

MARSTRATS CASE STUDY



Challenge

Lennox Industries (North America) operated in a very competitive industry (Heating & Cooling - HVAC). Lennox's market share was #2 behind Carrier. One of the biggest challenges faced by Lennox has been that the HVAC industry is a very low interest durable good category. Customers make a purchase (on average) every 12-20 years and the target market represents only 2% of households annually. Breaking through the clutter to become part of the consumer's acceptable brand set is imperative each heating/cooling season. Another component for Lennox: Lennox traditionally has sold direct to dealers and dealer loyalty has been crucial since most customers purchase the brand recommended by their dealer. While Vice President, Ross Communications, Connie Risby developed the strategy and managed a 15+ team members to execute the program.

Solution

Our solution was a three tiered advertising strategy:

1. National Advertising
 - ▶ Supported brand image
 2. Dealer Group Advertising (DGA)
 - ▶ Supported dealer image as a group in the local market
 3. Local Dealer Advertising
 - ▶ Supported individual leader in local market
1. National Advertising. Our national advertising campaign "*Must Be A Lennox*" campaign was developed on the assumptive stance to Portray Lennox as the high-quality leader in the HVAC Industry. The campaign utilized entertaining vignettes and broke away from the traditional HVAC product advertising.
 - *Must Be A Lennox*" campaign research.
The campaign delivered an assumptive leadership stance and positioned Lennox as the ongoing standard in the HVAC Industry
 - Copy test research concluded the campaign conveyed the communications objectives: "*Quality, reliability and dependability*"
 - Video storyboard analysis concluded the commercials tested "extremely memorable/very memorable"
 - ▶ DGA (Dealer Group Advertising). Our strategy for DGA was to utilize two dealers per :30 commercial (dealers were paired together in :07 tags with Dave Lennox and edited to the national :30 commercial).

- Dealers advertising dollars were matched by Lennox and were the primary source to support brand image; DGA represented 50% of all advertising dollars.
 - DGA was utilized to develop brand awareness in every DMA
 - Priority market strategy (additional funding) was utilized to support Lennox sales goals in specific markets.
 - DGA was used by Lennox to obtain dealer loyalty by having the dealers promote the Lennox brand to consumers. Since there was no contractual commitment with dealers, we had to “sell” the dealers into the program annually.
- ▶ Local Dealer Co-Op. Local dealer co-op funds were used to support dealers in their local market and utilize integrated brand materials for local advertising. We developed ad kit for dealers to utilize in local advertising
- Newspaper
 - Radio
 - Direct Mail

Result

Over a 20-year period:

- ▶ National Advertising delivered the creative message: ACH&R News Unitary Study concluded:
 - Lennox was #1 brand dealers would consider carrying (*Air Conditioning, Heating & Refrigeration News*)
- ▶ Lennox Industries had the highest brand awareness in the HVAC industry
 - 50% of residential sales could be attributed to consumer pull through (Source: Decision Analyst)
- ▶ DGA grew from a budget of \$22,000 to a budget of \$12,000,000 nationally in the U.S. Dealer participation grew from 12 dealers to over 2,000 dealers (including Canada).
- ▶ Dealer participation in DGA achieved a 75% participation rate and was key element in building dealer loyalty (consumer sales) for Lennox.