



Case Study

Lennox International says “Hello!” to Google mobile ads and sees cost per conversion drop 90 percent



About Lennox

- www.lennox.com
- Richardson, Texas
- Global heating, ventilating and air conditioning (HVAC)



POWERCREATIVE

About Power Creative

- www.powercreative.com
- Louisville, Kentucky
- Full-service advertising agency

Goals

- Develop successful mobile campaigns to drive sales
- Continually iterate and innovate to improve returns

Approach

- Create mobile-specific site
- Target users locally
- Personalize and refine messaging
- Track mobile independently
- Focus on continuous improvement
- Utilize AdWords products such as Location Extensions, Phone Extensions and Mobile Sitelinks

Results

- **Dropped cost per conversion by 90%:** CPC was dramatically less on mobile than on desktop campaigns
- **Boosted conversion rates:** Mobile campaigns converted at a rate 3% higher than that of the computer-targeted campaigns
- **Seized the mobile opportunity:** Obtained cost-effective conversions on a fast-emerging platform
- **Increased customer engagement:** More customers contacted dealers than ever before

HVAC to the max

Lennox International, Inc. has a long history of innovation in the heating, ventilating, and air conditioning (HVAC) industry. In 1895, founder Dave Lennox invented the first riveted-steel furnace in Marshalltown, Iowa. Lennox has since grown to become a global HVAC manufacturer headquartered in Richardson, Texas. To translate Lennox’s innovative nature to the online marketing sphere, Lennox works with Power Creative, a full-service advertising agency located in Louisville, Kentucky.

Both Lennox and Power Creative saw a tremendous opportunity in mobile advertising. “Right now, there are a million mobile interactions happening every second of every day, yet many marketers do not realize this enormous opportunity,” says Tim Lucas, SVP of Media at Power Creative. “We had to be there to stake our claim.”

Sealing the sale

When considering mobile advertising campaigns, Lennox and Power Creative immediately turned to Google AdWords. “AdWords was a platform we were already familiar with, so we knew it would be easy to work in and test our mobile advertising initiatives,” says Lucas.

HVAC products might not be thought of as a traditional fit for mobile marketing. They are not often sold online; instead, sales occur through Lennox’s large network of dealers. What Lucas found is that many customers initially researched HVAC products on their computers, and then used their smartphones to find a local dealer. “Our first foray was to create a site to help customers find a dealer by typing in a zip code on a mobile-optimized site,” says Lucas.

Act Locally

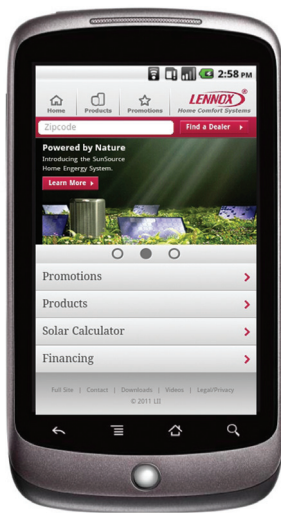
Shortly after beginning their first mobile advertising campaign, Lennox noticed that the cost-per-click for mobile campaigns was significantly lower than traditional desktop campaigns. Better still, they were seeing more users locate a dealer than they ever had before. With reports looking rosy, Lennox could assume they were reaching people closer to the end of the sales funnel – with phone in hand, ready to purchase an HVAC unit. “If users are searching on their phones, there’s a chance that their air conditioner broke down on a hot day. Our challenge is to help customers right when they need it,” explains Lucas.

Lennox gave users multiple options to reach them. For example, Lennox enabled Phone Extensions to display their phone number in mobile ads, allowing customers to reach them for customer support and help. They also enabled Ad Sitelinks for their mobile ads to direct users to the most helpful, informative pages on their site.

Create a mobile specific site and track it separately

Based on Google Analytics data showing strong growth in mobile traffic, Allen Evans, Advertising and e-Business Manager at Lennox, made it a priority to create a mobile-optimized site. “As phones get better and more powerful, we knew we had to have a quality mobile site to complement Lennox’s innovative nature,” he says.

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—Allen Evans, Advertising and e-Business Manager, Lennox



Lennox Mobile Website

The team at Power Creative helped Lennox create an initial text-only website to work with both Wireless Application Protocol (WAP) phones and smartphones. The site contained product information and a dealer locator. Continuous monitoring of Google Analytics revealed that high-end devices (e.g. Android, iPhone, etc.) were dominating the company's mobile traffic. Consequently, the team at Power Creative quickly worked to launch a touch-screen version of the mobile website that could be used for far more than simply locating dealers.

Iterate, iterate, iterate

In the last year, Lennox's mobile campaign had an average CPC that was 86 percent less than that of their computer-targeted campaigns, resulting in a 90 percent decreased cost per conversion for mobile, as compared to computers. Additionally, the mobile campaigns were converting at a rate 3 percent higher than that of the computer-targeted campaigns.

These encouraging statistics are partially due to Lennox and Power Creative's commitment to optimizing for performance and creating a good user experience on the mobile site. "It's easy to check a box to have your ads show on mobile, and for some people that's the beginning and the end of it," says Lucas. "However, you really need to run separate mobile campaigns so you can identify the right keywords, isolate what's working, and build your campaigns specifically for mobile users."

"Once we tested Google mobile ads, we never turned them off."
—Tim Lucas, SVP of Media, Power Creative

Today, after reviewing trends, Lennox separates their mobile campaigns into mobile search and mobile display campaigns, and have separated their search campaigns even further to target specific locations and show users tailored ad text. Power Creative continues to try different keywords and ad creative, and is committed to staying on the innovative edge of mobile advertising by using additional AdWords products such as Location Extensions, Phone Extensions and Mobile Sitelinks.

Mobile advertising was a game-changer for Lennox. As Lucas puts it, "Once we tested Google mobile ads, we never turned them off. Our advice is to create a mobile-specific site, think locally, personalize messaging, track mobile independently, and never stop iterating."

