

CASE STUDY

CASE STUDY > CO-OP ADVERTISING PROGRAM: HVAC COMPANY

HVAC company increases local advertising with help from Pitney Bowes Marketing Solutions Group



PITNEY BOWES MARKETING SOLUTIONS GROUP

THE CHALLENGE

An international provider of residential and business HVAC needed a co-op advertising program that maximized a national advertising budget and provided greater flexibility. They found the answer in Pitney Bowes Marketing Solutions Group.

Dealer investment in advertising dollars was decreasing, competitors were partnering with major retail stores, and more than 5,000 dealers and contractors were clamoring for a way to customize advertising materials. The sales and marketing team at a leading HVAC provider was facing serious competitive pressure and operational challenges,

not the least of which was managing their co-op advertising program themselves. They needed a way to better leverage their co-op program, while also offering greater flexibility for their dealers, and maximizing their national advertising budget.

THE SOLUTION

The HVAC company found their perfect partner in Pitney Bowes Marketing Solutions. Specializing in co-op administration, web-based marketing tools, and print production/fulfillment, Pitney Bowes Marketing Solutions Group created a solution for the HVAC company that enabled them to provide their dealers with customizable advertising, 24/7 access to marketing materials and a turnkey media placement that completely revitalized the co-op advertising program.

With the creation of a customized portal, Pitney Bowes Marketing Solutions Group gave the HVAC company the ability to post all their advertising and marketing materials online. This meant that dealers all across the country could have instant access to pre-approved, ready-to-place ads, brochures, flyers, etc. In addition, individual dealers were now able to tailor their own materials within an approved template.

“The international HVAC company needed a real partner to help manage its co-op advertising.”



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THE RESULTS

“Suddenly our local advertising numbers went up,” said the director of merchandising and training for the HVAC company. “No longer stymied by a cumbersome process they couldn’t make work, dealers found the new solution enabled them to create and fulfill a personalized ad in minutes—and they knew it would be approved with no out-of-pocket expenses.”

Dealers quickly jumped back on “the advertising band wagon.” Being able to access information 24/7 completely simplified the process and encouraged participation. Claim submissions were unnecessary—the money was instantly subtracted from their account without need for receipts or proof of performance. Real-time tracking and reporting also helped them

monitor how and when co-op dollars were being used. They could even link expenditures to consumer participation in incentive programs.



Use of co-op funds was especially important to the merchandising and training director and his team, as dealers had not been fully utilizing these dollars. Some dealers would let the time lapse on their funds, and others would request to use the funds for something non-advertising. While the unused funds went back to the company, that was a lost opportunity. “Anytime co-op dollars went to anything but advertising, it meant we weren’t getting our message out there, which meant we were losing money. In order to compete with the growing trend in the industry (partnering with “big box” retailers) we absolutely needed to maximize every dollar we had set aside for communications.”

The new website helped renew interest in “package advertising,” too. The program provided dealers with different media mixes at certain spending levels with

customization by area. Earlier, the HVAC company phased out the program because it had been too difficult for dealers. At that time, dealer advertising spending fell by almost 50%. When Pitney Bowes Marketing Solutions Group came on board the program was reintroduced. This time it was an instant hit. Now, dealers simply chose a spending level and a pre-crafted media mix to customize. “We saw a 400% increase in local advertising spending by our dealers,” said the merchandising and training director. “And this is not just a one-time thing—this has happened year after year.”

More proof that their message is getting out has been seen in a 30-40% increase in the rebate budget, which is a direct correlation to a sales increase, because rebates are only given when a sale is made.

The HVAC company’s merchandising and training director believes that the Pitney Bowes Marketing Solutions Group played a significant role in this growth. “With advertising and promotions now more widely used, our share of voice in the market has stayed strong.” While our competitors chose to partner with the big-box retailers, we decided to support our dealers.” Now, the company has a way to keep its name and product top-of-mind. And sales numbers reflect the company’s strong pace in the HVAC industry.

Pitney Bowes Marketing Solutions Group delivers greater speed-to-market, cost and process efficiencies, appropriate use of brand and legal content, and increased partner participation. Programs are managed by World-Class MFM administrators and customer support.

To learn how we can customize a program to meet your company’s needs, simply visit www.pbmarketingsolutions.com, call (800) 488-2124, or email info@pbmarketingsolutions.com.