



QUICK FACTS

COMPANY

Lennox Industries is built on a heritage of innovative firsts, from the introduction of the riveted-steel furnace in 1895 to some of the most efficient air conditioners available today.

INDUSTRY

Residential heating, ventilation and air conditioning

GEOGRAPHY

Worldwide

CHALLENGES

- Paradigm Shift in the Builder Market
- Sales Force Resources
- Converting the Regional and Local Builder to Lennox

SOLUTION

HomeSphere's BRI Program

RESULTS

- Builder relationships with over 1,300 builders
- 40% year-over-year increase in regional/local builder growth
- 26% product conversion rate

COMPANY PROFILE

Lennox Industries is built on a heritage of innovative firsts, from the introduction of the riveted-steel furnace in 1895 to the most efficient air conditioners available today. Over the years, Lennox has set the standard for home comfort, and continues to push the standard forward with a lineup of more than 60 leading-edge products and a network of more than 6,000 full-service dealers.

EXECUTIVE SUMMARY

For years, Lennox formed a solid relationship with larger residential builders, capturing a significant market share. In the mid-2000's Lennox recognized a significant paradigm shift in the builder market. As the large national builders abandoned markets and closed operations, smaller local and regional builders gained overall market share of the total available market. To strengthen their market share and stay ahead of the market decline, Lennox knew they needed to extend their sales and market strategy to the local and regional builder markets. Because they lacked sales resources and expertise in this particular market they turned to HomeSphere to help them further penetrate and expand into this market. HomeSphere's BRI digital lead-generation and customer loyalty platform has been instrumental in growing Lennox's residential construction market share.

CHALLENGES

Because of the significant downturn in the housing market, the building product industry experienced several economic challenges. Lennox's overall goal was to sustain their existing market share while also growing their presence in a new market – the local and regional builder market – all with existing resources. To meet this goal, the team had several hurdles to overcome. First, how to successfully penetrate the regional local market with existing sales resources. Second, the need to penetrate a new market quickly to avoid a decrease in market presence and elude losses was challenged by a lack of reach to local and regional builders. And third, once they had entered this new market, the team needed a way to convert the local and regional builder to Lennox products. Incentive programs in this market are typically manufacturer to builder, and Lennox needed a vehicle that could easily offer incentive programs to the local, regional builder without adding additional administrative expenses.

SOLUTIONS

Considering the state of the market and the significance of their challenges, Lennox made the decision to partner with a third party in order to grow market share. After considerable research and review, Lennox turned to HomeSphere for their strong experience and relationships within the industry, as well as their unique and non-traditional approach to builder lead generation.

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LENNOX INTERNATIONAL

HomeSphere's BRI program is a digital lead-generation and customer loyalty platform that connects the building product manufacturer to the local and regional builder. HomeSphere's team of Regional Sales Managers reached this market and created brand exposure for Lennox, thus attracting and strengthening business with the most lucrative and hard to reach builder customer base. With unprecedented access to local and regional inside market knowledge, Lennox was better equipped to penetrate this market. "Once we partnered with HomeSphere, we saw a paradigm shift," said John Webster, Director of Residential New Construction for Lennox. "This shift helped us quickly grow our market share and position ourselves for the future. This new source helped Lennox replace the shrinking volume our national builders were experiencing." By using HomeSphere's BRI program, Lennox bundled their product incentives with other HomeSphere partners, to create an enhanced value-added incentive, thus gaining a larger percentage of the local and regional builder business.

RESULTS

Together, HomeSphere and Lennox have pushed through the decline of the housing market in the mid-2000's to the steady recovery the market is experiencing today. As a result, HomeSphere and Lennox worked together to weather the storm by effectively positioning themselves to stay ahead of the tide. By partnering with HomeSphere, Lennox developed a strong relationship with local and regional builders resulting in an increase in market share.

SOLID BUILDER RELATIONSHIPS

Over the years, the HomeSphere Regional Sales team and the Lennox Sales team created a strong partnership resulting in solid relationships with new and existing builders. Both teams worked together to reinforce the program throughout the years, shifting with and adjusting to the market's needs. "The Lennox Regional Sales team has successfully embraced the HomeSphere BRI program throughout the years. The HomeSphere Regional Sales team gave us the reach and access into the local and regional builder market we couldn't achieve on our own," stated Webster.

PROGRESSIVE MARKET GROWTH

Having a firm share of the larger builder market, Lennox looked to tap into the lucrative local and regional builder market. HomeSphere provided reach and access quickly and today Lennox is experiencing a shift in their share of the residential construction market. Lennox experienced 40% year over year growth in the local and regional builder market which helped attain higher overall market share in the new home industry. With the introduction of HomeSphere's BRI newest technology, LeadPlus, sales cycles are shortened, sales are easily monitored by the management team and the measurement of ROI is simple and efficient. "The estimated value and response in LeadPlus is invaluable," said Webster. "This new technology bolstered our trust in HomeSphere to continue to provide us reach and access."

VALUED INCENTIVES

By partnering with HomeSphere BRI, Lennox bundled their incentives with other HomeSphere BRI partners, thus creating more value-added incentives for new builders as well as existing customers. For example, after Lennox met with Isenhour Homes in Winston-Salem, NC, the builder still decided to purchase their HVAC products from another manufacturer. However, HomeSphere Regional Sales Manager, Mike Ashby was able to win back the business by walking Isenhour's building sites and recognizing other HomeSphere BRI partner products being used. "We overcame price objection by bundling Lennox's incentive with other HomeSphere BRI partner incentives. The Lennox sales person, in conjunction with HomeSphere's partners, was then able to present a more lucrative incentive program through bundling, thus leveraging more rebates per home and offering more value to the builder," added Ashby.

Over the years HomeSphere and Lennox developed a strong partnership, working together to accommodate the ever shifting housing market and coming out ahead. As a result, Lennox created strong relationships with the local and regional builders resulting in an increase in market share in a recovering housing economy.