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**2024 CONSUMER ADVERTISING AND PROMOTIONS (CAP)
PROGRAM GUIDEBOOK**



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WHAT IS CAP?

Purpose

Dealers who are very successful at marketing and are meeting or exceeding their sales goals are doing two things. First, they use data to reach the right customers. Getting the right leads is key. Second, they don't manage their marketing themselves. They rely on a team of marketing experts to manage their marketing plan and make sure everything they're doing is working together.

The Consumer Advertising and Promotions (CAP) program can help you do just that. How? Through CAP, your partners at Strategic America (SA) design and implement your integrated marketing strategy and build your unique brand. Coupled with rebate, financing and service/maintenance offers, you can generate interest with the right customer, increase your close rate and increase your average ticket price—ultimately growing your business.

Although the CAP program has been in existence for many years, its primary objectives and offerings have changed and evolved considerably over time. While once a program meant to specifically drive leads to dealerships during two key shoulder seasons (spring and fall) only using a handful of traditional media tactics, the program has evolved into one that helps a dealership advertise throughout the year consistently, helping each individual dealership to build their unique brand and grow their revenue through a well-rounded and diverse marketing strategy.

HOW IT WORKS

Full Service Package

We know dealers wear many hats and oftentimes don't have the time or resources needed to be a marketing expert for their business. The Full Service package allows the dealer to partner with SA, a professional advertising and marketing firm that has been a trusted Lennox partner for over 40 years. Strategic America's role is to be a partner to each participating dealer, assisting with market and media research and recommendations, advertising consulting, creative customization and design, and analysis of marketing performance and reporting.

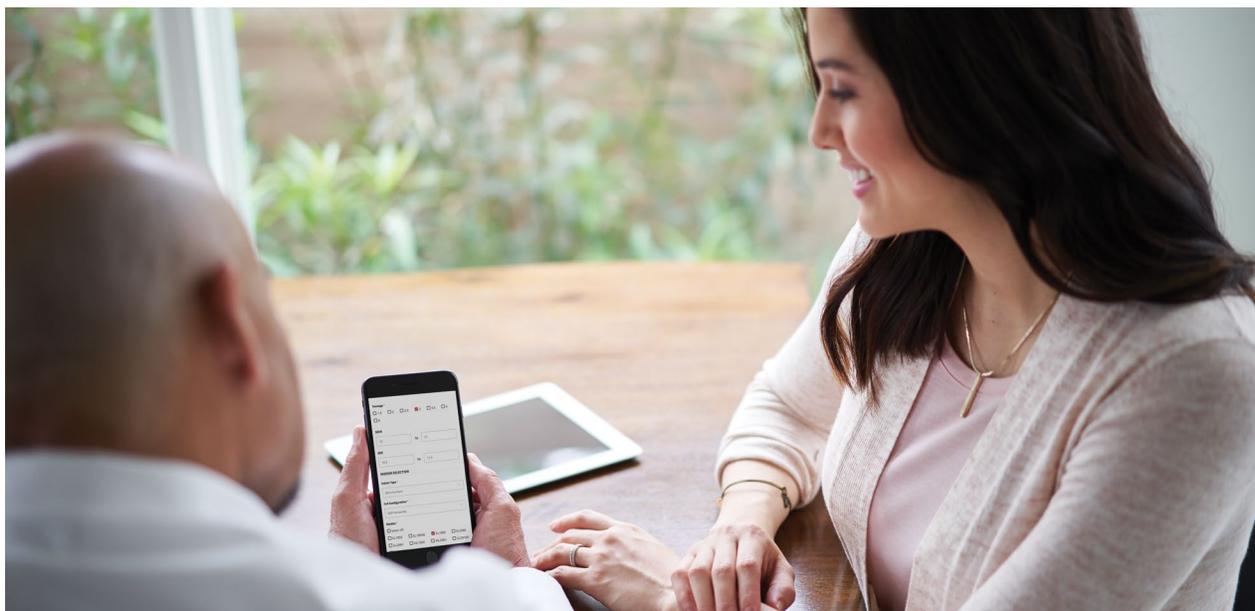
SA not only knows marketing and advertising, but they also understand the industry, who the ideal Lennox customer is in each market across the country, and how to best market to them. Annually, SA analyzes data on who is buying Lennox products to understand what the demographics and sociographics are for Lennox customers. Things like age, home ownership status, household income, length of residence, age of home, and estimated home value are all analyzed by market area. The data also shows, by market, which advertising channels/tactics are preferred by these homeowners and what types of marketing messages and offers these homeowners find most appealing. The advisors at SA analyze and use this data when consulting with dealers on effective marketing strategy and when making local media recommendations.



Expectations

When you enroll in a Full Service package, the following process typically takes place:

- **Discovery Call:** Your dedicated SA advisor will reach out to you with a welcome email and to coordinate a time for a discovery call. During the discovery call, the advisor will ask questions to better understand your business, marketing efforts outside of the CAP program, marketing goals for the new year, previous marketing performance/effectiveness, etc.
- **Media Strategy and Recommendation:** After the discovery call takes place, your SA advisor will take what they've learned and put together a media strategy and recommendation for you using your CAP package funds. Once the recommendation is prepared, your SA advisor will share it with you for feedback and approval.
- **Creative Customization:** After you approve your media plan, the SA team will purchase the media and customize the creative materials needed for the schedules. See page 15 of this guidebook for more details on creative customization.
- **Performance Reports and Discussions:** If media tactics utilized include tracking and reporting, your SA advisor will review and share the results with you throughout the year, to ensure you understand the effectiveness of your marketing and to allow for open discussion about possible changes needed.
- **Monthly CAP Fund Updates:** For Full Service dealers, your SA advisor will email monthly updates pertaining to your CAP funds so you will always be aware of what is left as well as appropriately plan for the remainder of the year. This email will also include a link to easily schedule a meeting with your advisor to allocate any remaining funds.





Successful CAP dealers who get the most out of the program and have the highest satisfaction are engaged with the program and their SA advisor. If you are in a Full Service package, here are some tips for success:

- **Be responsive.** When your SA advisor reaches out to schedule a discovery call, discuss media options and recommendations, or have a media performance discussion, a timely response is appreciated.
- **Review creative proofs by the deadlines given.** Once SA has a creative proof ready for your review, you will receive an email alert from lennoxproofs@strategicamerica.com asking you to visit LennoxDealerMarketing.com to review the proof. Once the email is sent, you will have five business days to review the proof and either approve it as is or request changes. If you do not respond by the approval deadline in the email alert, the creative proof will be considered approved and SA will proceed with finalizing the ad as is for the schedule. This is done so that all media schedules can begin running on the start date as planned and purchased.
- **Measure marketing effectiveness.** For certain digital tactics, SA will need your assistance to install a tracking code on your company website. For certain traditional tactics, call tracking numbers will be recommended. Doing so will allow for effective campaign reporting and for you to have visibility into how the campaign is performing.

WHY CAP?

Overview of Benefits

Partnership with Strategic America

- Lennox pays for a majority of Strategic America agency services, so that you don't have to. Strategic America also offers completely objective and unbiased media strategies and recommendations.
- Agency services include the following:
 - Agency time for a discovery call, media research and recommendations, media buying and negotiations, creative customization and proofing, campaign reporting and performance reviews, media invoicing and audits, and general dealer communication throughout the year.
 - Where applicable, agency commission on booked media.

Easy Monthly Billing

- Your CAP package investment will be broken out into 10 equal monthly invoices (February to November) from Lennox. No need to pay for your marketing efforts up front; Lennox will finance it interest-free over 10 months.



Listing on Lennox.com Dealer Locator

- Millions of homeowners are looking for a qualified local dealer on [Lennox.com](https://www.lennox.com)
- In fact, in 2022, the website received
 - nearly 5 million site visits
 - generated 300,000 dealer searches
 - and sent 151,000 calls to dealers through the Dealer Locator
- In addition, you can opt-in to receive leads directly from the locator and manage those leads (and even enter your own) online in one place through Lennox Leads. More information can be found by visiting [LennoxPros.com/news/web-leads-1804](https://www.LennoxPros.com/news/web-leads-1804).

Access to Consumer Promotions

- Get access to industry-leading consumer promotions for up to 36 weeks of the year. Promotions typically include a rebate and/or special financing when a consumer purchases and installs eligible new Lennox equipment.

Access to Consumer Promotion Funding (up to 100% Lennox funded)

- Depending on your CAP package, Lennox pays for up to 70% of the national consumer rebate and up to 100% of the cost of financing promotional plans.

Access to Comfort Advisor Sales Performance Incentive Fund (SPIF) (100% Lennox funded)

- Reward your comfort advisors for selling eligible equipment through the SPIF program.

Earned Co-Op Marketing Funds (Funds provided by Lennox)

- Earn co-op marketing funds, accrued based on your Lennox purchases. The funds are kept in an account that you can use to help pay for certain activities up to 60%. Activities include but are not limited to:
 - Your CAP package investment
 - Other advertising and marketing efforts outside of the CAP program
 - Approved training courses and programs
 - Lennox-branded apparel or signage
- Please refer to the Co-op Guidelines for more details on eligible items.

Cobranding with Lennox

- Align with a powerful brand like Lennox and build trust with homeowners.

2024 CAP PACKAGE OPTIONS

| BENEFITS | FULL SERVICE PREMIUM | FULL SERVICE STANDARD |
|--|----------------------------|----------------------------|
| Investment Level | Min. \$16,000 | Min. \$7,000 |
| Agency Services* | ✓ (valued at \$9,000+)* | ✓ (valued at \$7,000+)* |
| Billed Over 10 Months | ✓ | ✓ |
| Lennox.com Dealer Locator Listing and Qualified Leads Management (Lennox Leads) | ✓ | ✓ |
| Weeks of Consumer Promotions[†] | 36 (W, Sp, Su, F) | 26 (Sp and F) |
| Consumer Rebate Funding | 70% Lennox 30% Dealer | 50% Lennox 50% Dealer |
| Financing Buydown | ✓ | ✓ |
| Comfort Advisor SPIF Program 100% Lennox Funded | ✓ | ✓ |
| Earned Co-Op Marketing Funds Funds provided by Lennox | ✓ | ✓ |

*Figure based on standard agency commission (15%) on booked media (where applicable) plus approximately 20 hours of agency resources for a discovery call, media research and recommendations, media buying and negotiations, creative customization and proofing, campaign reporting and performance reviews, media invoicing and audits, and general dealer communication throughout the year. Figure may vary based on the details and elements of a dealer's CAP participation.

[†]W = Winter
Sp = Spring
Su = Summer
F = Fall

SEE FOR YOURSELF

“

My CAP advisor at Strategic America is a pleasure to work with. Together we identify and discuss past strategies and future options which maintain the character and presence of our company's brand. My advisor's marketing recommendation this past year exceeded my expectations! She presented a forward-thinking strategy, which focused in on our company's specific goals and targeted growth areas. The plan was specifically tailored to match our vision both in the near and long term.

- Joe Borter, Borter Heating and Air Conditioning, Wheaton, IL

”

“

The Lennox CAP program in conjunction with Strategic America has allowed us to increase our visibility to customers and prospective customers. SA has stepped up their game by putting an entire team behind our marketing plan. They are responsive and contribute their input to help make our campaigns a success. We appreciate that they provide quarterly updates and analytic explanations so we can truly understand and gauge the effect of our marketing campaigns.

-Melissa Aliberte, Reiner Group, Inc., Fair Lawn, NJ

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“

At Woodstock Heating & Cooling, we have a goal to sell OUR business, with our brand of choice being Lennox of course. Our CAP program advisor at Strategic America completely understood that and made that the priority. Many times she explained to me that I was going to be in budget or suggested I consider going over budget to allow for new things that are important to our company. All in all, it was the best service and their creative team is super amazing as well!

- Dawn Iversen, Woodstock Heating & Cooling, Woodstock, IL

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CAP MEDIA OPTIONS, REPORTING, AND TRACKING

It is recommended that dealers in the CAP program use their investment in the program to utilize a mix of media options, budget permitting. The program offers a wide variety of media types, including both traditional and digital options. The following page lists paid media types and other services utilized through the program. If interested in deeper descriptions of each, visit the Resources section of LennoxDealerMarketing.com where there are individual FAQ documents for many of these media tactics. Other media options may be available; contact your SA advisor if you are interested in something not listed in this guidebook.

2024 CAP Media Options

|  PAID MEDIA OPTIONS |  OTHER OPTIONS* |
|---|---|
| Pay-Per-Click (Paid Local Search) | SA's Website and SEO Services |
| Paid Social (Facebook and Instagram) | SA's Google Business Profile Management Services |
| Online Display | Landing page(s) through SA |
| Connected/Streaming TV | Organic Social through SA's Social Media Program |
| Direct Mail Paired with Online Display | SA's Data & Insights Services |
| Radio (AM/FM) | SA's Nurture Email Program |
| Outdoor Billboard | |
| TV (Broadcast and Cable) | |
| Local Sponsorships | |
| Display ads on the Weather Channel App | |
| Pre-Roll Video | |
| Local Print (Newspaper and Magazine) | |
| Pandora Streaming Radio | |
| Streaming Audio | |

*There are restrictions in regards to how much of your CAP investment can be used for these other options. Reach out to your agency advisor to learn more and for details.



Importance of Tracking Marketing Effectiveness

Measuring the effectiveness of a marketing plan is critical to ensure you are getting a positive return on your investment. You simply cannot effectively measure campaign success without it. It is also important in determining if the campaign goals are being met or if shifts in the plan are needed to reach those goals. Campaign tracking can be accomplished through the CAP program by using a call tracking line for print campaigns or using a Google Tag Manager (GTM) code for digital campaigns.

Most people are familiar with call tracking lines, which provide a unique phone number to be included on collateral for a specific campaign. A call tracking number should be utilized on the ads to help track effectiveness. The consumer dials the call tracking line and is seamlessly transferred to the dealer's business, and we are able to track that call directly back to the marketing campaign. In addition to tracking the effectiveness of your campaign, you will have access to the phone call recordings to assist you with Customer Service Representative (CSR) training, if needed.

The GTM code is a tracking code added to the back end of a website that allows for expanded reporting for a digital campaign as well as for remarketing efforts to be included in the campaign. We will provide you with the GTM code to install on your website.



Common Call Tracking Concerns

CONCERN: My customers know my phone number. I don't want to cause confusion if they don't recognize my phone number.

REPLY: Call tracking lines are used to evaluate marketing efforts with the goal of attracting NEW customers. New customers will not notice the difference between your office phone number and the call tracking line. The benefits gained from utilizing the call tracking line far outweigh the potential confusion.

CONCERN: What if a new customer saves the call tracking line as my phone number in their phone? If I no longer have that call tracking line, they won't be able to reach me.

REPLY: With the ease of access to online search engines, consumers are no longer saving business phone numbers in their phones. Instead, they turn to Google to search for a business phone number at the time it is needed, which is why it is important to maintain a solid online presence.

CONCERN: I have my own call tracking line. Do I have to get one through CAP too?

REPLY: If you already have your own call tracking line established, you do not need to purchase another one through CAP as long as the line you already have isn't being used for other advertising. If the line is being used for other advertising as well, you will not be able to identify which calls are coming from your CAP efforts and which are coming from your other efforts.

LENNOX MARKETING AND BRAND ASSETS

If you're looking for Lennox logos, product images, lifestyle photos, videos, and other marketing assets for use on your website and/or marketing and advertising efforts outside of CAP, Lennox has a library of branded assets for dealer use.

Visit LennoxPros.com/partner-resources/marketing/brand-assets to view and download.

In that same library, you will find the Lennox Brand Guidelines. We strongly encourage you to review the guide and share it with anyone assisting you with your marketing. The Lennox Brand Guidelines is designed to help ensure consistency of the Lennox brand by providing instructions and proper use of our colors, typefaces, trademarks, photography, and other assets.



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CAP Creative Options

For dealers in a **Full Service package**, there are several creative template options available to you. When you select one of the template options for your CAP advertising schedules, SA will size and customize the ad for you free of charge. Customization may include the addition of a company/staff photo, company logo, contact information and other business taglines, state license number, and up to three promotions or offers of your choice. To view the creative template options available for the current CAP program, please visit the Resources section of LennoxDealerMarketing.com or talk to your SA advisor.

Full Service dealers who choose to not utilize the creative template options mentioned above can design their own creative to be used for their CAP advertising schedules. All creative must be co-branded with Lennox and no other competing manufacturer and comply with the Lennox Brand Guidelines. Full Service package dealers must get approval on the creative from their SA advisor before it is finalized and put in market. You may also visit the Resources section of LennoxDealerMarketing.com for details.



Frequently Asked Questions

How do I enroll?

- 1) Visit LennoxDealerMarketing.com
- 2) If it's your first time on the site, click on the New User link, which will prompt you to enter your email address and create a unique password for yourself.
- 3) Once logged in, click on the CAP Enrollment button to complete the quick enrollment process.

How does the billing work?

Your investment in a Full Service package will be billed directly to your Lennox account in equal payments over 10 months, February through November. If you enroll in a package mid-year, your total investment will be billed in equal payments over the remaining months, between the time of the enrollment and November.

Can I change my package level or investment during the year?

Yes. Your CAP package level and/or investment can be adjusted throughout the year by contacting your SA advisor.

What are the program's policies for refunds and cancellations?

There are deadlines throughout the year for when media plans need to be finalized with SA. These deadlines will be communicated to Full Service dealers by email as well as posted to the Resources section of LennoxDealerMarketing.com. We want you to be able to utilize all of the media types available, so please take note of the media deadlines and work directly with your advisor to make arrangements ahead of the deadlines.

Every September there's a final deadline for new media plans/approvals using CAP funds. A few exceptions may be made when possible after the final deadline date; however, all funds MUST be allocated toward an advertising plan with SA no later than November 15, 2024. After November 15, any unallocated CAP package funds will be forfeited and not refunded back to you.

A dealer has the option to cancel out of the CAP program at any time throughout the year and can do so by notifying their Lennox Territory Manager **and** their SA advisor in writing. At that point all CAP program benefits will terminate. SA will work to cancel any upcoming planned media to the best of their ability. If a dealer has not spent their CAP package funds in full upon cancellation, Lennox may refund the unspent amount minus any program financial benefits received as long as the notice of cancellation is before November 15, 2024.

Lennox reserves the right to cancel a dealer's CAP package at any point if the relationship or account status changes.

What is the difference between CAP funds and co-op marketing funds?

CAP funds are funds a dealer chooses to invest in the CAP program to be spent on co-branded advertising efforts in their local market.

Co-op marketing funds, on the other hand, are dollars earned through a dealer's Lennox purchases. These funds can be used throughout the year in a variety of ways, including, but not limited to, co-branded advertising, approved training courses and programs, Lennox-branded vehicle wraps, and Lennox-branded apparel and signage. If the dealer elects to do so, co-op marketing funds can also be automatically applied as credits to CAP program billings, up to 60% of the total CAP investment. Visit LennoxPros.com/partner-resources/app/your-coop-account for more information about the co-op program and to access your earnings dashboard.

What if I already partner with my own local advertising agency or marketing consultant?

We recognize that some dealers have their own marketing team on staff or prefer to work with a local advertising agency. SA can work with the dealer and their local marketing team to determine how to best use the dealer's CAP funds to complement their existing marketing plan.

Can I enroll in a Full Service package if I have my own media rep and/or pre-negotiated contract?

If you have a pre-negotiated rate or schedule with a particular media outlet, be sure to tell your SA advisor during the initial discovery/planning phase. As long as the contract or schedule is for traditional media efforts, all CAP program requirements are met and SA is informed **before** the media is officially purchased, SA can work directly with your media outlet rep to finalize the schedule using your CAP funds. Digital media, however, needs to be set up and executed by SA. Full Service CAP package funds cannot be used for digital campaigns executed and managed outside of SA.

KEY CONTACTS

STRATEGIC AMERICA

800-728-0991

Follow the prompts to be directly connected to your dedicated advisor.

LENNOX CORPORATE MARKETING

CAP program and billing: Lizet.Lopez@lennoxind.com

Co-op and Comfort Shield: Shanee.Meeks@lennoxind.com

Consumer promotions and SPIF: Lynn.Shepherd@lennoxind.com

Premier Dealer program: Kristan.Davis@lennoxind.com/Daniel.Parker@lennoxind.com

SERVICE FINANCE

877-661-6793 or info@svcfm.com

DEALER PROGRAM SUPPORT

Consumer promotion and comfort advisor SPIF claims: www.MyLennoxSPIF.com/ContactUs
or **1-800-941-1379**

Co-op claim submissions outside of CAP: lennoxind@360incentives.com or **877-316-8890**