

Google Local Services Ads

Great marketing tool or new resource for bad apples?

By Vicki Jones, Editor

With new advertising options becoming available regularly, it's hard to decide which ones are right for your company and worth your investment. The following article focuses on Google Local Services Ads – their benefits as well as their potential problems for the garage door industry.

Google offers many online marketing resources to help your business stand out and generate sales. Garage door dealers can now become “Google Screened,” “Google Guaranteed,” and/or earn a Google badge specific to their industry.

One of the newer tools launched by Google is their Local Services Ads (LSAs) platform. Tom Waddington, a My Business Profile Products Expert and Local Service Ad Managed Partner, defines LSAs as “pay-per-lead ads that appear at the top of the search results, above organic results and traditional Google Ads.”

How do LSAs work?

When people search on Google for a specific service (i.e., garage doors), three top-tier ads appear for their service area. For a company to qualify and appear in the top tier results, they must have a minimum of five Google reviews and successfully pass the Google screening process/background check, said Waddington.

Qualifying companies are considered “Google Guaranteed,” making their ads eligible to appear as one of the top three LSA “sponsored results.” According to Ben Fisher, another Google LSA expert, a thorough background check is conducted, and companies must pass to participate in the Local Services Ads program. The background check may include criminal history checks, civil litigation history, insurance, and the validation of licenses.

If your business requires general liability insurance, then you’ll also need to submit a valid certificate of insurance before you can use LSAs. Certain types of businesses, including garage door companies, are also

required to undergo an Advanced Verification process to use Google Ads or LSAs.

Garage door companies are one of only two businesses that are required to pass the Advanced Verification in the United States; the other is locksmiths.

Google said that they implemented the Advanced Verification policy to help stop fraudulent businesses from advertising on Google using false identities and to ensure that local business ads are relevant, useful, and lead to a positive customer experience.

LSA placement

Google presents its top three

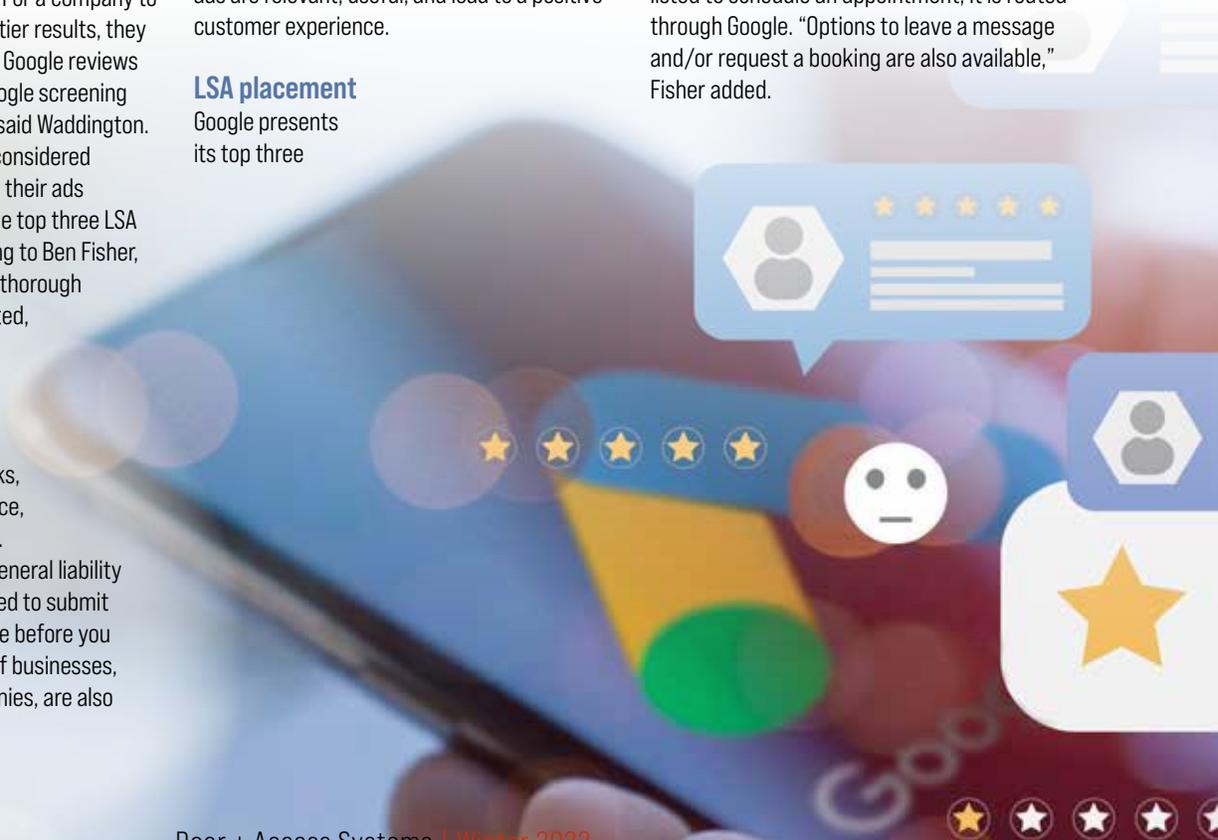
recommended and verified providers at the top of a query response in a row of three at the top of the web page. The three LSAs that appear

are determined by many factors. Fisher said, “Some factors are budget, review rating, and merchant response rate, to name a few.”

Waddington said, “Your ads will show up for customers in your service area, and you only pay if a customer calls or messages you directly through the ad.” When

a customer calls one of the three providers listed to schedule an appointment, it is routed through Google. “Options to leave a message and/or request a booking are also available,” Fisher added.

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Google charges the company a fee for each lead generated through the ad. After the job is completed, Google asks the customer to submit a review. Google does not verify the reviews.

The price of LSAs

Previously, Google's LSA fees were based on a fixed cost or rate. Today, the fee per lead depends on several factors, including business type and location. Waddington has seen leads cost as low as \$5 for locksmiths in some markets while a lead for a lawyer can be over \$200.

"Now, businesses can choose if they are willing to pay a higher amount per lead. If so, they can set a high maximum amount, potentially improving their position in the ad results." Google caps the maximum bid amount at typically 2.5 times the minimum bid, Waddington said.

"Additionally, instead of picking a specific amount per lead, a business has the option to choose a 'maximize leads' option. The advantage of this option is that it allows Google to set the bid to supposedly get the most leads for your set budget."

The cost of LSAs

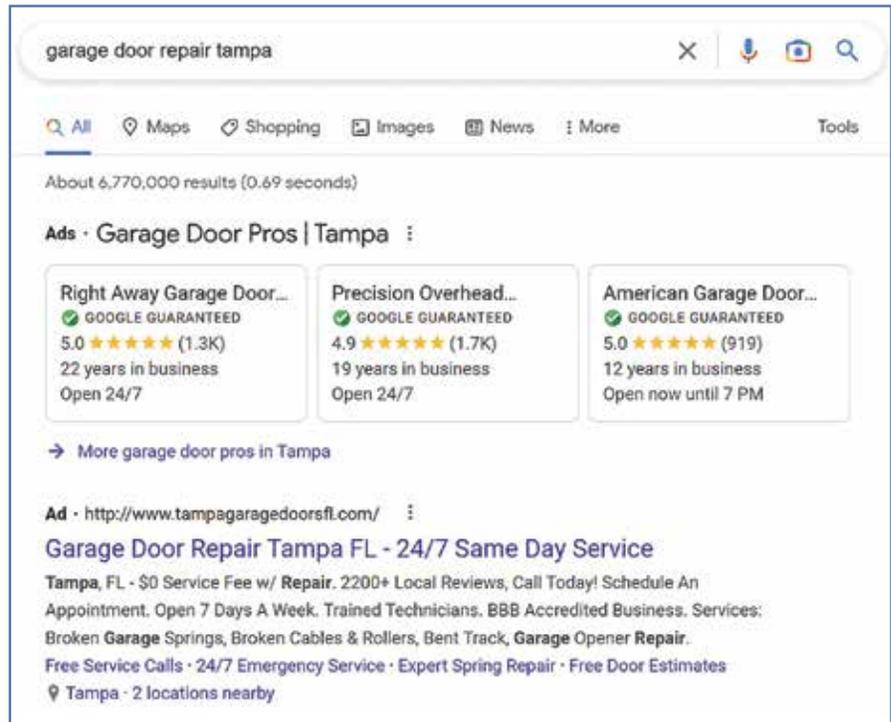
While LSAs serve as a great way for garage door businesses to advertise, especially companies with limited advertising budgets, their price tag also invites bad-faith advertisers.

A business using LSAs only pays if a customer calls, books, or messages directly through the ad. Conversely, the pay-per-click (PPC) model requires an advertiser to pay a fee each time one of their ads is clicked.

PAY-PER-CLICK AD VERSUS LOCAL SERVICES AD

Google charges a fee per click for its Pay-Per-Click (PPC) model and a fee per lead for a Local Services Ad (LSA).

Both models are available as a marketing tool for businesses in the garage door sector. Companies can use PPC or LSA programs separately or at the same time. However, you must pass Google screening to use the LSA program.



Companies can have LSA and PPC Ads at the same time. Both ad units will often appear within a result, like above.

The Google-determined fee is a small cost for small companies who are trying to establish an online footprint. However, there may be a greater cost to the industry. The current LSA pricing structure leaves the door open for deceptive companies with unlimited budgets to dominate the LSA platform.

In the article, "Is it time to add Google Local Services Ads to your marketing strategy?" author Bernie Brode said, "Your ad placement and performance is based on more than how much you're willing to bid. Some of these include:

- Your business's proximity to the customer's location.
- Whether your business is currently open or closed.
- Google badge of trust status.
- Your business's number of reviews and overall review score.
- Responsiveness to customer queries.
- Complaints Google may have received about your business."

Are LSAs right for your company?

For garage door businesses, online advertising is one of the most effective ways to reach potential customers. Most business types are eligible to participate in the LSA program. "Garage Door" is one of the 28 U.S. business categories offered through the program.

Brode outlines several advantages of LSAs: (1) They are a cost-effective method for local businesses to reach customers in their community. (2) They are effective at driving clicks and traffic to your website. (3) They are

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one of the few ways businesses can appear in the nearly 20% of searches made in this way, according to Google.

Google expects LSAs to "become even more important" in the future, added Brode. It may be time for garage door and access companies

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to start seriously considering allocating some of their marketing budget for LSAs.

Waddington argues that LSAs are “absolutely” worth it. The onboarding process is cumbersome, but there are several fringe benefits, including:

- Recorded phone calls in the U.S. and Canada.
- Ability to dispute charged leads in the U.S. and Canada.
- No fees to participate — you only pay for the leads.
- Low lead costs (which will vary by business type and region).
- Easy to manage.

to customers while showcasing their credibility as a legitimate business and their previous consumer sentiment through customer reviews.”

Unethical use of LSAs

Google has the daunting tasks of monitoring and removing ads intended to deceive users. They also must identify companies using fake entities and/or addresses. Fisher said, “Google actively takes steps to identify bad apples and remove them as soon as possible.” Some of the processes involved with the LSA program may make this job even more difficult for Google.

someone with multiple LSAs to know what the top bid is.”

Brickner said, “Illegitimate companies have found a way to get around the strict guidelines Google has in place for Advanced Verification. These unscrupulous companies are somehow able to get approved and show up in LSA listings using a variety of unethical tactics.”

Based on testimony Precision Door has received from their customers, “The unethical behavior tends to carry through to the services they provide to the consumer as well,” said Brickner.

The problem with LSA reviews

The third issue is that the current LSA review request process is vulnerable to deceptive practices because Google does not verify the reviews after they’ve been posted.

Fisher said that Google sends the advertiser a unique “review link” once the LSA-related job is complete. The company can then send that link to the LSA-generated customer requesting that they post a review.

Unfortunately, “Companies can distribute that generic LSA link to literally anyone,” said Fisher. That gives any person with that link the opportunity to write a review about that company, which creates the potential for favorable fake reviews.

“The other big concern is that as of right now, Google does not verify the reviews posted from leads generated from LSAs,” Fisher said. When we asked him if Google is reevaluating the current LSA review process, he said, “They are always considering changes, but at this time, no.”

Reviews are one of the variables that determine LSA placement, and consistently good reviews can improve the chances for an advertising business to be featured as one of the top three LSA-featured companies.

Rankings are directly linked to the quantity and quality of reviews. Fisher said, “The better your rating, the better the ranking, followed by the number.” Thus, the current review request procedure lends itself to potential problems.

Multiple entity mayhem

When companies establish multiple or fake entities, there is increased potential for arbitrage. Fisher said, “Some deceptive companies will establish multiple companies (with no employees and no workers compensation), generate fake reviews, subcontract to unlicensed contractors, and then have multiple ‘highly reviewed’ companies competing for the top three LSA spots.” They also may subcontract out unverified individuals to run their business and complete jobs.

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Q&A

GOOGLE ADVANCED VERIFICATION

Editor’s note: Since garage door service companies are one of only two business types required to pass the Advanced Verification process for LSAs, we thought it would be helpful to learn more. The following language comes from Google’s Ad Help policies, which are posted online.

What is Advanced Verification?

An additional process that Google requires certain businesses to undergo in order to advertise on Google Ad or Local Services Ads platforms. It is designed to prevent fraudulent businesses from advertising on Google using false identities.

What businesses must undergo Advanced Verification to use Local Services Ads?

1. Garage door services in the United States.
2. Locksmith services in the United States and Canada.

What is included?

A review of your Google Ads account (if applicable), state registrations, and professional licenses, and video interviews conducted by Google, inquiries into professional license validity (where applicable), business registration validity, evidence of fraudulent or misleading business practices, and professional license validity (where applicable).

What are the verification criteria?

1. Honest and up-to-date disclosures about government documents such as professional licenses.
2. Compliance with all Google Ads and Advanced Verification policies.
3. Confirmation of the licensing status of your business, where applicable.
4. No evidence that your business is engaged in practices that are fraudulent, deceptive, misleading, or otherwise harmful to consumers.

Additional policy criteria and terms of Advanced Verification service can be found at support.google.com/google-ads/answer/7167922

Precision Door Service President Mike Brickner said that they were early adopters of the LSA program when it launched. “The program, in concept, is a great way to connect a customer with a qualified legitimate company in their local area,” he added.

“I would recommend the LSA program to my dealers because it provides them with an effective and economical way to advertise

First, the option for companies to pay more for their LSA leads (even if there is a Google cap in place) gives those businesses an advantage based on nothing other than having more funds available.

Second, companies with multiple entities can manipulate the bidding process. Fisher said, “Budget is actually only one factor; bidding on the other hand would allow

"Beyond the evidence of multiple entities, we also see companies that act as lead aggregators and sell the leads to other companies who, in most cases, are not verified or, in some cases, not even licensed to perform the work," said Brickner.

"When the bad reviews for the unverified technicians eventually start popping up, the deceptive company can create new names and entities," added Fisher. Companies with multiple entities also have an edge in the bidding process. Someone with multiple LSAs may know what the top bid is, giving them an advantage," said Fisher.

"These companies are overly represented in the ads and push legitimate companies further down the list. This hurts the effectiveness of LSAs for other garage door companies because the placement holds a significant bearing on exposure to customers looking for our services," said Brickner.

What can Google do?

"You can't blame Google," said Fisher. "Scammers are always going to be one step ahead. They are constantly changing their tactics, and Google can't fix the problems that they don't know about." Scammer methods can be deceptive, sophisticated, difficult to trace, and even harder to prove.

Yet, Fisher stressed that some mechanisms could be put in place by Google to improve the current process. In the article, "Google's Local Services Ads platform has a problem with spam," Leonard Raleigh suggests adding a Spam Reporting option, like the Google Maps feature that allows

anyone to flag a listing for inaccurate, incorrect, or fraudulent listings. That option should be available for LSAs.

In addition, Raleigh said, "Having a spam report form is vital. Advanced users can report spam via the Business Redressal Complaint Form at https://support.google.com/business/contact/business_redressal_form." In May 2022, Google added the "This business doesn't exist" option to the form.

Lastly, Raleigh asks, "Why is there no LSA help community?" There are Help Communities for Google Business Profiles, Google Ads, and most Google products. An LSA help community alone may not stop spam, but it would allow users to easily alert Google's Product Experts, Raleigh added.

What can dealers do?

The most important thing to remember is that Google can only identify fraudulent LSA activity if they have evidence. See the "Work together to expose bad apples" side bar on right for specific action steps that you can take.

Fisher recently presented evidence to a Google LSA representative of multiple Google listings that shared the same owner across multiple LSAs. After reviewing the information, Fisher was told, "This is going up to the highest levels in LSA and to Google Legal. I can assure you that this has been escalated to the Local Services leadership team for investigation and follow-up."

Based on this promising feedback from the Google LSA representative, there may indeed be some LSA policy and procedure changes on the horizon. ■

MEET BEN FISHER AND TOM WADDINGTON Google experts helping the garage door industry

Ben Fisher and Tom Waddington are two of just a small number of people in Canada and the U.S. who are considered "Google My Business Profile Product Experts." Even though their focus may be on other industries, they both have been integral in helping and advocating for the garage door industry.

In 2018, Waddington uncovered the list of 1500 domains used by Garage Door Services (GDS). In 2020, Fisher and Waddington conducted a Google Maps study that revealed hundreds of fake listings in the garage door industry. Since the Google Local Services Ads platform expanded, Fisher and Waddington have been helping legitimate businesses understand and effectively use them.

Ben Fisher can be reached at www.steadydemand.com.



Ben Fisher



Tom Waddington

WORK TOGETHER TO EXPOSE BAD APPLES

Advice from the expert

Google is actively trying to prevent deceptive and/or fraudulent practices, but with millions of listings, it's up to members of the industry to inform Google of problems and do their part to mitigate issues. Google LSA expert Ben Fisher provides key steps that door companies, homeowners, and Google can take to expose companies "behaving badly."

Companies can do the following:

1. Conduct sting operations to catch illegal subcontracting and abusive business practices of violating companies.
2. Hire a private investigator.
3. Document and report your proof to Google.
4. Report fake GBPs and LSAs to the FTC. <https://reportfraud.ftc.gov/#/>
5. Increase pressure on Google to address the issue.
6. Show your evidence to local news media so they can warn consumers.

Homeowners can do the following:

1. When calling a company, verify it's the company you wanted. If they answer without a company name or with a generic name, be leery.
2. When booking an appointment, verify all the details. Get a description of the contractor and van, and verify how you will be notified and by whom.
3. When you contact an LSA-guaranteed company and a different company arrives, get a video or photo of their truck.
4. Report fake Google Business Profiles and LSAs to the FTC. <https://reportfraud.ftc.gov/#/>
5. Notify local news outlets.

Google can do the following:

1. Make it clear that LSA advertisers cannot subcontract their leads.
2. Enhance the ranking algorithm to assess the reasonableness of the number and rate of reviews received based upon employees in the company. If a company has one employee, how could they get 1,500 reviews in less than a month?
3. Groups that grant business licenses to garage door companies should require evidence for any violations of other or previous companies.