

# **EXTENDING YOUR PEAK SEASONS** TO ENHANCE REVENUE

**MARKETING & ADVERTISING 101  
FOR CONTRACTORS**

A white paper for contractors from Tracy Paul, Principal

**CORNERSTONE ADVERTISING & MARKETING**

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SPRING

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## **TELL ME QUICK!**

**You can't change the simple truth that your business is highly seasonal.**

But what you can do is change your approach to add some more time to the season both before and after the peak. You can start driving business when you need it most.

It all comes down to simple strategies for boosting that business during what you think of as shoulder seasons.

# EXTENDING YOUR PEAK SEASONS TO ENHANCE REVENUE

## BUILD BUSINESS BY ADDING A FEW WEEKS OF PEAKS

There are few undeniable truths in life, and for HVAC service companies, one of the most obvious is that their business is inherently seasonal. If you're in the northern latitudes, demand for your services is at its strongest in mid-winter and mid-summer, with brief shoulder seasons on either side. For most owners, the time between those peaks is when you see bored technicians standing around and wonder if you'll be able to pay your bills. (Those of you in Sunbelt states may face a different calendar, but the situation is similar.) Generally speaking, you'll have six months of great business and another six months where you're losing sleep.

What if you could extend both peak seasons by just two weeks at the beginning and two at the end? If your AC peak usually starts around June 1 and ends by August 31, imagine if you could lengthen it to start in mid-May and end in mid-September. Those extra couple weeks may not seem like a lot – but when combined, they can give you two full months of additional strong business every year. That's a 33 percent increase. What could you achieve with eight strong months out of 12?

A key advantage of extending your selling season is that it makes sure your name is in front of homeowners long before (and after) your competition steps up their own advertising. Instead of being one more voice fighting for attention in a crowd, you stand out.



## ALL STRATEGIES ARE SEASONAL

When you think about it, almost everything your business does is seasonal in nature. Your customers don't think much about their furnaces in July, or about the efficiency of their ACs when they're shivering in January. **In fact, the only time most people think about their home comfort is when it's too uncomfortable to be outside.**

So it's only natural that you do most of your marketing and advertising when people need to feel comfortable. The only problem with that concept is you're not getting business when you need it most. The phone doesn't stop ringing on a steamy July afternoon, but in mid-March, you might wonder if it's even working.

**By recognizing that seasonality is key to everything you do, and adjusting your marketing and advertising strategies to reflect that, you'll start creating business when you need it most – not just when your customers need you most.**

## LIFETIME CUSTOMER VALUE

The other point that's critical to remember is the nature of lifetime customer value in your industry. We know that many home services contractors enjoy bragging about repeat business and customer loyalty, **but the reality is that between 65 and 70 percent of the revenue you'll receive from customers happens during the first 18 months of your relationship.** Even if you're still working with that customer 10 years later, the biggest chunk of the revenue they generated for your company happened in that first year and a half.

**That's why your business needs two things to meet your growth targets: an aggressive emphasis on new customer acquisition and strategies for getting the people who already know and trust you to spend more money more often.**

## BUILDING YOUR BUDGET

You can safely assume that only 80 percent of the prior year's revenue will return on its own this year without any targeted marketing. That means you need to budget enough to replace the lost 20 percent through new customer acquisition and more aggressive sales goals. On top of that, it's normal for 80 percent of an established contractor's revenue to come from existing customers, with the remaining 20 percent from new business.

Your marketing strategy, media mix, and budget should reflect that reality. One way to boost business from existing customers is to allocate 20 to 30 percent of your marketing investment into loyalty programs, re-engagement efforts, and reminders targeting existing customers.

## MAINTENANCE AND REVIEWS: TWO CRITICAL TOOLS

Whether you're interested in growing the length of your selling seasons or not, there are two tools you should be using to draw more new customers while strengthening your relationship with existing customers.

### MAINTENANCE PLANS

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**Smart owners emphasize their preventive maintenance plans as a source of predictable revenues, a way to generate installations, and an effective strategy for keeping customers from calling your competitors.** That's why they make sure their technicians mention maintenance plans at every service call, and why they provide an easy way to sign up on their websites.

Take a situation where your technician is performing a repair on a unit owned by a customer without the maintenance plan. "Ms. Jones, today's repair will cost \$200 ... but if you were a member of our Customer Club, it would only be \$150. If you want to join the club today, I can go ahead and take that \$50 off the cost."



### REVIEW PROGRAMS

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Today, getting good reviews is more important than ever, because when a customer seeks help with a need online, average ratings pop up alongside the name of the business. If your technician simply performs the high-quality work you expect, the customer may or may not leave a review. But if that technician specifically asks them to leave a review and hands them a card with a QR code to access the review page, they're far more likely to respond.

It also gives the technician the opportunity to quickly gauge the customers' satisfaction. "One last thing before I leave: if I gave you five-star service today, I would really appreciate a good review. If I didn't give you five-star service, my boss wants to know that, too." Some owners reward the techs who generate the most reviews.

## EFFECTIVE PRE-SEASON STRATEGIES

We deploy a variety of successful strategies for companies that understand the value of creating longer selling seasons. We'll describe several of them here:

### CROSS-SELL EXISTING CUSTOMERS

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Three or four weeks before the normal start of the season, you can reach out to your existing customer base that doesn't have a maintenance plan through **automated email and SMS campaigns.**

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### PRE-SEASON EARLY BIRD

**An effective way to gain business among customers who don't belong to your plan is to reach out to them with a low-cost tune-up offer.** You can use any number of marketing channels for this approach, but we've found outbound calls from your call center work particularly well and give CSRs something to do during downtime.

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### CALL CENTER CROSS-SELLING

While your CSRs are in the process of booking appointments for HVAC visits, encourage them to **explore other potential needs for other services you offer,** such as plumbing or IAQ.

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### "HAPPY" CALLS

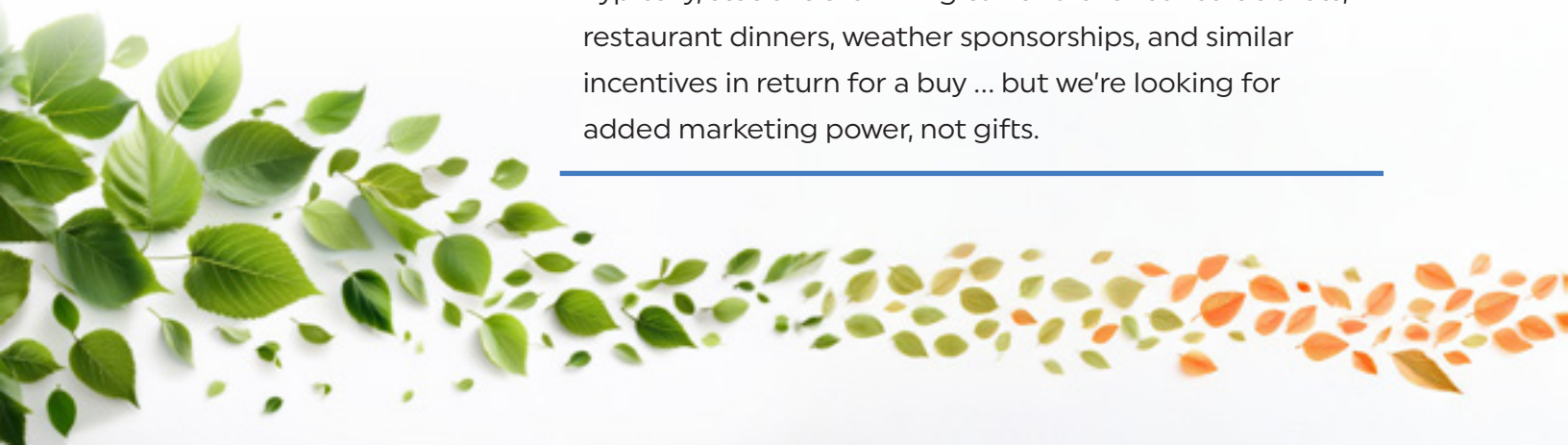
Calling customers on the back end of completed jobs is not only an excellent way to check on how well your team members performed, but it also provides **opportunities to sell additional services and encourage them to post positive reviews.**

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### TV ADD VALUE

**You can spend a lot of money on TV, or invest it carefully and spend a lot less.** One of our favorite pre-season approaches is to negotiate added value from stations that are hungry to carry our clients' commercials. Typically, stations are willing to hand over concert tickets, restaurant dinners, weather sponsorships, and similar incentives in return for a buy ... but we're looking for added marketing power, not gifts.

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## EFFECTIVE PRE-SEASON STRATEGIES cont.

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### TUNE-UPS

The tune-up may seem like a loss leader, but it's really an opportunity for your tech to get a good look at what the homeowner has and discuss any comfort issues. We know from experience that about 10 percent of those tune-up customers will have equipment that's over 10 years old. The tech can explain the increased likelihood of a breakdown and the poor efficiency of the current unit. Based on the issues the homeowner mentions, they can also mention accessories like air cleaners. At the very least, the tech can enroll them in your maintenance plan, so they'll turn to you when the system breaks down.

### HOME SHOWS & SCRATCH-OFF CARDS

Home, patio, and garden shows are often scheduled in late winter or early spring which are typically shoulder seasons for your business, when homeowners are thinking about what they want to accomplish this summer. **Handled correctly, these events can drive significant revenue to your business before the summer peak.**

Success in this channel demands more than sticking shifts of bored techs in a booth with some big signage. You need to staff your booth with someone who understands the selling process and won't be discouraged by hundreds of rejections from people who just want to keep walking.

**We've found a particularly effective home show technique is a scratch-off program using prize cards.** One card gives the winner a free system, another gives something like an indoor air cleaning package, and the balance offer a free system tune-up. (You can purchase insurance to cover the cost of the free system in the event someone wins it, or ask the manufacturer to cover the cost of the equipment while you absorb the labor. In other words, you're offering an attractive prize with minimal financial risk.)

When the homeowner scratches the card and says they won a tune-up, your rep immediately schedules an appointment on an iPad that's connected with ServiceTitan. If the customer is hesitant to give the go-ahead, just suggest they set a tentative time and add they can always call to reschedule or cancel. Most won't cancel. A good goal is to get 50 to 100 scheduled tune-ups from a show.

**Why use a scratch-off instead of simply offering everyone a free tune-up? Perceived value.** If the homeowner sees that everyone gets the tune-up, they're less likely to believe it's worth anything. But if they view that tune-up as a prize, it seems to be worth a lot more.

## EFFECTIVE PRE-SEASON STRATEGIES cont.

### LOCAL AC GIVEAWAY

**One example that's ideal for a late April/early May timeframe is an air conditioning giveaway.** It can be structured in any number of ways, with one of the most effective involving soliciting nominations for a neighbor who really needs a new AC but can't afford one. In addition to all the promotional messages and ads, stations will usually be willing to provide news coverage of the winner's system being installed, making your company a local hero.

### TECHNICIAN LEAVE-BEHINDS

**Before your technician begins work in the customer's home, they can share brief documents about other services that may be of interest, such as IAQ equipment.** The technician can invite them to read the information and add, "If you see something you'd like to add to your home, I can discuss it with you or even install it while I'm here."

### REFERRAL PROGRAMS

**Encouraging customers to refer friends, family, and neighbors** is always a worthwhile effort, but it's especially important to encourage your technicians to make those requests when you need extra business.

## SMALL TRAINING EFFORTS GENERATE BIG DOLLARS

Want to spend some money that's guaranteed to boost your average ticket and total revenue? We can't think of a better way than investing in your people. Even small, incremental improvements in your team's skills will generate significant bottom-line increases.

Let's show you how, using real results we've documented with our clients. Take an HVAC contractor who receives 1,254 leads to service customer equipment and 345 for new equipment. Historically, the contractor's CSRs have been able to turn 65% of the service leads into booked calls, with a completed job rate of 95% and an average repair ticket of \$564. That gives us 774 service jobs for \$436,731 in revenue. The CSRs are less



# EFFECTIVE PRE-SEASON STRATEGIES cont.

## SOCIAL MEDIA

Successful businesses maintain a constant presence on social media as a way to keep their names in front of customers. They also step up their social efforts before the regular seasons get underway as a way to keep techs busy before the weather-driven business picks up.

## EXCESS INVENTORY SALES

As you enter mid-August, you're on the back side of the summer peak, and it's normal for your call volume to decrease. That's when most owners start pulling back on their advertising efforts — but it's also a great time to **advertise an excess inventory sale to your customer base**. Let existing customers know you're eager to reduce your inventory of air conditioners, heat pumps, or whatever you might have over-ordered, and offer a great discount. Customers who have been wanting to replace their aging systems but hesitated to do so over the summer may see your discount as a good excuse to buy now. Handled correctly, a sale can lengthen the summer selling season by two weeks.

	MARKETING	CSR/DISPATCH/OPS				KITCHEN TABLE	REVENUE	
	Opportunities	Booking Rate	Booked Calls	Completed Job Rate	Completed Jobs	Average Rev / Job	Total Revenue	
Service	1254	65%	815	95%	774	\$564	\$436,731	
Equipment	345	55%	190	75%	142	\$12,874	\$1,832,131	
							<b>\$2,268,862</b>	
								<b>INCREASE</b>
Service	1254	70%	878	95%	834	\$564	\$470,325	\$33,595
Equipment	345	65%	224	75%	168	\$12,874	\$2,165,246	\$333,115
							<b>\$2,635,571</b>	<b>\$366,709</b>
Service	1254	70%	878	95%	834	\$764	\$637,107	\$200,377
Equipment	345	65%	224	75%	168	\$13,500	\$2,270,581	\$438,400
							<b>\$2,907,688</b>	<b>\$638,777</b>

successful with equipment leads, booking just 55% with a 75% completion rate producing 142 completed jobs at an average of \$12,874. Total overall revenue is just about \$2.3 million. Not terrible.

What happens if the CSRs receive training that bumps their service booking rate up to 70% and equipment up to 65%? Keeping all other variables the same, total

revenue jumps to \$2.6 million. In other words, a slight performance increase added \$366,709 to the bottom line. Suppose the techs also receive training that allows them to increase the average service job to \$764 and equipment sales to a slightly higher \$13,500. Now total revenue is \$2.9 million, a gain of \$638,777 over the original scenario.

# WHAT CAN OUR MARKETING TEAM DO FOR YOUR BUSINESS?

The Cornerstone outsourced marketing team handles all the traditional and digital marketing and promotional services you need, from SEO to direct mail to truck design, all delivered through one marketing manager who treats your business as though it's theirs. Even better, we have a lot of practice with all of them. We know what works and what doesn't. We'll provide all this and more:

## MARKETING SERVICES

- ▶ Strategy
- ▶ Research
- ▶ Planning
- ▶ List Acquisition
- ▶ Direct Mail Purchasing
- ▶ Budgeting
- ▶ Analytics
- ▶ Resource Management & Execution

## BRANDING & MARKETING MATERIALS

- ▶ Logos
- ▶ Brand Style Guides
- ▶ Business Cards
- ▶ Brochures
- ▶ Sales Collateral
- ▶ Forms
- ▶ Vehicle Wraps
- ▶ Banners
- ▶ Packaging
- ▶ Posters & Illustrations

## DIGITAL PROMOTION

- ▶ PPC Advertising/Google LSA
- ▶ Website Design & Hosting
- ▶ SEO
- ▶ Blogs
- ▶ Email & Text Marketing
- ▶ Social Media Content & Advertising
- ▶ Online Reputation Management
- ▶ Online Directories
- ▶ Online Publications

## TRADITIONAL ADVERTISING

- ▶ TV
- ▶ OTT
- ▶ Cable
- ▶ Radio
- ▶ Direct Mail
- ▶ Magazines
- ▶ Newspaper
- ▶ Billboards
- ▶ Printed Directories
- ▶ Video
- ▶ Media Planning & Buying

## ABOUT SHARE OF VOICE

Buying advertising for your business seems simple enough, but it's pretty complex. Sales reps show up with what look like great deals, and far too many business owners jump at the cheapest option.

Smart business owners focus instead on what's known as share of voice. That's a measure of how much of a marketplace your branding "owns" as compared to your competitors. If you're one of four local HVAC businesses that's using TV and the other three are outspending you, you have a comparatively tiny share of voice. When your prospective customers watch TV,

they'll see far more of your competitors' brands than yours. That's important, because experts contend each of us sees as many as 10,000 marketing messages each day, and our brains filter the vast majority of them out.

When your customers are overwhelmed by marketing messages of all sorts, understanding and leveraging your share of voice allows you to make strategic choices that magnify the power of your budget. If everyone else is battling for TV viewers, maybe your brand belongs on the radio or in digital channels. And if your marketing partner isn't thinking this way, maybe it's time to look for a new one.

## DOES THIS APPROACH REALLY WORK?

**Extending your selling season is one of the most consistently productive strategies we've seen, in part because it forces you to look at customers and the opportunities they offer in a different way.** We're accustomed hearing "I never thought about it that way" from new clients — not because there's anything lacking in their skills, but because it can be hard to explore new concepts when you're knee-deep in the daily demands of running your business.

That's one of the key advantages of working with the Cornerstone Advertising team. For decades, we've used approaches like these to help companies like yours maximize their marketing ROI. We apply what we've learned from proven performance with other owners nationwide. So instead of experimenting with your budget and hoping for the best, we bring you solutions that have worked again and again. Want to know more? We'd love to chat with you. Schedule a strategy session with us by scanning the QR code below!

**SCAN TO  
SCHEDULE A  
STRATEGY SESSION  
WITH US**



# CORNERSTONE ADVERTISING

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## ABOUT THE AUTHOR

Tracy Paul is principal owner and founder of Cornerstone Advertising Inc., where he has helped HVAC, Plumbing, and Electrical contractors of all sizes grow and become market-dominant companies in cities throughout North America for more than 25 years. Cornerstone is a full-service marketing firm that includes both traditional and digital advertising for the home service industry and gives contractors access to a complete marketing department for less than it costs to hire a full-time marketing director, using proven strategies delivered through a marketing manager who treats your business like it was their own.

Learn more at:

**[www.cornerstonead.com](http://www.cornerstonead.com)**