

# mediagistic

MARKETING + ADVERTISING



## DIGITAL EVOLUTION FOR THE HVAC INDUSTRY

8 EMERGING TRENDS & MEDIA FOR 2023

# TABLE OF CONTENTS

- 0 Introduction
- 1 Programmatic Ad Buys are More Powerful Than Ever
- 2 User Experience (UX) is the New SEO
- 3 Ad-Supported Video is On the Rise
- 4 Taking a Brand Focus vs. Focusing on Leads
- 5 Marketing in a Cookieless World
- 6 Google Discovery Ads Provide Fresh Opportunities
- 7 Helpful Content Gets a Boost
- 8 Google Vision AI & the Future of Local Search



# INTRODUCTION

**The digital marketing landscape is constantly evolving, particularly for businesses in the home services industry.**

It's important to stay ahead of the latest trends so you can reach your audience as effectively as possible. Find out what trends we're seeing, where the emerging media opportunities are, and what HVAC brands and contractors can expect for 2023 and beyond. We've pulled together 8 the most important new emerging digital marketing trends for HVAC and delivered impactful insights and valuable takeaways so you can streamline your marketing strategies for the most successful year yet.



Programmatic ad buying automates the process of purchasing digital advertising space. Traditionally, an individual would have the task of manually purchasing advertising space that would effectively reach the company's target audience.

Programmatic ad buying simplifies the process while boosting effectiveness and efficiency. This media buying technology analyzes a plethora of data to target potential customers based on factors like location, behavior, and demographics, so your ads reach the right audience.

Programmatic ad buys use an automated bidding platform to sell impressions based on the buyer's needs and marketing budget.

In a fraction of a second, this type of platform will analyze the website visitor, auction off their impression, and deliver an ad that's targeted to the parameters of that individual. This helps increase ROI by connecting advertisers with their desired market more accurately than manual guess-and-check methods.

Programmatic advertising can work outside the scope of online behemoths like Google and Facebook, delivering ads within smartphone apps and via OTT (over-the-top) Internet-connected TVs. You can target these types of ads to a perfectly tailored audience. This is particularly relevant for businesses in the HVAC industry that need to localize their marketing efforts.

# 1. PROGRAMMATIC AD BUYS: MORE POWERFUL THAN EVER

Programmatic ad buying also allows for detailed geofencing efforts based on factors like the amount of time a prospect spends in a geofenced area, so you can reach nearby residents.

As AI improves, the effectiveness of programmatic ad buying only increases. Programmatic ad spending is projected to reach \$133 billion in 2023, at which point programmatic ad buys will account for 91% of total digital ad spend. If your business isn't utilizing programmatic buying yet, it's time to give this approach a try.

# 93%

OF TOTAL DIGITAL  
AD SPENDING  
WILL BE PROGRAMMATIC  
BY 2023



# 2. USER EXPERIENCE IS THE NEW SEO

**UX, or “user experience,” increasingly has become a key vital sign that Google is tracking to determine page rankings.**

The search giant's core algorithm now analyzes a range of factors known as “Core Web Vitals” to determine how beneficial the page is for visitors. These vitals include:

- **Largest Contentful Paint (LCP):** The page's load speed and the point in time when the main content for the page is available.
- **First Input Delay (FID):** The time it takes for a browser to process event handlers following a user's first page interaction.
- **Cumulative Layout Shift (CLS):** The frequency of unexpected movement on a page, such as a sudden shift in layout when a video loads.

These metrics complement other measures Google uses to evaluate UX, such as HTTPS, browsing safety, and mobile friendliness.

The better a user's overall page experience, the longer they'll stay on your site. With effective marketing strategies, you can then use that time on your page to convert visitors into customers.

UX isn't replacing other elements of SEO, so it's still important to evaluate things like keyword usage, link placement, and optimized content. However, these elements should fit seamlessly into a website that delivers a quality experience. Google is continuously utilizing more advanced technologies like artificial intelligence (AI), natural language processing (NLP), and machine learning (ML) to analyze the online experience just as a real person would.

This means HVAC brands need to focus on streamlined websites where users can access content quickly and easily. The viewing experience should be safe, stable, and speedy, so potential clients don't waste time waiting for things to load or getting lost while they're trying to navigate to your contact info.

LCP	FID	CLS
Sites should strive to have an <b>LCP of 2.5 seconds or less.</b>	Sites should aim to have an <b>FID of 100ms or less.</b>	<b>A CLS score of .1 or less</b> will provide an optimal user experience,
A good threshold is the <b>75th percentile of page loads</b> across mobile and desktop	<b>75% of page loads</b> across mobile and desktop should be the goal.	A minimum of <b>3/4 of all users</b> should be served with a .1 CLS experience on mobile and desktop.

\*Google web.dev



# 3. AD-SUPPORTED VIDEO (AVOD) IS ON THE RISE

**Advertising-based video on demand (AVOD) makes content available to consumers at no additional cost. These videos are delivered via OTT streaming services (like Hulu, Peacock, etc.) rather than traditional cable or local television.**

OTT services include any type of streaming content delivered via the internet. Netflix, Hulu, and Amazon Prime Video were among the first service providers to cater to the OTT audience. However, these providers' main business model has been to deliver subscription video on demand (SVOD), which requires users to pay monthly or annually for access to the content.

The emerging competitor, ad-supported video on demand (AVOD), offers free access to viewers who are willing to view a few ads before or during the show. James Muldrow, VP of Product Management at Comscore, states that "...we're seeing that consumers are being more mindful of their budgets and leaning towards ad-supported services."

The numbers bear this out. In January 2020, 26% of households with streaming capabilities used AVOD. The average time spent watching digital video increased 25.4% that year. In fact, Nielsen data indicates that AVOD captured a larger share of that growth.

A growing number of platforms have since announced plans to release ad-supported tiers for their services, including Discovery+, Paramount+, and Disney+.

Streaming consumption across all devices went up more than 74% since 2020, and Comscore's recent 2022 State of Streaming report determined there was a 29% increase in U.S. homes streaming AVODs in 2022.

For advertisers, this means that there's a whole new landscape available for video advertising. With AVOD on the rise, there are ample opportunities for HVAC companies to target their advertising to local audiences while these viewers are tuned in to their favorite streaming shows.

**29%**  
**INCREASE IN**  
**U.S. HOMES STREAMING**  
**AVOD IN 2022**





# 4. BRAND FOCUS ≥ LEAD GEN

**The difference between taking a purely lead-driven focus versus a brand focus in your marketing can mean the difference between a one-time purchase and a long-term relationship.**

In the HVAC industry, long-term clients are especially valuable. When you build brand loyalty, you'll capture more than just an emergency AC repair. You can also cash in on the benefits of an annual maintenance agreement, ongoing repair needs, and eventual system replacements.

Lead generation focuses on capturing contact information from people within a target audience. This can help you build short-term revenue, of course. However, it doesn't necessarily position your brand as the go-to resource for those potential customers. By its very nature, lead-gen is innately transactional. And by treating your consumer merely as a transaction, your business is missing out on building a relationship that has considerably more lifetime value.

33%

increase in revenue is  
associated to consistent  
presentation of a brand

\*Lucidpress

**Brand awareness focuses more heavily on building long-term relationships and trust with consumers. In other words, brand equity.**

It keeps your name front and center so existing and new customers begin to associate your company with high-quality, reliable HVAC services and solutions. This is important because it means that your company's name will come to mind in that moment of need when a homeowner discovers a puddle around their AC unit or cool air coming from the heat vents.

Remember: On average, it takes seven exposures to a brand message for the average consumer to remember it. By building a consistent level of awareness in your service area, consumers are much more likely to engage in "branded search" instead of unbranded discovery searches (i.e. AC repair near me). In fact, businesses who have invested in creating a consistent presentation of their brand have reported a 33% increase in revenue.



# 5. MARKETING IN A COOKIELESS WORLD

Google has had its sights on a cookieless browsing experience for years. The initiative has been delayed several times while Google works through the details. However, before too long, marketing via browser-based "cookies" will become a thing of the past.

In 2019, Google announced its long-term plan to create a more private way for users to browse the internet. The Privacy Sandbox initiative aims to produce solutions that allow companies to deliver targeted ads without seriously compromising the privacy of users.

Privacy Sandbox proposed the use of Federated Learning of Cohorts (FLoC) to analyze internet users' activity while masking individuals with a "privacy-preserving" ID. However, FLoC was then criticized for giving Google a monopoly on digital advertising, as the search engine would become a critical middle-man for online advertising opportunities.

Subsequently, this complex landscape has resulted in numerous delays for Google's proposed cookieless browsing experience. Privacy Sandbox is now targeting the second half of 2024 for its alternative technology. Meanwhile, Facebook has introduced its Conversions API which feeds data directly via a server-side integration, giving individual customers more privacy and security.

Though cookies may persist for another year or two, it's important for marketers to prepare now for this seemingly inevitable future. This means:

- Analyzing first-party data as opposed to third-party data to inform marketing efforts.
- Collecting consumers' consent for data collection to better target your marketing campaigns.
- Researching and identifying your target audience for better placement of ads.

In fact, according to Hubspot, 44% of marketers predict a need to increase their spending by 5% to 25% in order to reach the same goals prior to the phaseout of cookies.

**44%**  
**OF MARKETERS**  
**PREDICT SPENDS**  
**WILL NEED TO**  
**INCREASE**  
**POST-REMOVAL**





## 6. GOOGLE DISCOVERY ADS PROVIDE NEW OPPORTUNITIES

\$12.19

Average Cost Per  
Acquisition (CPA) for  
Google Discovery Ads

800M

Global Users on the  
Google Discovery Ads  
Platform

85%

of people will take action  
within 24 hours of  
discovering a new product  
(or valuable service)

•Wordstream / Google

Announced in May of 2021, Google Discovery ads are interest-driven ads that appear in several powerful places that allow for additional opportunities beyond conventional search and GLS campaigns..

Viewers see these advertisements on:

- The YouTube Home feed.
- The YouTube Watch Next feed.
- Gmail Social & Promotions tabs.
- The Google Discover feed.

The Google Discover feed presents a stream of content similar to Facebook and Instagram. The feed delivers content tailored to the user based on their app downloads, map searches, watched videos, and website traffic. The ads are visually stimulating, creating a powerful impact in a short amount of time. Best of all, the ads are purposely targeted to a relevant audience, increasing marketing value.

These ad campaigns are highly customizable with adjustable settings for delivery method, device targeting, contextual targeting, placement targeting, placement exclusions, ad rotation, and frequency capping.

You can choose between manual and automatic bidding strategies to best suit your marketing campaign. To create a Discovery ad, you'll need to compile a few essential elements including:

- Images.
- Up to 5 headlines of 40 characters or less.
- Up to 4 descriptions of 90 characters or less.
- A business name of 25 characters or less.
- A call to action.
- Business URL.
- Logo.

Google Discovery ads are effective for both reaching new customers and reconnecting with customers who have previously interacted with your brand. Thanks to their vivid, eye-catching nature, these ads can help you scale conversions as you connect with the audience most relevant to your campaign.



# 7. ORGANIC SEO: HELPFUL CONTENT GETS A BOOST

**Google's recent Helpful Content Update (HCU) penalizes content that's keyword-driven to the detriment of value or quality.**

In other words, HCU was specifically designed to target content that has been written primarily for SEO purposes that is not particularly useful to human readers.

Announced in a post published in August 2022 on the Google Developers' blog, the Google Search team wrote, "SEO is a helpful activity when it's applied to people-first content. However, content created primarily for search engine traffic is strongly correlated with content that searchers find unsatisfying."

While the ramifications of HCU were slow moving (it uses machine learning and there's a validation period of several months), a subsequent September core algorithm update helped to refine and accelerate the process. To this end, Google Search liaison Danny Sullivan said, "the effects of the helpful content update might become more observable during a core algorithm update."

It's hard to overemphasize what HCU means for site owners. According to Barry Schwartz from the SEO Roundtable, "this update will change how SEOs perform content strategies going forward, much like Panda and Penguin changed how SEOs did content and link strategies, respectively, a decade ago."

HCU furthers Google's mission of promoting people-first content with strong E-A-T value. E-A-T means:

- **Expertise:** The author's personal, in-depth knowledge of the topic at hand.
- **Authoritativeness:** The authority of the website and its content, determined largely by the number of referring links and mentions a page or author has.
- **Trustworthiness:** The trustworthiness of the website and content, likely determined by reviews and other feedback from readers.

Ultimately, Google rewards content that provides real value to the reader (i.e. "human-first" content) over purely machine-readable content (i.e. "search-first" content). Utilizing relevant keywords is still a smart strategy, but it's crucial that businesses prioritize creating content that isn't just designed to feed the algorithm. For more info, it's strongly recommended that webmasters review Google's Quality Raters Guidelines.

**E-A-T**  
**EXPERTISE**  
**AUTHORITATIVENESS**  
**TRUSTWORTHINESS**

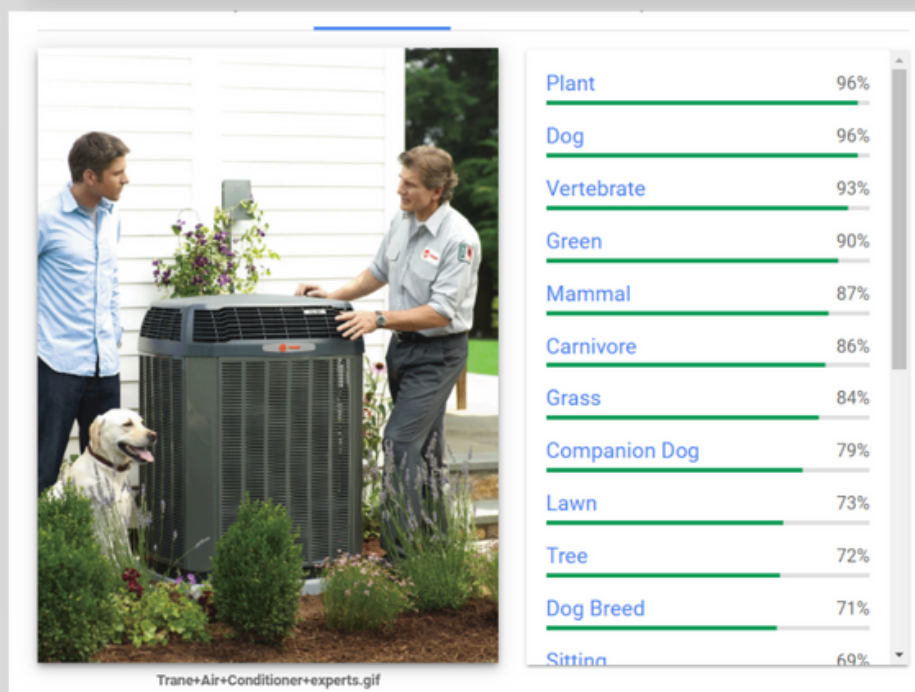
# 8. GOOGLE VISION AI & THE FUTURE OF LOCAL SEO

In recent years, Google has been evolving search to encompass visual elements, particularly images.

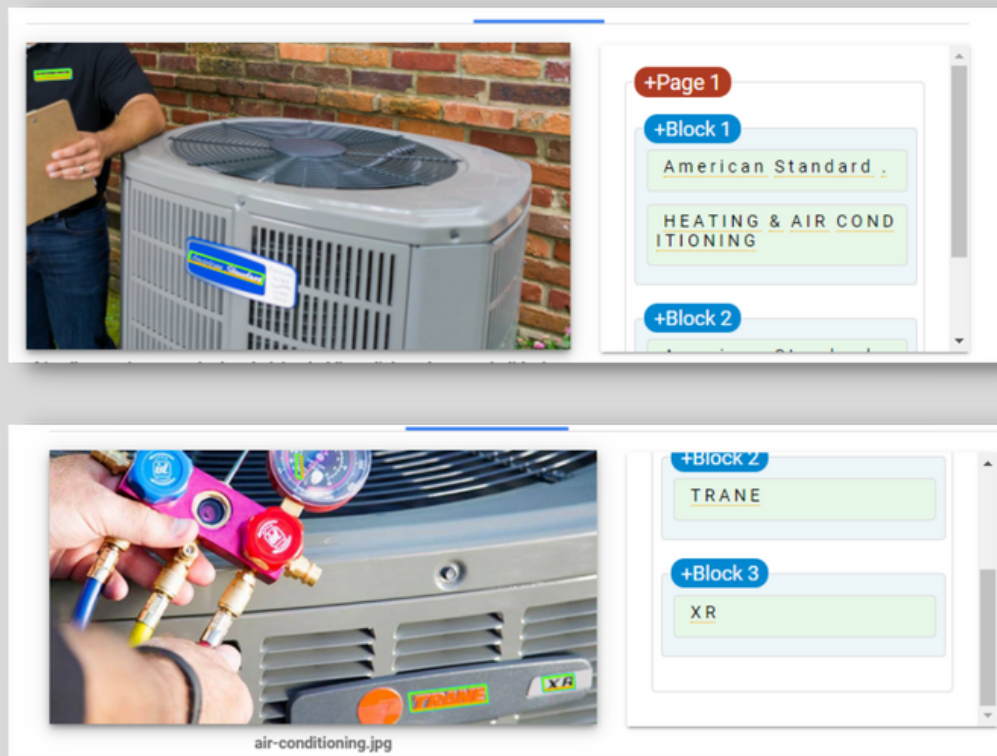
With the advent of MUM, Google Lens and now the Google Vision AI, it's very clear that traditional organic search and local SEO are both headed in this direction.

Extensive testing by Mediagistic, BrightLocal and other thought leaders in the local SEO space has shown that Google AI is able to understand objects contained within photography at an increasingly accurate rate.

But equally, the composition of these images dramatically affects how Google is able to understand them. In the examples below, you can see that the first image is pretty clearly understood by Google as "home appliances" (Google does not yet understand "air conditioner" as a specific subset of this category according to our testing). However, in the second image, the AI appears to be getting confused by the people, the dog, and the plants. And for some reason, pants.



Furthermore, testing of the Google Cloud Vision API also has shown that Google is able to read text contained within images. See the two examples below.



All of this means that it's possible to compose images in such a way that they will be optimal for Google's visual search capabilities. Subsequently, the takeaways here are threefold:

1. While lifestyle images tend to be optimal from a consumer appeal standpoint, original images like the one in the first example are more easily understood by Google. Having a good mix of both will be increasingly important.
2. Brands that make an effort to create more imagery like example one stand to gain, particularly when the AI's vocabulary expands to encompass terms like "air conditioner" or "ductless AC," instead of broader terms like "home appliance." Feeding that content to Google via GBP listings and your website will help to position HVAC brands for greater visibility when this occurs.
3. Google's ability to comprehend visible text in images means that visible signage and brand labels contained within images are now in play from an SEO standpoint as well.

As a final note, Google recently updated its guidelines to specify that stock photography is no longer allowed in GBP listings, so all content produced for the purposes of visual search needs to be original.



# 2023 AND BEYOND

Staying ahead of these and other digital marketing trends will help to ensure your 2023 marketing campaigns are optimized to achieve the greatest performance and most valuable results. Our team at Mediagistic continually keeps a finger on the pulse of the digital marketing industry so we can help you craft effective campaigns that make use of all the latest technology.

Looking for more help with your HVAC marketing efforts? The Mediagistic team can help streamline your marketing activities, build a high-performing digital marketing program for your business, and grow your dealership's annual revenue. Just click [this link](#) or scan the QR code below to schedule your free digital marketing evaluation and get started.



**Schedule Your Free Digital Marketing Evaluation Here:**

