

Transcript

Krystal Hobbs 0:04

Welcome to Beyond The Tools, the podcast that helps contractors attract more leads, grow their business, and finally get off the tools. In each episode, you'll discover marketing tactics that work. You'll get actionable insights from other successful contractors, and connect with experts to help you grow. I'm your host, Krystal Hobbs, owner of a social media agency that helps contractors attract and convert more leads. Get ready to take your business to the next level so you can finally enjoy the fruits of your hard labor. Ready, let's go!

Krystal Hobbs 0:46

Hey, contractors, welcome back to Beyond the Tools. I'm your host, Krystal Hobbs. And today, we have a great chat with Paul Redman all about future-proofing your HVAC business. So Paul is the VP of Sales at Contractor Commerce, which is all about helping contractors prepare and better serve the modern customer by leveraging the power and scale of e-commerce. Now, if you're an HVAC contractor, I'm sure you're listening to this. And I know what you're thinking that you're not ready to start selling systems on your website, you don't want to compete with Amazon and I'm sure you have your own thoughts on the type of customer experience that that provides. But let me tell you, this is really about meeting the modern customer where they are and setting your business up to thrive in the coming years.

We all know technology isn't going anywhere. And companies that use online sales to their advantage now will truly reap the rewards and be able to keep control of the industry. So this is a really great chat with Paul. And let me just share going into this that it's not as intimidating or as difficult as it may sound. It can actually be just as easy as selling filters on your website, doesn't have to be full system installs but I'm going to let Paul share all of this with you and paint the picture of the future of the HVAC industry. Let's head on over and chat with Paul.

Krystal Hobbs 2:31

I am thrilled to have Paul Redman, the VP of sales at Contractor Commerce here on Beyond the Tools. Welcome to the show, Paul! So before we get into it, I gotta ask where does the nickname Tall Paul come from?

Paul Redman 2:47

It's so interesting. No one has ever asked me that today. I was always a little tall growing up like a little taller than my peers. And then in seventh grade, I was 6'7" out of nowhere. Now I have a seventh grader and I can't even imagine her having a peer that is 6'7". So I have a twin brother. And I think if my name was Ryan, it might still be tall Ryan, I don't know. But it happens to be that my most distinguishable characteristic rhymes with my name. And so it was tall Paul for a really long time. And, it kind of like wore off a little bit in high school, and then in college, it peaked right back up. And then it kind of wore off. And then my first day, it was my real job. And my first day in the industry, the HVAC industry. I was at a conference like an annual sales meeting or whatever. And I'm at the bar after the meeting and no one knows me at this point except for my boss or whoever hired me or whatever. And he introduced me as tall Paul and just stuck since then and it's not going anywhere. It's going to be around for a while.

Krystal Hobbs 3:43

Maybe if I met you in person, the answer would be a lot more obvious.

Paul Redman 3:47

Very clear. Awkwardly tall. Goofy. Gangly. It's a thing. But it's nice. I don't want to say it was ever annoying but I kind of just rolled my eyes at it forever. But you get out in the working world and you're like, "Gosh! I'm at this conference with 2000 people and I can see everyone." And to like, people will remember my name. So that's kind of helpful. Kind of nice.

Krystal Hobbs 4:12

I love it. So I know we know about your background and how you got here and your bio and all that good stuff but what really got you into the trades, like, what made you passionate about this industry?

Paul Redman 4:25

Well, I went to what in the states we call College (in Newfoundland they call University and there's a big difference there). So I went to college and didn't really have a clear path of what I was going to do. I just knew that I had to at least, in my mind, at least had to have a college degree to be able to get a seat at the table in the corporate world. I always knew I wanted to be in business. I didn't necessarily know I wanted to be in sales but I knew I wanted to be in business. I have just liked business from a very young age and it very much felt like a sport to me and it's been my hobby and interest ever since. Well, anyways, I had a really tough time getting a job at a college and a company

gave me a shot. A company, Linux International, is a big player down here. I guess up there as well. Probably more so like, by the percentage of actual market share in Canada and here. But anyways, they gave me a shot and I was young and hungry, and my wife and I had a young child and I had to get to work and I had to get serious about it. And so I knew I had to give it everything I had. And I just kind of went all in on it. And one year turned into two turned into three turned into finding my niche, I guess, in the space around things like digital and online, and eventually commerce and marketing. And promotion, I do a couple of moves and then a couple of other moves and then next thing, I'm 10 years into this thing. And at that point where I was like, "Oh, my gosh, this is what I know, it's not all I know, but it's a lot of what I know," and so I just made a decision about that 10-year mark. I'm like, "I'm just gonna go deeper." But I knew at that point that I had moved four times. I knew I was done doing the corporate world route. But that's the only path I really knew. I just knew, like, do a really good job, be really good person, get a promotion, make more money, buy a bigger house, like provide better for your family and just keep climbing the ladder. And it was about that time, about the 10-year mark, I started listening to a lot of entrepreneurs on different podcasts. I was driving or driving around, told the story a lot of times, but I was listening to I think it was Matt Mullenweg, founder of WordPress, and some other folks. And I just started to, as cliché as it sounds, I started to really just understand the idea that like, anyone can do it. Anyone can take an idea to make a company and scale a company and grow the company and have the lifestyle you want to live without compromise and trade-offs. So that was a long answer. I have no idea how I got into this industry.

Krystal Hobbs 6:40

Now, that's amazing. And I think it's interesting that is a conscious choice of going deeper into this industry. So given all of the experience that you have here, what do you see as the future for this industry? Because I know that we're seeing more and more homeowners go online and have this expectation of companies serving them online as well. So what do you think the future holds for the industry?

Paul Redman 7:13

There are a lot of different directions, we can take this. But I think back to when I first started in the industry and I had really, really fresh eyes and I was trying to learn like all the equipment that the manufacturer sold, and then I had to work with the contractors or the dealers to understand how they were merchandising and how they were selling it. At this point, my customers didn't have websites. This was pre-iPhone and I mean, I don't want to say they didn't have websites. But they might have, like, they might be listed on

directories, they might have a website they whipped up because they were a carrier brand dealer for six months or whatever. They just didn't have like a dominant online presence. And I remember initially just seeing this massive gap on the consumer side of like, just merchandising. Okay, these manufacturers make all this stuff and they sell it to these contractors. But then the contractors go into the home and they only present select things like what are they presenting? Why are they presenting? What are they choosing to present, like, what options does the customer understand to have anyway? And anyway, that kind of framed this thought that there's a massive gap between what consumers expect and want and like their buying process and the entire selling process from marketing and manufacturing down to distributing to selling because there's just a mess. And I've just seen a lot of opportunities there. And so over the years, I mean, we're talking about like when I started in the industry pre-iPhone and certainly not pre-social media but like early Facebook days, a lot changed. Consumers like you and we buy things online. I'm looking at my desk here and almost everything that is on my desk, I purchased online. At some point now I'm buying very small things online like a bottle of shampoo or whatever it is. I found a more convenient way to get it at a great price and get it online.

And so if you really zoom out and you think about just consumers in general, like they want to buy everything online. They want to consume as much information as they can online. Yes, they want to read reviews. And yes, they want to go to your website, but they want to go as far down the buying process as they can without having to engage with another person. But here's the challenge. The industry doesn't operate like that. The way the industry has been wired and has been wired for a really long time is that the best possible scenario is that a consumer invites you into their home, you sit down at their kitchen table, you tell your story, and you uncover their needs, you recommend a solution. And I think that that is good and that is always going to be the best-case scenario. But the consumer market doesn't operate on what's most convenient and best case scenario for businesses. It operates the opposite of what's best, the most convenient for the consumer. So there's this middle ground that needs to be found in the industry and that's what we're doing a contractor commerce is helping contractors kind of find that middle ground, take what they sell, what they do, what they offer, and meet the consumer where they are on their couch, not the kitchen table.

Krystal Hobbs 10:01

And I know I even had a client this week, we run their lead generation. And so we see all the texts and stuff that come in. And they had somebody who texted them with like a

link to Amazon, they were like, I'm gonna buy this system. And yes, we're hearing that more and more. So at the same time, I think for a lot of contractors, it's intimidating thinking about putting all of that out there and what they do, and there are a lot of misconceptions there. So what do you think are some of the biggest misconceptions or challenges that a lot of contractors have when it comes to selling HVAC online?

Paul Redman 10:40

I think one of the biggest challenges or barriers but like one of the misconceptions that need to be really understood by contractors is that consumers are not bad people for doing that. So I see these threads all the time where they're like, this consumer sent me a screenshot, this homeowner sent me a screenshot of this on Amazon or this on Lowe's or this on Costco and asked me how much for the install and they go on this tirade of like, why that consumer is not their type of customer anyway and all of that why. But if you think about it from the consumer perspective, it's a very honest request. Like, they hop online, they want to know how much something cost which is a normal thing to want to know. And you type in HVAC replacement installation Newfoundland, and you see Lowe's, Costco, and Home Depot. We gotta learn more about that. So they blame it on the consumer, like the consumers, some like misguided, uninformed, ill-intent consumers when really, they're just following that's how you buy things.

And the misconception is that contractors can't do anything about it. So when contractors hear e-commerce (and this is why I've lost friends in this business, this is why I have fewer friends now than I had when I was working in a marketing agency, working in manufacturing), they hear e-commerce, and they automatically think of this barrier. They think that like, selling online means I'm not selling in the home. And selling online means I am now just the cheap labor, right? When that's not at all what the opportunity is with someone like Contractor Commerce. The idea is you take control online. So your contractor gets that text message. They're like, "Oh, you found it on Amazon. Great, you can buy it on our website as well. It costs a little bit more, but we're going to deliver it the same day, it's going to be professionally installed. And we're going to do this, this, this, this, this, this and that. And we don't install things that come from Amazon."

But the idea from the consumer perspective is I can buy it on Amazon, it comes with nothing. Or I can buy it locally and have it locally delivered, source, installed, and blah, blah, blah, all this, this, it's the same thing. It's just what your customer probably said was like, No, we don't do installations of things on Amazon, they should have said, "Oh, we can buy it off our website as well. And it comes with installation. And that's where the

price is a little bit higher.” Anyhow, there's a massive shift in consumer behavior. There's not a massive shift on the contractor side. So that tension point is going to create opportunities for online resellers, and e-commerce companies that aren't contractors. That's how every other market happened. I mean, you can imagine the first time someone with a New York City with a cab driver medallion, whatever, is sitting on the corner talking to another cab driver and his like, there's this app, and they're gonna let anyone pick someone up in a Ford Taurus. That's not a professional driver. That's not this is not that like, that's absurd. We'll look at that industry. And I don't I hate that everyone always rushes to make like the Netflix blockbuster Uber taxi references, but like, that's real. That is real. So I don't know if that answers that question.

Krystal Hobbs 13:51

Absolutely. And I know, a lot of our listeners, I would say they are ahead of the curve, if they're already listening to podcasts, and they're looking to evolve. But I know from my own experience when I started getting involved in the industry and my local Home Builders Association, I remember going through the member list and a lot of them didn't have emails. Now I'm finding that even for our clients, it's like a big deal to have online booking for homes. So I guess I am curious thinking about the mindset of some of our clients, like, is online booking enough? Doesn't that satisfy the same thing?

Paul Redman 14:34

In many ways, yes. I mean, I think of my friends over at scheduling and ServiceTitan, and they offer online booking and there are some others but like, that is a minimum expectation. Like, a consumer when they can book online on your website, and I don't I mean this respectfully, they're not like, oh my gosh, this is amazing. This is how the world is supposed to work. So it's meeting a demand that's already there, right? That's a minimum. I mean, every single contractor listening to this should allow their customer to be able to book an appointment on their website, and then figure out how operationally to work around that with our model. It's actually a little bit step further, our idea is, we want the customer. So let me give you a scenario. So you're a homeowner in Newfoundland if you're a consumer, and you are, you got to know you what you have to know, like, “Oh, my gosh, I know, my aircon. I just had someone out here. And they said they're gonna send a comfort consultant out tomorrow. But between now and then is this going to cost me 5000? Is this going to cost me 25,000?” What kind of opportunities are there? They hop online, and they're going to find a great local contractor. They land on their website and they have two options, sometimes three. Option number one, call the call tracking number. That's option one. That's the most common use case that is

the industry standard. All marketing, most marketing is wrapped around all of these top-of-funnel things to get someone on the website or to get them on the Google My Business Profile to call the call tracking number, that's where the process starts.

Option two is the customer doesn't want to make a phone call, which means they're a normal human being like everyone else, and they fill out a contact form. And contact form is a roll of the dice, you may or may not get a response you may or may not like but in your mind, you're at your barrier of expectation, the expectation is low, like when you fill out a contact form like you just hope someone will reach out, you certainly don't wait. So then you go back to Google and you find someone else and you go back to Google and then you at this point, now you get on social media, and you're getting bombarded with ads because you've now searched for these things. Buy an air conditioner at Lowe's, buy an air, whatever, whatever the ad is, I mean, you get flooded with those. And so it can completely disrupt this entire buying cycle. Our model is, hey, if you get that traffic if you have that user who hasn't tended to do business in the industry that you serve, like don't give them any reason to get off the website. Answer their questions, get them further down, and give them a quote, just a ballpark. You don't have to use all the disclaimers in the world.

But let them at least go "Oh, okay, well, it's either seven grand or 14 grand and neither of those options makes sense. So I'm going to book an appointment and see if they can come out here and tell me what I actually need." But at this point, the consumer's price conditioned, they're price conditioned, as no one goes to a car lot the car industry is up and you heard this probably a little bit in the Ryan Chute episode, the car industry has primed consumers for this. Like you don't show up at a car dealership and be like, I had no idea that that brand new BMW cost 90,000. I thought it was 13,000. I've never bought a BMW, I've never searched for BMW. Consumers do this all the time. So the car industry has been brilliant at this, they have an online selling department where they convert those leads to a real person when they come in. It's still the best-case scenario if you go in and you sit in a dealership and you buy a car from a salesperson, but they're not going to make that the only way that you can get a price or a quote or features benefits of whatever BMW, they're going to do business the way that consumers buyers want to do business. I'm not even sure if I answered the question.

Krystal Hobbs 18:02

I think you did. I am curious though, I do want to dig into that a little bit more like what's some of the strategies behind the price that the customer gets with your system.

Paul Redman 18:13

So the first, (and this is something we have to overcome every day with our operations, sales, and success team here) the first bit of advice that we give contractors is not to take your entire retail price book and just throw those numbers online. They automatically think that that's what they're doing and that they're taking whatever wherever they have their prices. And, save today, they're just going to be exposing as they feel exposed. I think what you do, and this is my hypothesis based on how my highest performing customers are, is you have an online sales strategy, where you take a look at let's say a price book for a contractor could have 600 different combinations and permutations of tonnage is in size, good, better, best and variable and non-variable to say like there's tons and tons and tons. It's just overwhelming to a customer. I think you distill it into as many categories as possible. And one of the more basic ways we do that is we say, "Okay, let's take small, medium, and large, so we're going to take all your tonnages, and we're going to group them in three, and we're gonna give the pricing a band, instead of it being like, a two-ton cost X amount, it's going to be a tune in two and a half ton cost between this and this."

So on one side of the equation you have or one side of the table, you've got size, and on the other, you've got good, better best, right? So three different sizes, three or four different levels. And you put the pricing in buckets that way you have a little bit of latitude when you go into the home because what you're telling the customer is like, "Hey, this is not an exact quote there's some there are things we have to learn about your house a site visit is absolutely required." You would never want to buy an air conditioner without having a professional assess the situation. We believe that best to be for the contractor and best for the consumer. So this will sound counterintuitive because I've just been saying how important it is to answer all the questions a consumer has as you don't lose them. You want to answer questions, but you want to leave them with a couple more questions. So "Oh, can I afford this? How much is a monthly payment? Are there multiple options?" But then also you want them to look at it and say, "I have more questions. I want to know why this one's 15,000. And why that one's 11,000. Because if I don't need the stuff that's in the 15,000, I can do the 11,000? Or are there things that are in the 15,000, or system that I can get like a discount on?" Those are normal consumer buying behaviors that are already baked into the conscious. When you make a consumer do business the way you want to do business, you're disrupting that whole pattern, and you're leaving them unable to make a decision. They're like, you're at my house, sitting at my kitchen table. You're on my turf. This is

intimidating. I really want to look this stuff up. But I can't and you're telling me. It's just a very archaic way of doing business.

Krystal Hobbs 20:45

And I can imagine for some of our listeners hearing this, like, yes, this makes a lot of sense but at the same time, maybe a big jump. Do you find that your customers, when they get started, are they going right for the installs and replacements, or are they starting with other services that they offer?

Paul Redman 21:10

Always, so yes, and I can't draw this on the screen right now. But I'll try to do a visual. So imagine a triangle like a normal triangle with the base of the bottom or smaller. Most contractors think about their business and think about their customers based on the installation of systems, which they should because that's the bulk of revenue, right? That for you, as a marketer, that's what you're going after that's the bottom, that's the base. But above that, you've got service and maintenance, right? These are the other things that fill the pipeline, this is the stuff that keeps your team busy, and this gives you opportunities to turn broken systems into leads. And then at the very top of that, the smallest little section of the triangle would be like indoor air quality products, and thermostats, and accessories and memberships and those sorts of things, right? And that is a good way to look at a business. Now, I want you to think about it flipped upside down. So the triangle, the point of the triangle is down at the bottom, right? The big part at the top is accessories, filters, IQ service, and club memberships, here's why the largest portion of your service area or the total addressable market for those services is bigger than the one at the bottom. And then below that, and the smaller part of that section of the triangle, you've got things like service, repair all that. And then the smallest part is HVAC systems, water heaters, those sorts of things, right? That's the smallest percent of the market, the smallest percent of the total addressable market is in the market for those things. Now, I'm not saying you focus all your effort, energy, and marketing on the system or IQ and all those things at the top. But you have to look at it like a funnel, like everyone in your market needs to replace their air filters. Could you be the source to have filters on demand for your customers in your market? And when your customers need a filter, they go to your website, and they click ship now. And a filter shows up within one to two business days with the contractor's label on it? Sure, they sell it that you're there selling a 12 pack for 100 bucks, they're making 25 or \$35 gross margin like they're not going to retire on that but now they've got that customer's information, that customer's in their system. They want to be selling the little things.

Now what that's also going to do is that's going to teach them the E-commerce muscle, right? How to do business online with a customer in a way that's a low barrier of entry. It's a low cost. And it teaches their customers, "Hey, this contractor is easy to do business with. I literally pushed a button and they shipped filters to me the next day. And they showed up and they were great. And then I had a question and then they responded to it."

And then go a step further and start selling things like memberships and tune-ups, and duct cleaning and all those things online. And then start offering quotes, let your customers go further down the path, you'll find there's a very small percentage of the market, there's a proactive buyer, right? As a contractor, you wish that everyone was sitting around thinking, I really need to plan this replacement for the next 18 to 24 months, right? And if they are, they're going to hit the internet, and they're going to learn on their own without your help. Help them learn. Help them go through that process, let them co-create a system for their house on your website, and then go out and sell them what they actually need. Right? It's not a bait and switch. It's like let's condition them a little bit. And then and then what a delight this is. I'll put myself in a situation. So imagine I'm online and I'm tinkering with Tesla's and I keep saying do I want self-driving? Do I want this? I'm looking at the monthly payment. I'm looking at all this sort of and I do this over quarter, a couple of months. And then one day I get a call from the Tesla dealership that says, "Hey, I noticed that over the last couple of months you've been checking out the Tesla's online, and I noticed that you some days you'll have the self-driving and some days you take it away and it's like a little bit we're running a special right now. Well, we're including self-driving in that media model." Right? Because he needs to sell a car and that is the experience we're trying to create for our contractors is like giving their customers something to do on their website other than clicking a call tracking number and costing 25 bucks.

Krystal Hobbs 24:58

That's fascinating. And I can see how not only is it a huge competitive advantage, but it can also help with your customer acquisition, help with getting more sales from the same customers, I mean, there are so many applications here.

Paul Redman 25:14

On a very basic level, it's a conversion opportunity. So it's one more thing a customer can do when they land on the website to show the intent of buying something. People don't casually shop for HVAC systems, which is generally a drawback, but when you do get them on your website and it says, "Get an instant quote right now." people take

action on that. We found that one in four users who engage with the online pricing tool for a contractor become an HVAC replacement lead or water heater lead. So if you're from a marketing perspective, if you're sending traffic to someone's site, this is a massive opportunity. Some marketing companies get it, and some are very intimidated by it because it's different. It's new, it's not in their wheelhouse. It's not within their kind of realm of control or influence. But the marketing agencies who have heard their customers asked for this to be built for years, they're loving this, they're like, oh, great, I don't have to put a developer like that, you can probably be in a situation where a customer is like, I want a customer to be able to do this and click that and do this like we've built all that. It's a plugin. It's super easy. And it's embedded into the website. And they're never navigating away from your customer, the contractor's URL. It lives and breathes on the contractor's website and matches their color scheme, and uses their brand voice. Pretty awesome.

Krystal Hobbs 26:33

Oh, that's awesome. And I guess like on that note, do you need a certain kind of website setup for this to be able to work? Like, how does that technical without getting too far?

Paul Redman 26:45

So in general, most of our most customers who are coming to us are on WordPress, because they've already invested in digital marketing. They've already like tried to crack the code on how to have a great website that converts traffic. Occasionally we'll get someone with Squarespace or Wix or a smaller CMS and on some, it works on some, we don't recommend it, but the primary uses are going to be for contractors on WordPress sites.

Krystal Hobbs 27:09

So I am curious, Paul, what have been some of the results that you've seen for your clients who have installed Contractor Commerce on their site?

Paul Redman 27:21

I'll give you an example of someone out in Denver, Colorado, and this Reed Borton with Premier air is going to be an episode on my podcast in a couple of weeks, you should listen to it. And it's all about e-commerce as an and not an or. So again, another issue with contractors is they hear e-commerce and they think it's like up well, I sell really well in the home, I don't need to sell online, it's you do you can do both without hurting one or the other. But the results for him have been great, he gets three to four leads per day

that are of people going completely through the process and becoming an actual HVAC system replacement lead so much so that he's hired an inside salesperson who only runs leads that come in through the website come in through the online quoting. But what's cool about this is that the average ticket, I believe in this, don't quote me on this, but I believe it's 2500 to \$3,000 higher because what's happening is they're going through the process there that lead is as triggering, the salesperson, the salesperson casually texts, and reaches out oftentimes will connect via zoom, where they've got a busy homeowner who wants to make a good decision, who doesn't want to go to the process of having a bunch of people out there buying. Again, it's stereotypical like tech center tech-forward customers who are basically doing the deal directly online.

And then Premier is going out and measuring and they're sending their team out to make sure that they have what they need. They're sizing it right. And then closing the job and going into the install. The impact for Premiere, and I believe he mentioned this on our podcast, he's spending less on digital marketing because he's converting more traffic. That's key. Our thought was that because his results were so strong is that he was spending more on marketing to get more traffic, and more conversions, and it's quite the opposite. So the traditional salespeople there, do their thing. And then the online sales guy, he does his thing, and he's not stuck in traffic. Denver traffic is awful. He's not stuck zigzagging all across town gets three to four leads a day and builds a relationship with the customer. And then when it's time they go out to the home and sign the deal. It's pretty awesome.

Krystal Hobbs 29:20

Amazing. And I can see how that would raise your average ticket as well because the customer feels empowered. Like they are more part of the process. They're driving the process and able to make their own decisions, which is really cool.

Paul Redman 29:34

And there's this wave coming. I know everyone talks about millennials and TikTok and all these sorts of things, but the behaviors of the next generation of consumers like we or myself (as I'll be 40 in a couple of weeks) like I live in a world where I didn't have a cell phone. I can't even wrap my mind around the fact that when I was starting work, I could not check email during the day like I wear that as a badge of Honor, that world doesn't exist for the newer generation. I mean, anytime I will ask someone who's 20 or below, like, hey, how would you imagine you have your own condo or your own house? And you're a grown-up and you've got kids? And how would you? Like if it was really hot in your house? Because they're not even thinking about air conditioning. They don't

even know what that giant thing is sitting outside, right? And they shouldn't stay pure. If you ask them, like, what would that process be? One, it's this will be the first time they've ever thought about it. Right? So that's step one. And imagine that the next time they'll think about it as when they actually need it when they're 30, or whatever. But if you ask them, they'll describe a process that begins and ends online. They're not going to say like, well, I'd find a local contractor. No. And here's the other thing. They won't say, I'll Google it. This is something that I think contractors need to really, really listen to. They don't say Google it. Do you know what they say? They'll say search it up. They won't say Google. Kids do not say I'm going to Google that I'm going to look at that this, I'm going to search it up. And here's the thing, when they search it up, they do not type. They only use voice. And when they search it up using voice, they're looking within social media channels, they're going to TikTok and they're searching up content related to this on TikTok to get to they're trusting that TikTok is going to curate and refine the results. They're trusting search engines more than you and I do and more than other people do. So I say all that this is not a ploy for Tiktok. I personally roll my eyes at Tiktok as a core strategy, but I get it. I mean, it is where people get information.

So I feel like our place here at Contractor Commerce, Will, Lisa, Noah, Andrew, Phil, and the team here, we have a window of opportunity where the early adopters who get this are working it out right now and figuring out how to operationally become an online seller and an in-person seller. And there's going to become a time over the next three to five years where technology companies who are not contractors who are not in this business, are going to get a lot of that traffic, they're going to get a lot of that consumer interest. And there are going to be a lot of contractors who have tough decisions to make about what I do. Do I sign up for some, co-opt dealer program where so and so distributor sells it online through this tech company and I get a kickback? I mean, that world is coming. You think about the industry from a macro level 100 billion dollar industry and you think about where the majority of revenue and margin is. And you think about just how money is made. You've got manufacturers who are some are publicly traded companies, many of which are distributed to publicly traded companies, international companies, they see what's going on. And they are not like sitting around the boardroom with their arms crossed, saying, well, if Olive, my daughter who's in seventh grade, if 10 years from now, when she's ready to buy your first system, she'll just have to find a local contractor. They're thinking like, how do I make sure that when someone goes to Tiktok, and they want to buy an air conditioner, that they only buy a Daikin air conditioner, and that we get maximum value out of that, and their

shareholders are pressing on them to do that, it's serious like it's not something to take lightly like this is happening.

And what will happen is, again, I'm kind of going off in the weeds here, but what will happen is, one manufacturer will put their toe in the water and say we're going to start this dealer direct program, and it's going to be amazing, and we're gonna run ads, and we're gonna sell through these three websites, it might be Lowe's, it might be Home Depot, it might be some random tech company, and you're gonna get all these leads, and you're gonna get all this and you're gonna be able to stay busy around. And then next thing you know, the margin that is so well loved by contractors is going to decrease, decrease, decrease. And I am talking about every like, this is how industries work. This is not unique to HVAC. It's not targeted at HVAC. It is what happens when you give technology to consumers and consumers want things to be easy.

Krystal Hobbs 34:05

I think this is fascinating. And it's so true. I mean that e-commerce isn't going away, and technology isn't going away. This is only going to be more and more prevalent in this industry. And the companies that take advantage early are going to reap the rewards and the people that wait may end up being too late and have bigger problems so I think this has been super eye-opening and I know anybody listening is probably reconsidering how they operate their business. So I'm sure our listeners are going to want to learn more about you in Contractor Commerce. So what's the best way that they can connect with you?

Paul Redman 34:53

I would be if I said any other way than just going to my website and you'll learn everything I would be naive or be a not a man of our word, whatever. But anyways, go to contractorcommerce.com, read all about it, request a demo, or click learn more, you'll connect with an expert on my team, who can take a look at what you've got going on in your market, look at the available opportunity and help you put a plan together. I will say that as I talked through all of this there can be a sense of kind of doom and gloom like this is happening, and there's nothing we can do about it. That is true, but there's a little bit of time like we're in a spot where contractors can actually take control of this. And right now we are the ones helping them do it.

It's a couple of \$100 a month to launch an online store on your existing website to convert your existing traffic even better. It's a no-brainer like we are putting all of our eggs in the basket for early adopters who want to get in and do something about this

because the other folks who work here at Contractor Commerce like this are our life's work we've believed in this for a long period of time and now we're making it available to contractors. So I guess the main thing they should hear there is Contractor Commerce is e-commerce for contractors, not for distributors, not for manufacturers, not for ourselves. Like we give you the tools to be able to do it and we sit back and help you be successful. So contractorcommerce.com. and learn more about us on our LinkedIn which is Contractor Commerce, and on Facebook, it's also Contractor Commerce. Look up Paul Redman and DM me. The Change Your Filter Podcast, listen to that. Thank you for the opportunity.

Krystal Hobbs 36:37

Amazing. Thank you, Paul. Really appreciate you being on Beyond the Tools and can't wait to get this out there.

Paul Redman 36:43

Thank you so much. Great job.

Krystal Hobbs 36:50

Hey, guys! If you love this episode, if you've learned something here from Beyond the Tools, you can actually head to our website at beyondthetoolspodcast.com and you can sign up to get updates whenever we have a new episode. So go to beyondthetoolspodcast.com, you'll see the option there to sign up and we'll send you the new episodes as soon as they're released.