



Why Marketing Strategy Is Critical to Marketing Success

By Don Montroy, Director of Marketing, Bergquist, Inc.

The great thing about marketing is that it is always evolving.

There are consistently new thoughts on how to best reach customers, new technologies to promote products and services, and new ideas on marketing research. While the amount of opportunities may seem overwhelming, we, as marketers, get to choose the tactics that align with our business model and help deliver our message to potential and current customers.

Conversely, the frustrating thing about marketing is that it is ever changing, making us question which methods are most effective. Which social media platform is appropriate for our company? How often should we post? Is print dead? Heck, is email dead? What kind of content should we use? Do we need to do A/B testing before we place an ad in our local newspaper, radio or TV station? Just what exactly is A/B testing anyway?

You may find it comforting to know that the one thing that hasn't changed much with marketing is strategy. Strategy, of course, should come before we consider tactics. In fact, our marketing strategy not only helps us to decide which tactics we use, but is the foundation for achieving our marketing goals.

Before deciding on a goal, however, a solid positioning statement for our company should be crafted. This positioning statement is the basis for messaging that shapes how customers perceive us, or more accurately, perceive our company brand. The positioning statement should include three things: the industry we serve, the differentiator that sets us apart from our competitors, and some facts that prove it.

The first part is pretty straightforward. We're in the retail propane industry, for example. Or if we're diversified, we can say that we're in the deliverable fuels industry. The second part takes a little more thought. Perhaps we offer better customer service than our competitors. Maybe we sell and service more appliances. Whatever it is, we need to back up our claim with some hard facts (e.g., we have a 4.9-star customer satisfaction rating on Google, we service the most Rinnai tankless water heaters in northwest Ohio, we have the most Autogas fueling

stations in the state of Massachusetts). It should be noted that having the lowest price is not a solid differentiator.

The marketing goals usually come from top management.

Are we trying to retain customers or is our focus to bring in new ones? Do we want to do both? Do we need to increase revenue? Do we want to gain market share? To be effective, however, focusing on one marketing goal at a time may be prudent.

Once a goal is chosen, it's time to identify the marketing strategy. Perhaps we should expand our showroom to include outdoor living products, upsell existing customers with new appliances, or add a new industry segment like forklifts, Autogas, or landscaping companies. Whichever strategy is chosen, it's important to keep a customer group in mind, create a persona within that group, and spend marketing resources targeting that particular persona.

A persona helps to organize thoughts and stick to the objective. One first step could be to identify what job title this imaginary customer currently holds and other key demographics. How old is she? Is she married? Is she a key decision maker, or an influencer? Is she a college graduate? Along with the positioning statement and marketing goal, this will help determine how to craft the marketing message.

Keep the marketing message fairly simple and on point.

For instance, perhaps we've decided we want to grow the forklift cylinder business. Based on that, we then determined we should target warehouse supervisors with a minimum of 20,000 sq. ft. capacity. Our imagined persona is a warehouse supervisor that is the key decision maker. He genuinely values operational efficiency over price. We're now talking directly to him with our message. Craft a message that trumpets a key differentiator, "You'll keep your operation running smoothly when you choose ABC Gas Co." or "With Springfield Propane, you never have to worry about your fuel source again."

It is getting to this point, the understanding of what message to craft so that you are reaching your target audience, that is the key to any successful marketing campaign. Any tactics that are utilized are likely doomed without the basis of identifying a solid marketing strategy. Understanding the key differentiator, goal(s), and identifying a target customer is the backbone of a great marketing message and an overall brand.

This is a condensed version of the full article which appeared in the September 2019 issue of Oil & Energy Magazine.



What Marketers Want

By Steve Relyea

A recent survey of marketers leads to new two-day shipping program

Propane marketers expect much quicker turnaround on orders of propane equipment than they did only four years ago. In response, wholesale propane equipment distributor Bergquist, Inc. has launched a subscription-based two-day shipping program.

Called *Bergquist Select Ship*, the new program was launched April 15. It is available for all customer deliveries in the 48 contiguous United States. Those who enroll in this yearly subscription plan will be guaranteed two-business-day delivery on more than 60 Guaranteed Stock Equipment items. Customers can enroll in the Select Ship plan for \$499 per year per “ship to” location.

“The 60+ guaranteed inventory items are our most popular ‘tank set’ items,” explained Don Montroy, director of marketing at Bergquist, Inc. “One of our main segments of customers is propane marketers, and residential gallons are still the largest portion of their business. So, we wanted to provide a service they will get a lot of value from.”

If Bergquist does not have the Guaranteed Stock Equipment items in stock at the time of a purchase or does not deliver items within two business days, the customer will receive a 10% credit on those items. Bergquist customers enrolled in Select Ship also receive free freight on all standard equipment, vent-free heater, and tankless water heater orders with no minimum. (Other regular exceptions apply.)

“We’ve heard people say how convenient a one-time freight charge at the beginning of the annual subscription is, especially since they currently spend more than the \$499 Select Ship subscription with multiple equipment distributors throughout a year,” Montroy said. “They don’t have to worry about meeting minimum freight thresholds, with multiple vendors and with each order, going forward.”

CHANGING EXPECTATIONS

The changing expectations of propane marketers were the impetus for the launch of Bergquist Select Ship. When the wholesale distributor asked a marketing consultant company

to survey propane marketers in 2015, it found that 29% of Bergquist customers expected delivery the next day and 12% in two days. None looked for delivery the same day. When the company conducted a similar survey three years later, in 2018, it found that customers were anticipating quicker turnaround. By then, 13% of customers expected delivery the same day, 25% the next day, and 33% in two days.

The firm found a similar trend when it surveyed other propane marketers who are not Bergquist customers. In 2015, 10% of non-customers expected delivery the same day, 19% the next day, and 39% in two days. In 2018, 18% looked for same-day delivery, 46% next-day, and 32% two-day.

“We were sort of surprised by these findings until we sat back and analyzed them,” Montroy said. “In their personal lives, with personal purchases, people have come to expect that kind of service and quick delivery. That’s especially true with e-commerce. Between the first survey and the second, over those three years, people have come to expect better service in their personal lives and other areas of life as well. Now they expect it in their work life, too.”

QUALITY, AVAILABILITY MOST IMPORTANT

Expectation of quicker turnaround was just one of the findings of the survey conducted for Bergquist by marketing consultant company Winsby Inc. The survey also found that propane marketers are most interested in quality and availability when shopping for propane equipment. Price is ranked only fourth or fifth in importance. That’s true when choosing both a brand and a distributor.

When selecting a brand of propane equipment, propane marketers are most interested in reliability, performance, and availability of parts. In the survey, propane marketers were asked to divide 100 points among several different brand characteristics to indicate how important those characteristics are, relative to each other. Bergquist customers gave a total of 64 points to reliability, performance, and availability of parts. Non-customers gave 62 points to those same three characteristics. Delivery time was ranked fourth in importance, assigned 10 points by Bergquist customers and 11 points by non-customers. Price was ranked fifth, with 10 points from

customers and nine points from non-customers. Five other brand characteristics included in the survey were ranked lower in importance.

"We were not surprised at all about price being less important to customers when choosing a brand or distributor," Montroy said. "I think as our customers receive great experiences through some of their personal purchases, whether it's two-day shipping, ample inventory when they order, quality products, or outstanding service from sales representatives, they expect it at work, too. Many people demand that kind of service. Time and convenience are just as important as anything else."

ORDERING BY PHONE, ONLINE

The survey also found that most propane marketers prefer to order propane equipment by phone. Last year, 71% of Bergquist customers and 86% of non-customers said they prefer ordering by phone. Ordering online is the second most-preferred method, selected by 13% of customers and 11% of non-customers. Ordering by email, fax, or in person are preferred by only single-digit percentages of marketers. Between the 2015 survey and the 2018 survey, the percentages of customers and non-customers preferring to order by phone or online increased.

"I think many marketers still prefer to order by phone because they have questions that accompany their orders," Montroy said. "We take tremendous pride in understanding propane equipment and the applications different equipment are used for, whether it is vapor or liquid transfer."

"We definitely see a trend toward increased online ordering for

more of the transactional items, or items that are typically more straightforward," he added. "As more people become comfortable with e-commerce, we only expect that trend to grow."

Another finding was that propane marketers expect to be contacted by a propane equipment salesperson monthly, but do not want to be contacted weekly. Last year, 54% of Bergquist customers and 38% of non-customers said monthly contact is what they expect. In addition, 63% of customers and 44% of non-customers said they consider weekly contact by a salesperson to be too frequent.

"We were excited to see that many propane marketers still like to have regular contact with sales representatives," Montroy said. "We took that information as validation that us maintaining the availability of our staff to customers, whether in person, via email or phone, is important to their businesses and ours."

The survey also noted that word of mouth is very important. In last year's survey, 65% of Bergquist customers and 57% of non-customers said they prefer to find a propane equipment distributor through word of mouth.

"We were surprised, but delighted, to see how much word of mouth continues to play a role in propane marketers locating a distributor to partner with," Montroy said. "We think good old-fashioned customer service is still the best way to do business and treat people."



This is a condensed version of the full article which appeared in the June 2019 issue of BPN.

Thank You *to everyone who attended our Toledo Open House and Bowling Green Customer Appreciation Dinner. We truly had a great time connecting with everyone who came, and hope you did too! Special thanks also to our vendors, chefs, and crew who helped make our Open House happen, and*

to Parker Hose for sponsoring our special Bowling Green event.

Famous Bergquist Ribs Rub

2 T Salt	4 T Paprika
2 T Sugar	4 T Brown Sugar
2 T Cumin	2 T Chili Powder
2 T Black Pepper	

Mix ingredients, and rub over ribs. Wrap in foil. Refrigerate overnight.

To cook, place the ribs on lined cookie sheet with sides or a foil pan. Bake at 225° for 6 hours.

Put them in a hot box (cooler) and they will remain hot for 6+ hours!



Bergquist Bulletin

FALL/WINTER 2019



Your Propane Equipment Experts

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Toledo, OH 43617

HOME OFFICE & WAREHOUSE

1100 King Rd., Toledo, OH 43617
800-537-7518

INDIANA

Noblesville, IN 46060
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327 Marschall Rd., Suite 355, Shakopee, MN 55379
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MISSOURI

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Newsletter produced by Pro Image Communications

Now, We're Making It Even Easier to Save Time and Money with These Tool Rental Options

MegaPress gas fittings and RTP (reinforced thermoplastic pipe) are newer technologies that save both time and money over traditional installations. And now, Bergquist is offering rentals of the Ridgid tool kit and KuriKrimp hydraulic crimper so you can enjoy the benefits of these innovative products!

Item# 56012 DEMO

RP340 Ridgid Tool Kit for MegaPress Fittings

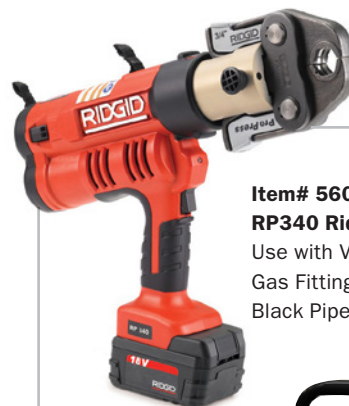
- Rental includes tool, jaws, battery, charger, and soft carry case
 - Jaws fit 1/2", 3/4" and 1" fittings
 - SHIPPING FREE both ways with minimum \$400 MegaPress fittings order!
- \$50/day + inbound and return shipping costs (if applicable)*

Item# KD160SH

KuriKrimp Hydraulic Hand Pump Crimper for Polyamide RTP

\$50/day + inbound and return shipping costs

RENTAL DETAILS: No rental fee charged for inbound and return transit days. Standard purchase price required to secure rental. Purchase price credited upon return of tool kits, less rental and shipping fees.



Item# 56012 DEMO
RP340 Ridgid Tool Kit
Use with Viega MegaPress Gas Fittings for Black Pipe Applications



Item# KD160SH
KuriKrimp Hydraulic Hand Pump Crimper
Use for Reinforced Thermoplastic Pipe (RTP) Applications