending Report June 2023

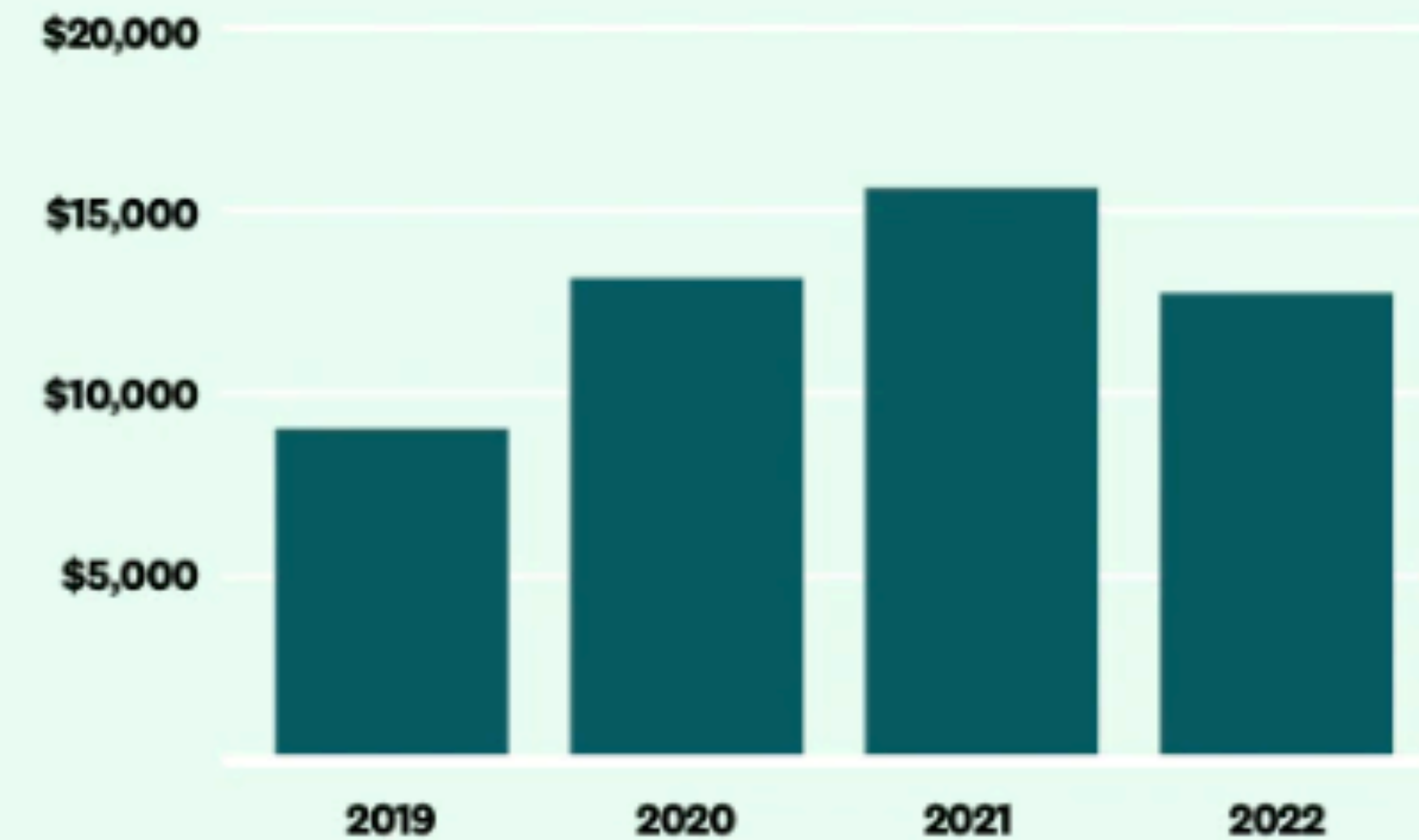
Home Services Spending

2022



Total Home Services Spending

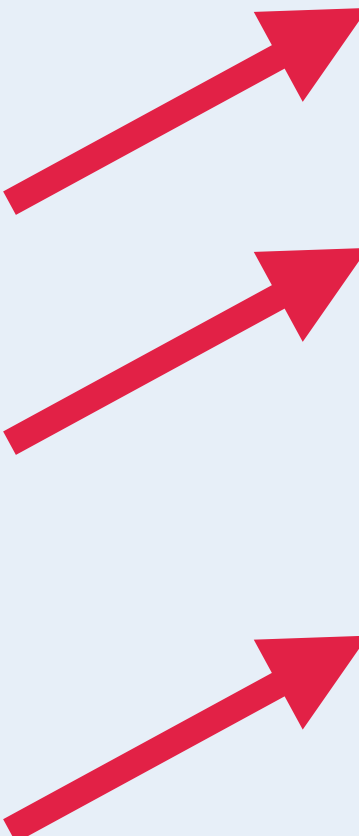
2019-2022



NAHB Remodeling Market Index, Q2 2023

Table 1.
NAHB/Westlake Royal Remodeling Market Index (RMI)
National Index, Components & Subcomponents
(Seasonally Adjusted)

	2020			2021				2022				2023	
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
NAHB/Westlake Royal RMI	73	81	82	83	86	87	87	83	77	77	69	70	68
Current Conditions Index													
The current market for large remodeling projects (\$50,000 or more) in the area where you operate.	69	81	81	83	89	87	88	86	78	81	74	71	72
The current market for moderately-sized remodeling projects (at least \$20,000 but less than \$50,000) in the area where you operate.	79	87	89	88	92	92	91	87	84	83	78	78	77
The current market for small remodeling projects (under \$20,000) in the area where you operate.	84	90	92	90	92	91	93	88	86	84	79	77	81
Future Indicators Index													
The current rate at which your leads and inquiries are coming in.	72	78	78	79	80	82	81	74	67	65	57	59	59
Your current backlog of remodeling projects.	65	76	77	81	83	84	85	83	74	76	67	69	61



The overall RMI and its subcomponents are measured on a scale of 0 to 100, where an index number of 50 indicates equal numbers of remodelers report activity is good and poor for the previous quarter.



EIA Heating Fuel Price Forecast

Percent change in fuel bills from last winter (forecast)			
	Base case forecast	If 10% warmer than forecast	If 10% colder than forecast
Heating Oil	26%	18%	28%
Natural Gas	15%	12%	19%
Propane*	-3%	-17%	17%
Electricity	10%	9%	14%

* Propane expenditures are a household-weighted average of the Northeast, Midwest, and South regions. All others are U.S. averages. Expenditures do not reflect retail fuel prices locked in before the winter heating season starts.



WHAT WE'RE SEEING IN THE ENERGY CIRCLE DATASET



Trend Summary

- **Homeowners More Acute to Money Issues**

More attention to cost & prices

More interest in incentives, rebates, ways to save

- **Energy Efficiency Making a Resurgence**

- **Focus is on Making Equipment Last vs Buying New**

Service & Maintenance up over install



Energy Efficiency Related Search Data—9 Months 2022 vs 2023

Search terms ? Custom Jan 1 – Sep 30, 2023 < > [Show last 30 days](#)
 Compared: Jan 1 – Sep 30, 2022

Dec 31, 2022 Sep 30, 2023

2 Filters ×
 Search term contains **energy efficiency, energy efficient**
 Search term does not contain **mass, ma, + 2 more**

Search term	Ad group	↓ Impr. <>	Clicks <>	CTR <>	Conversions <>
Total: Filtered search ter...		6,955 (-28.97%)	976 (-3.17%)	14.03% (+36.32%)	605.36 (+322.86%)

Click Through Rates & Conversions Up Significantly = More Consumer Relevance



Conversion Data—Service vs Install—9 Months 2022 vs 2023

Services +61%
Installs +39%

Search terms ? Custom Jan 1 – Sep 30, 2023 < > Show last 30 days
Compared: Jan 1 – Sep 30, 2022

2 Campaign name contains service X + 1 more Add filter

<input type="checkbox"/>	Search term	Match type	Added/Excluded	Campaign	Ad group	↓ Impr. <>	Clicks <>	CTR <>	Conversions <>	Conv. rate <>
<input type="checkbox"/>	hvac repair near me	Exact match (close variant)	None	NB Heating Service	Heating Repair	1,614 (+∞)	20 (+∞)	1.24% (+∞)	2.00 (+∞)	10.00% (+∞)
<input type="checkbox"/>	hvac service near me	Exact match (close variant)	None	NB Heating Service	Heating Repair	1,565 (+∞)	21 (+∞)	1.34% (+∞)	3.00 (+∞)	14.29% (+∞)
<input type="checkbox"/>	24 hour hvac service	Exact match (close variant)	None	NB Heating Service	Heating Emerg	1,506 (+∞)	190 (+∞)	12.62% (+∞)	48.00 (+∞)	25.26% (+∞)
<input type="checkbox"/>	heating and cooling repair services	Exact match (close variant)	None	NB Heating Service	Heating Repair	1,128 (+∞)	155 (+∞)	13.74% (+∞)	44.00 (+∞)	28.39% (+∞)
<input type="checkbox"/>	air condition repair	Exact match (close variant)	None	NB Heating Service Call-Only	HVAC Repair	718 (+529.82%)	2 (+∞)	0.28% (+∞)	0.00 (0.00%)	0.00% (0.00%)
<input type="checkbox"/>	professional hvac repair services	Exact match (close variant)	None	NB Heating Service	Heating Repair	700 (+∞)	84 (+∞)	12.00% (+∞)	35.00 (+∞)	41.67% (+∞)
<input type="checkbox"/>	hvac service nearby	Exact match (close variant)	None	NB Heating Service	Heating Repair	630 (+∞)	87 (+∞)	13.81% (+∞)	21.00 (+∞)	24.14% (+∞)
<input type="checkbox"/>	hvac repair near me	Phrase match	None	_Search_Beta_Services	HVAC Financi	423 (+288.07%)	9 (+350.00%)	2.13% (+15.96%)	7.00 (+∞)	77.78% (+∞)
<input type="checkbox"/>	hvac repair specialists	Exact match (close variant)	None	NB Heating Service	Heating Repair	390 (+∞)	50 (+∞)	12.82% (+∞)	23.00 (+∞)	46.00% (+∞)
<input type="checkbox"/>	local hvac repair experts	Exact match (close variant)	None	NB Heating Service	Heating Repair	352 (+∞)	25 (+∞)	7.10% (+∞)	10.00 (+∞)	40.00% (+∞)
Total: Filtered s...						19,417 (-26.02%)	1,340 (-15.67%)	6.90% (+13.99%)	409.88 (+28.09%)	30.59% (+51.89%)

Custom Jan 1 – Sep 30, 2023 < > Show last 30 days
Compared: Jan 1 – Sep 30, 2022

Add filter

Campaign	Ad group	↓ Impr. <>	Clicks <>	CTR <>	Conversions <>	Conv. rate <>
NB Heat Pump Install	NB Heat Pumps Install	227 (+∞)	15 (+∞)	6.61% (+∞)	2.66 (+∞)	17.76% (+∞)
NB Mini Split Install	NB Mini Split Install	200 (+∞)	9 (+∞)	4.50% (+∞)	0.00 (0.00%)	0.00% (0.00%)
Hvac Installs	Heating Cost	155 (+∞)	5 (+∞)	3.23% (+∞)	0.00 (0.00%)	0.00% (0.00%)
NB Furnace Install	NB Furnaci Install	114 (+∞)	6 (+∞)	5.26% (+∞)	0.00 (0.00%)	0.00% (0.00%)
NB Furnace Install	NB Furnaci Install	109 (+∞)	3 (+∞)	2.75% (+∞)	0.00 (0.00%)	0.00% (0.00%)
NB Heat Pump Install	NB Heat Pumps Install	108 (+∞)	10 (+∞)	9.26% (+∞)	3.67 (+∞)	36.67% (+∞)
how much is a new furnace	Hvac Installs	100 (+∞)	8 (+∞)	8.00% (+∞)	0.00 (0.00%)	0.00% (0.00%)
heat pump installation bay area	NB Heat Pump Water Heater Install	99 (+∞)	7 (+∞)	7.07% (+∞)	1.33 (+∞)	19.05% (+∞)
mini split installation cost	NB Mini Split Install	96 (+∞)	4 (+∞)	4.17% (+∞)	0.00 (0.00%)	0.00% (0.00%)
tankless water heater installation	NB Tankless Water Heater Install	94 (+∞)	0 (0.00%)	0.00% (0.00%)	0.00 (0.00%)	0.00% (0.00%)
Total: Filtered search terms		15,632 (+133.98%)	716 (+236.15%)	4.58% (+43.67%)	91.75 (+282.29%)	12.81% (+13.73%)

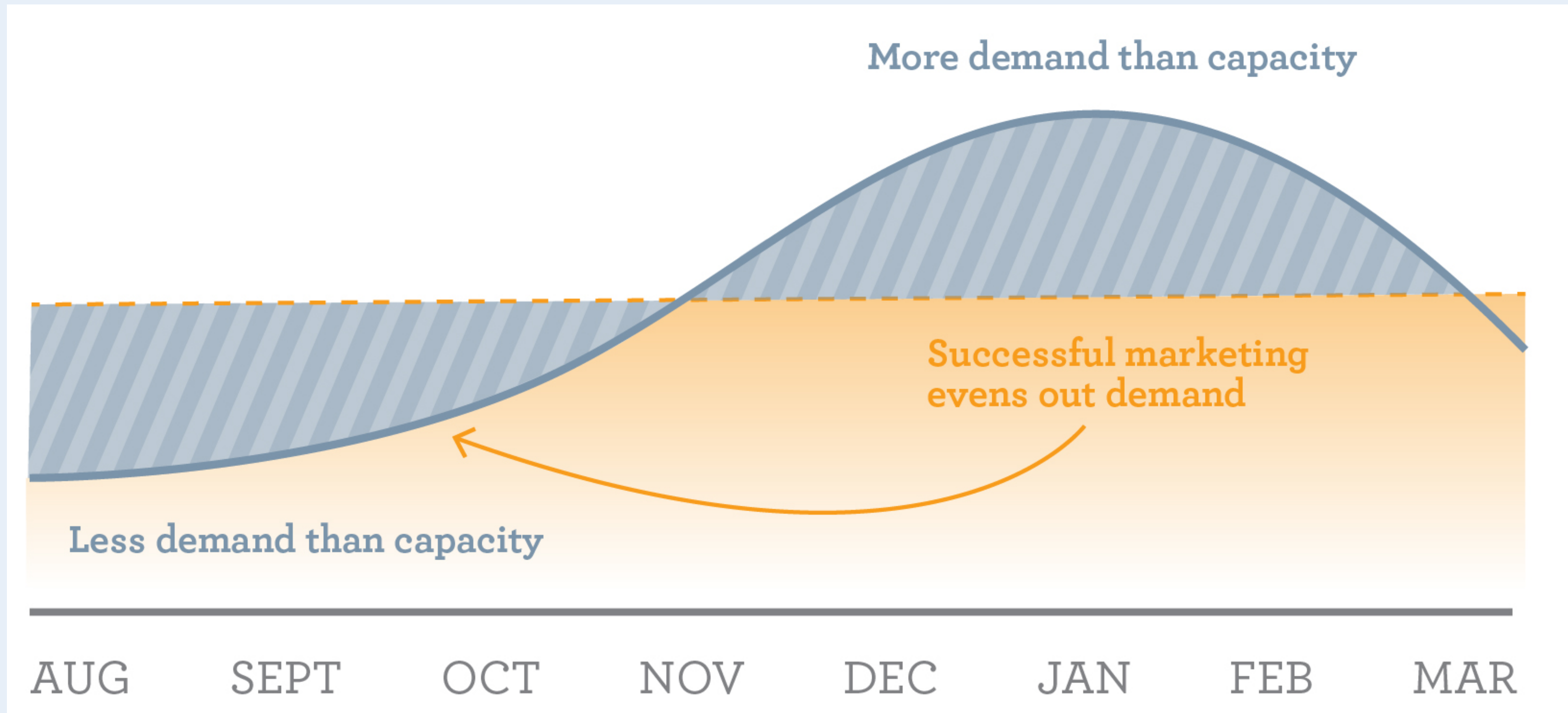


HIGH LEVEL STRATEGIES FOR OVERCOMING HOMEOWNER HESITATION



The Purpose of Marketing:

Move the Market When it's Not Moving Itself



High Level Strategies

- **Incentives/Scarcity/Urgency**
- **Year End Tax Credits (25C)**
- **Other Ways to Get in the Door**
 - Service & Maintenance
 - Energy Audits
 - IRA/Electrification Planning Offers
- **Energy Price Focus—Shift Messaging to Cost Savings**
- **Marketing Readiness for Emergencies**
 - Power Outages
 - Winter weather
 - Ice Dams



SPECIFIC TACTICS WE'D RECOMMEND



Focus Content on Pain Points / Solutions:

Examples

- Cold / Hot Room / Drafts
- High Energy Costs
- Episodic Readiness—Ice Dams, Power Outages

Tactics

- Blogs / Content
- Repair or Replace comparison blogs
- Video (FB & YouTube) - spend time building up views audience and remarketing
- General Remarketing Audiences - can build out and test out other audiences like Active Users Last 7 days, or form abandon audiences
- Get granular with conversion trends and adjust budgets (like Monday Motivators crowd if that's a factor in certain markets)
- Have content ready for likely emergency situations to be ready to go on FB, web, paid campaigns, email

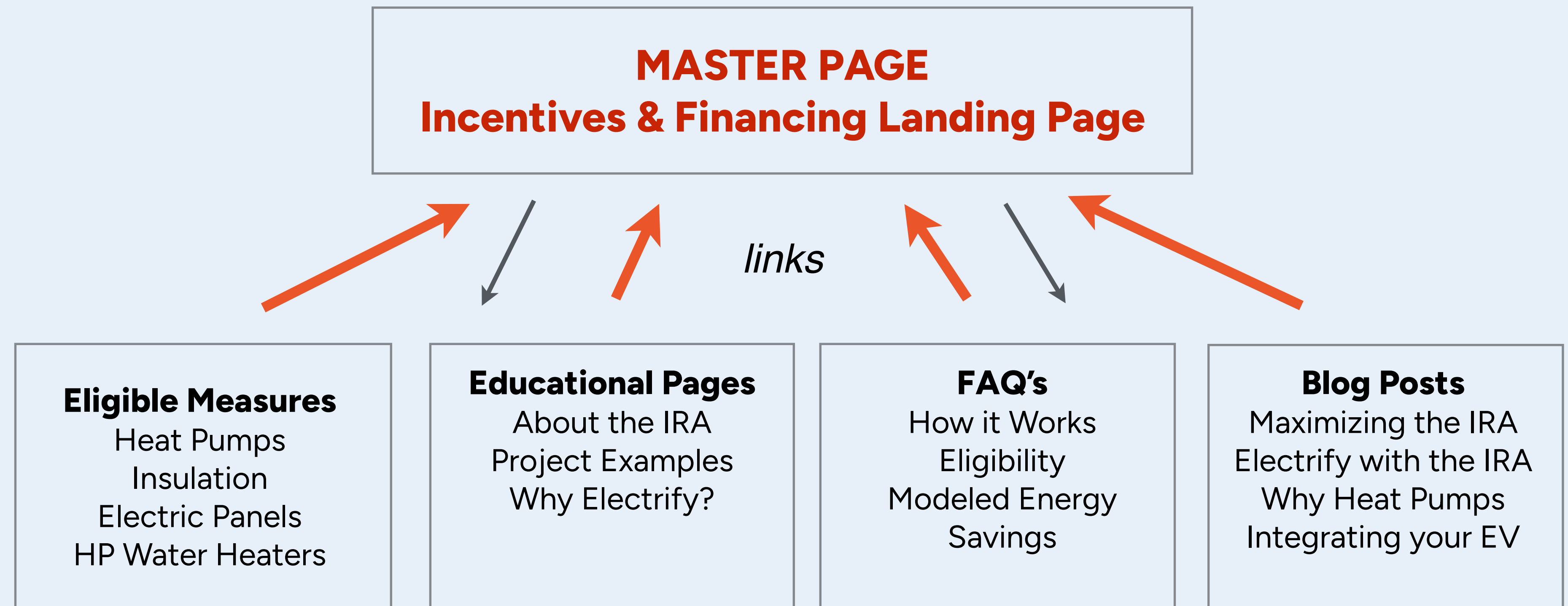


Emphasis on Rebates, Tax Credits & Financing

Homeowners are Money Worried



Ideal Content Approach



Go Hard on Manufacturer Programs

Get Rebates Of Up To \$1,600 On A Qualifying Lennox Home Comfort System!

The Dave Lennox Signature® Collection is the ultimate expression of Lennox® innovation, and that makes it the perfect choice for your home



GET UP TO A
\$1,600 **REBATE**
on a new Lennox® system*

*Offer expires 11/25/2016. See local dealer or lennox.com for details.

GET REBATES OF UP TO \$1,600* ON A QUALIFYING LENNOX® HOME COMFORT SYSTEM.

Find the Lennox® home air conditioner, furnace or system that ideally suits your needs. All of our options are designed for energy savings and comfort, and are built to last. And as best friends do, let us offer you two times the offer with **REBATES UP TO \$1,600* AND LOW MONTHLY PAYMENT FINANCING.**

START WITH UP TO \$1,300 IN REBATES.*

Save on a complete qualifying Lennox® home comfort system that includes air conditioner or heat pump, gas furnace or air handler and thermostat.

GET UP TO A \$100 REBATE ON A WI-FI THERMOSTAT.*



Don't miss out on this limited time offer!

Our team is here to help
The local guys and gals

* Name

* Phone

* Email

* City

How can we help you?

GET STARTED

SPECIALS

Free Second Opinion
Manufacturer Rebates
Fall Lennox Promotion



Google Local Services Ads (Google Guaranteed) —

Boosted Bids in Repair Categories

The screenshot shows a Google search interface for 'Hvac' in Minneapolis. At the top, there are search filters for 'Hvac' and 'Minneapolis', and a specific service filter for 'Install heating system'. Below the filters are dropdown menus for 'Rating' and 'Hours'. A prominent 'GOOGLE GUARANTEED' banner is displayed, stating 'Get it done right or Google pays you back.' with a 'Details' link. Underneath, a 'Sponsored' section lists two local service providers:

- Blue Yeti Services LLC**: 4.9 ★★★★★ (286) · HVAC Pro, 3+ years in business · Serves Minneapolis, Open · Closes 6 PM. Action buttons: Call, Book, Message, Share.
- Aquarius Home Services**: 4.9 ★★★★★ (2,743) · HVAC Pro, 22+ years in business · Serves Minneapolis, Open 24 hours · (256) 253-6995, Typically replies in 1 day. Action buttons: Call, Book, Message, Share.



Episodic Readiness

- **Email to Existing Customer Lists**
- **Paid Facebook Advertising**
- **Display Advertising**
- **Direct Mail (if you are production ready)**
- **Paid Search Adjustments**
 - Increase geographic reach
 - Increase bids
 - More aggressive competitor campaigns
- **Modest Investment**



Push Energy Audits

Strategy:

Take advantage of fall/winter skew

Discount only if you have to

Emphasize Preparedness and Planning

Possible Mediums:

Facebook

Referrals

Website

Paid Search

Email



Offer a Planning Process

ELECTRIFY MY HOME We Design and Install Heat Pumps The Right Way [Financing](#) [FAQs](#) [Contact Us](#) [No-Visit Energy Assessment](#) [844.637.3733](#)

[HOME ELECTRIFICATION SERVICES](#) [BENEFITS OF ELECTRIFICATION](#) [INSULATION SERVICES](#) [OUR UNIQUE PROCESS](#) [THE STORY OF OUR COMPANY](#)

Tell Us About You

Name Email

Phone

Address

Address 1

Address 2

City - State * - ZIP code

Tell Us About Your Home

How large is your home?

General square footage of your home

How many stories?

My house was built...

Number and Size of bedrooms



QUESTIONS?

Peter Troast
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