



Google Local Services Ads— An Update & the Impact on Search Marketing

Peter Troast, Founder & CEO

Energy Circle Webinar Series

March 27, 2019

Energy Circle On The Road

~~02/05—02/06: **Solar Power Northeast** | Boston, MA~~

~~02/06—02/07: **Better Buildings Vermont** | Burlington, VT~~

~~02/11—02/13: **Dry Climate Forum** | Yosemite, CA~~

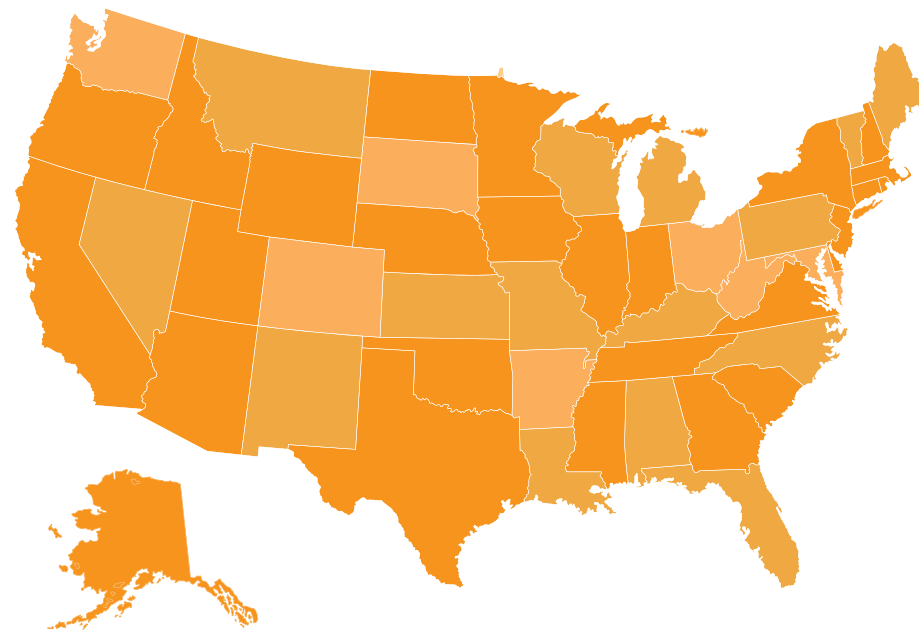
~~02/11—02/12: **Home Performance Coalition NW** | Portland, OR~~

~~03/03—03/06: **ACCA Optimize** | San Antonio, TX~~

~~03/06—03/08: **BayWa r.e. Renewable Energy Business Leadership Summit** | Tamaya, NM~~

~~03/19—03/20: **Building Science Conference & Expo** | Bowling Green, KY~~

04/01 - 04/04: **Home Performance Coalition National** | Chicago, IL





Challenge Accepted Issue #01: Marketing heat pump water heaters



By Shawn Cohen | March 27, 2019

Challenge Accepted is a new monthly series where we identify and explore a unique marketing problem, ask, or general ponderance relevant to the better building and clean energy industries. We'll start by outlining the details of the problem: What's the "ask?" What interesting request or question are we as digital marketers facing lately, and what are the specifics of the situation? What's the scope, the budget, the timeline, the audience... what's the challenge?

Then, we'll really dive in. We'll lay out a possible solution – an approach to strategy, planning, execution and optimization. We'll propose tactics and messaging; explore targeting and channel strategies, KPI tracking, and measurements of success – all culminating in a comprehensive look behind-the-scenes at the Energy Circle secret sauce (well, some of it – we won't give away all of the ingredients).

Find out how we tackle some of today's toughest marketing challenges. We are the digital marketers of Energy Circle, and this... is Challenge Accepted!

Today's Challenge: Heat-Pump Water Heaters vs. A Lack of Awareness, Consideration, and Proactive Demand

The Ask

In Short: Sell more Heat-Pump Water Heaters (HPWHs) to homeowners across the United States.

In Long: With hot water heating representing **18% of a typical home's energy use**, a new breed of heater--HPHWH's--offer the easiest and highest return of any home energy improvement. The technology is well established, prices have declined, programs across the country incentivize the product, and they provide



Google's Recent Changes for Service Area Businesses



By Maurine Hainsworth | March 20, 2019

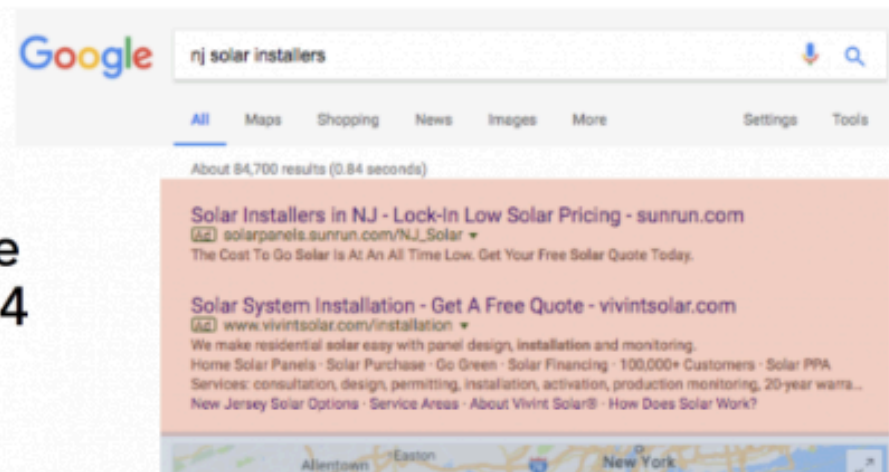
If you're a contractor in the HVAC, home performance, or solar industry, you likely understand the frustrations of trying to beat out local competition on Google. Thanks to [Google's proximity bias](#), it can be tough to rank as a contractor even in cities that are next door to the one your office is located in.

That said, there are changes on the horizon designed especially for service area businesses — ones which we hope will help businesses like yours rank better in local searches for the services you offer. (We discussed these changes in depth in [our most recent webinar](#).) Learn more about how Google is handling the proximity bias for service area oriented businesses — and what you can do to boost your company's local search rankings.

The Local Search & Proximity Challenge: A Review

Service area oriented businesses rely heavily on local search rankings to capture leads. A typical SERP for a local search like "nj solar installers" looks something like this:

Google Paid 2-4



What We'll Discuss

1 QUICK REVIEW: LOCAL SERVICES ADS (aka Google Guaranteed)

2 RESULTS & PERFORMANCE

CHEAP LEADS/EXPENSIVE CUSTOMER ACQUISITION?

IMPACT ON PPC

PPC AND LSA LEAD ECONOMICS

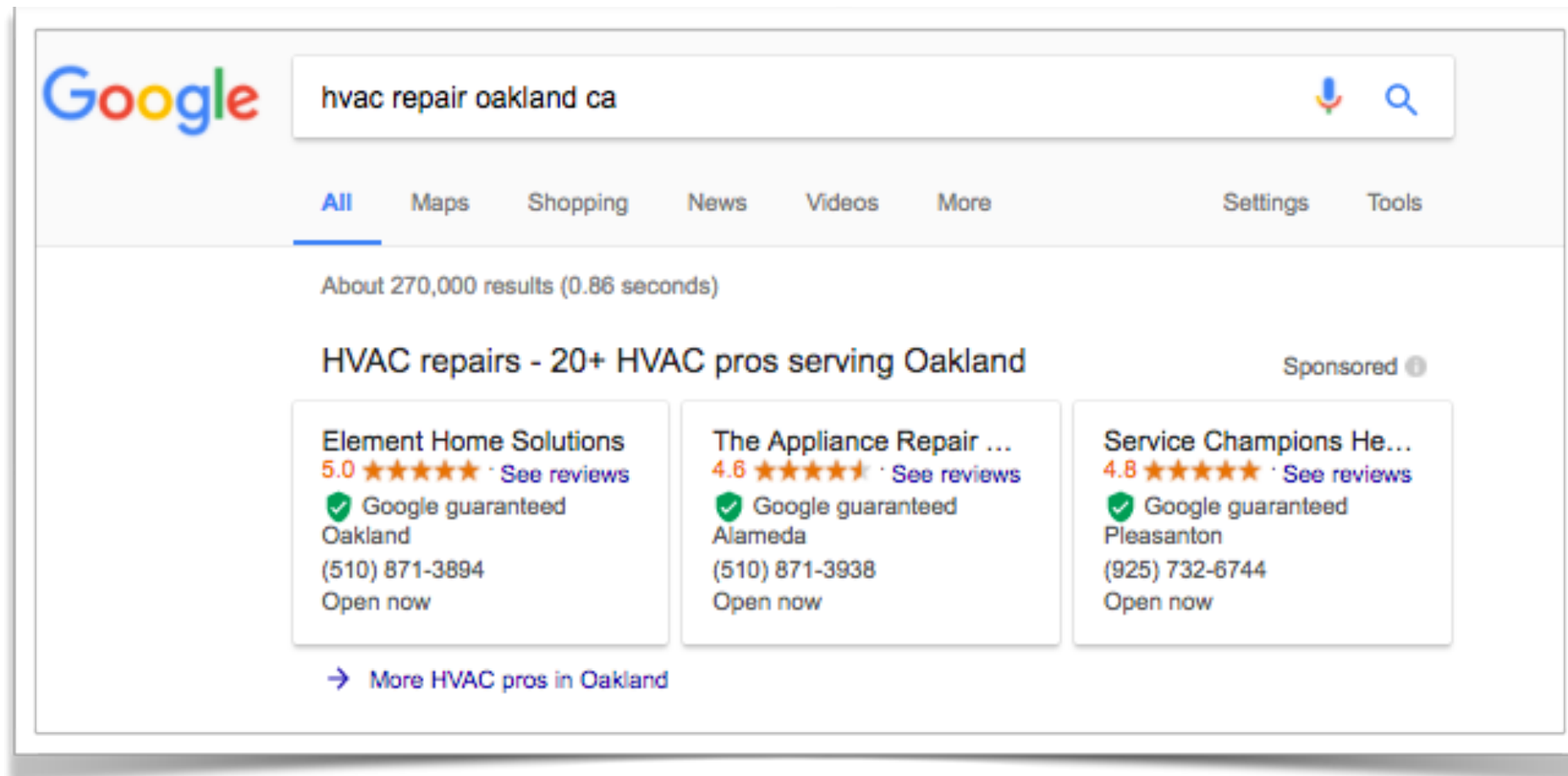
3 MAXIMIZING LSA'S AND PAID SEARCH TOGETHER



LOCAL SERVICES ADS

(Q1 2019 Update)

Intro to Local Services Ads



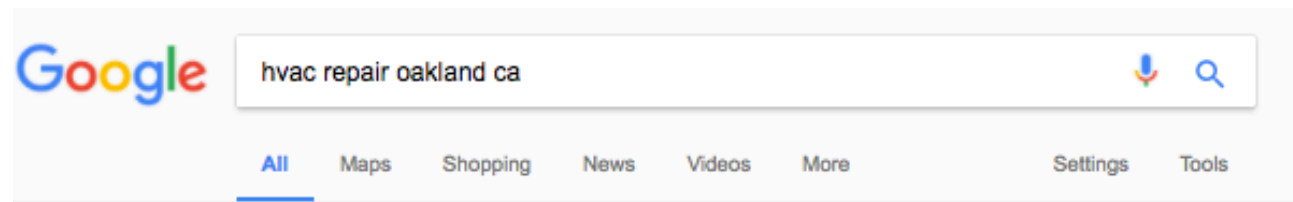
- **In testing since 2016; national roll out in 2018**
- **Affects all of HVAC & Plumbing**
- **Charged as Price/Lead**
- **Appears to be Permanent**

Local Services Ads

Google Paid

Google Local 3 Pack

Organic



About 270,000 results (0.86 seconds)

HVAC repairs - 20+ HVAC pros serving Oakland Sponsored

Element Home Solutions 5.0 ★★★★★ · See reviews ✓ Google guaranteed Oakland (510) 871-3894 Open now	The Appliance Repair ... 4.6 ★★★★★ · See reviews ✓ Google guaranteed Alameda (510) 871-3938 Open now	Service Champions He... 4.8 ★★★★★ · See reviews ✓ Google guaranteed Pleasanton (925) 732-6744 Open now
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→ More HVAC pros in Oakland

Oakland BBB A+ HVAC Technician - Diamond Certified Same Day Svc
[Ad](#) eb.onehour-heat-and-air.com/Oakland (510) 969-6777
Providing Quality, Service, Integrity, And Convenience. Call Now!
Locally Owned & Operated · 24/7 Emergency Service · Guaranteed Repairs · Licensed & Insured
Highlights: On-Time Service, Straightforward Pricing...

HVAC Repair - Quality Work - No Surprises - airmenheatingandair.net
[Ad](#) www.airmenheatingandair.net/ (888) 259-7783
Call Our HVAC Repair Experts. Make An Appointment And Save.

Rating ▾ Hours ▾

Atlas Heating and Air Conditioning Company 4.7 ★★★★★ (24) · HVAC Contractor 1451 32nd St · (510) 893-1343 Open until 7:00 PM	WEBSITE DIRECTIONS
Eco Systems Heating & Air 5.0 ★★★★★ (1) · HVAC Contractor 712 56th St · (510) 698-6219 Open until 11:00 PM	WEBSITE DIRECTIONS
Albert Nahman Plumbing and Heating 4.7 ★★★★★ (185) · HVAC Contractor 3333 M.L.K. Jr Way · (510) 843-6904 Open until 8:00 PM	WEBSITE DIRECTIONS

[More places](#)

Current LSA Markets for HVAC & Plumbing

MARKET	VERTICAL	CPL
Albuquerque	HVAC	\$25
Atlanta	HVAC	\$24
Austin	HVAC	\$28
Baltimore	HVAC	\$26
Birmingham, AL	HVAC	\$26
Boston	HVAC	\$22
Charleston, SC	HVAC	\$32
Charlotte	HVAC	\$24
Chattanooga	HVAC	\$22
Chicago	HVAC	\$24
Cincinnati	HVAC	\$25
Cleveland-Akron	HVAC	\$23
Columbia, SC	HVAC	\$28
Columbus	HVAC	\$27
Dallas	HVAC	\$25
Dayton	HVAC	\$30
Denver	HVAC	\$26
Des Moines	HVAC	\$25
Detroit	HVAC	\$23
Fresno	HVAC	\$22
Ft. Myers-Naples	HVAC	\$35
Grand Rapids / Kal...	HVAC	\$28

Greensboro	HVAC	\$27
Greenville-Spartan...	HVAC	\$28
Harrisburg	HVAC	\$27
Hartford-New Haven	HVAC	\$29
Houston	HVAC	\$25
Indianapolis	HVAC	\$29
Jacksonville	HVAC	\$31
Kansas City	HVAC	\$31
Knoxville	HVAC	\$33
Las Vegas	HVAC	\$26
Los Angeles	HVAC	\$25
Louisville	HVAC	\$29
Madison	HVAC	\$22
Memphis	HVAC	\$29
Miami	HVAC	\$25
Milwaukee	HVAC	\$29
Minneapolis-St. Paul	HVAC	\$24
Nashville	HVAC	\$26
New York	HVAC	\$24
New York City Area...	HVAC	\$24
Norfolk, VA	HVAC	\$35
Oklahoma City	HVAC	\$29

Google's "Big" Differentiator

Google guaranteed

This pro is backed by the Google guarantee, which means they're licensed, insured, and pre-screened. Any job you book with them is guaranteed to be done right or your money back. [Learn more](#)

***Up to \$2,000 Lifetime**

Your Guarantee is Probably Better

Most Generic HVAC Categories

Job types
Control what types of leads you want to receive

HVAC Pro ▶	AC maintenance	<input checked="" type="checkbox"/>	Clean ducts & vents	<input type="checkbox"/>
	Ductless heating and AC ser...	<input type="checkbox"/>	HVAC maintenance	<input checked="" type="checkbox"/>
	Heating maintenance	<input checked="" type="checkbox"/>	Install AC	<input checked="" type="checkbox"/>
	Install ducts & vents	<input checked="" type="checkbox"/>	Install heating system	<input checked="" type="checkbox"/>
	Install thermostat	<input checked="" type="checkbox"/>	Other	<input type="checkbox"/>
	Repair AC	<input checked="" type="checkbox"/>	Repair HVAC	<input checked="" type="checkbox"/>

Note: Don't accept jobs you're not qualified or licensed to complete. You're solely responsible for maintaining compliance with applicable laws, regulations, and licensing requirements in each jurisdiction where you offer or provide services. [Learn more](#)

CANCEL SAVE

Very Basic (& Minimal) Information

Charged leads		Any lead status				
Phone number	Customer name	Lead type	Business category	Service type	Status	Received
(916) 622-3818	-	Phone	HVAC pro	-	Charged	12/31/18
(916) 773-0803	-	Phone	HVAC pro	-	Charged	12/28/18
(530) 210-3510	-	Phone	HVAC pro	-	Charged	12/28/18
(916) 812-7663	-	Phone	HVAC pro	-	Charged	12/28/18
(916) 804-7483	-	Phone	HVAC pro	-	Charged	12/27/18
(916) 257-2714	-	Phone	HVAC pro	-	Charged	12/10/18
(916) 548-5531	-	Phone	HVAC pro	-	Charged	12/4/18
(530) 521-7456	-	Phone	HVAC pro	-	Charged	12/3/18
(916) 420-3611	-	Phone	HVAC pro	Repair heating ...	Charged	11/20/18
(916) 430-0277	-	Phone	HVAC pro	-	Charged	11/19/18
(916) 698-4081	-	Phone	HVAC pro	-	Charged	11/15/18
(916) 467-2100	-	Phone	HVAC pro	-	Charged	11/12/18
(916) 595-7428	-	Phone	HVAC pro	-	Charged	11/10/18
(916) 709-8758	-	Phone	HVAC pro	-	Charged	11/3/18

LSA Ranking Factors

Google Ads Help

About ad rankings

Your ranking within the Local Services unit is determined by a number of factors that help Google match service providers to consumers.

Factors that can affect your ranking within the Local Services unit include:

- Your proximity to potential customers' locations
- Your review score and the number of reviews you receive
- Your responsiveness to customer inquiries and requests
- Your business hours
- Whether or not we've received serious or repeated complaints about your business

In addition to these ranking factors, Google will attempt to spread out the leads you receive over time. This is to prevent you from spending your entire budget early in the budget period. If your ad is generating leads more quickly than your budget can accommodate, you may see your ranking affected or your ad paused temporarily in order to more evenly spread out your leads.



PERFORMANCE & IMPACT ON SEARCH MARKETING

LSA's Devour PPC Real Estate

PPC at Bottom

Repair AC - 50+ HVAC pros nearby

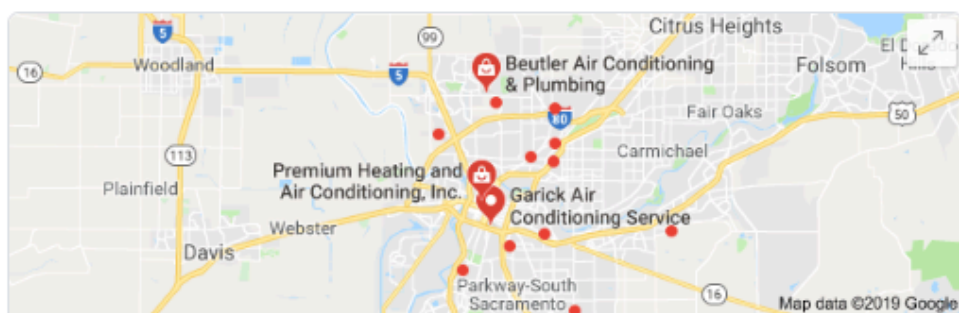
Sponsored ⓘ

Beutler Heating & Air ...
 4.6 ★★★★★ · See reviews
 ✓ GOOGLE GUARANTEED
 Serves Sacramento
 (916) 526-1970
 Open 24/7

Dial Leo Heating and ...
 4.9 ★★★★★ · See reviews
 ✓ GOOGLE GUARANTEED
 Serves Sacramento
 (916) 461-2347
 Open now

Super Brothers Plumbi...
 4.9 ★★★★★ · See reviews
 ✓ GOOGLE GUARANTEED
 Serves Sacramento
 (916) 913-5500
 Open now

→ More HVAC pros in Sacramento



Rating ▾ Hours ▾

Premium Heating and Air Conditioning, Inc.
 5.0 ★★★★★ (6) · Air conditioning repair service
 Sacramento, CA · (916) 944-8829
 Open · Closes 6PM



Beutler Air Conditioning & Plumbing
 4.7 ★★★★★ (343) · Air conditioning contractor
 Sacramento, CA · (916) 646-2222
 Open 24 hours
 Their website mentions ac repair



Garick Air Conditioning Service
 4.0 ★★★★★ (12) · Air conditioning contractor
 Sacramento, CA · (916) 452-2477
 Open · Closes 5PM



☰ More places

PPC under LSA's

Repair AC - 50+ HVAC pros nearby

Sponsored ⓘ

Beutler Heating & Air ...
 4.6 ★★★★★ · See reviews
 ✓ GOOGLE GUARANTEED
 Serves Sacramento
 (916) 526-1970
 Open 24/7

Dial Leo Heating and ...
 4.9 ★★★★★ · See reviews
 ✓ GOOGLE GUARANTEED
 Serves Sacramento
 (916) 461-2347
 Open now

Super Brothers Plumbi...
 4.9 ★★★★★ · See reviews
 ✓ GOOGLE GUARANTEED
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 (916) 913-5500
 Open now

→ More HVAC pros in Sacramento

#1 Sacramento AC Repair | AC Repair Risk-Free Guarantee

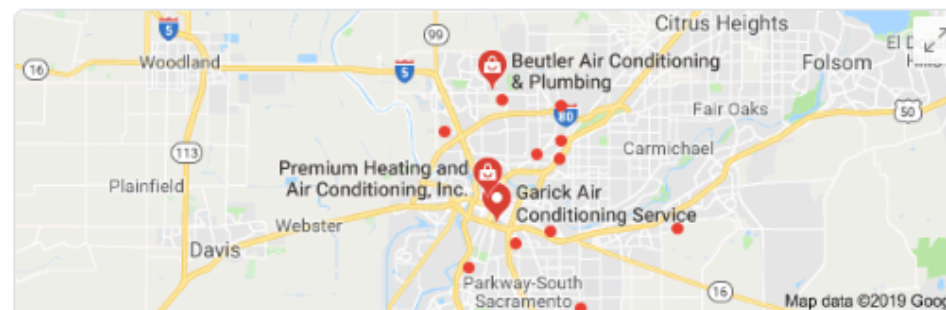
[Ad www.servicechampions.net/Sacramento/AC-Repair](http://www.servicechampions.net/Sacramento/AC-Repair) (916) 512-6192

Call Service Champions Today! We'll Always Provide You With Upfront Pricing & All Options. You Can Depend On Service Champions To Get The Job Done Right, The First Time. On-Time Focus. 100% Satisfaction. Licensed & Certified. Service Within 24 Hours. Trustworthy. BBB A+ Rated Company. Indoor Air Quality Expert · About Service Champions · What Our Customers Say · Our Special Offers
 Rocklin, CA · Open today · 7:00 AM – 8:00 PM ▾

Sacramento - Local AC Service | Special - \$50 Off AC Repairs

[Ad www.bellbroshvac.com/Sacramento/AC-Repair](http://www.bellbroshvac.com/Sacramento/AC-Repair) (916) 913-5750

Schedule Service Today! #1 AC Experts Serving Northern California Since 1991. Over 25 Years Of Knowledge & Experience, There's No HVAC Issue Bell Brothers Can't Solve! Professional Technicians. 25+ Years Of Experience. Same Day Service. The No Surprise Guys. BBB Accredited Business. Our Customer Reviews · Special Offers Available · \$50 Off AC Repair · Financing Available



Rating ▾ Hours ▾

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 5.0 ★★★★★ (6) · Air conditioning repair service
 Sacramento, CA · (916) 944-8829
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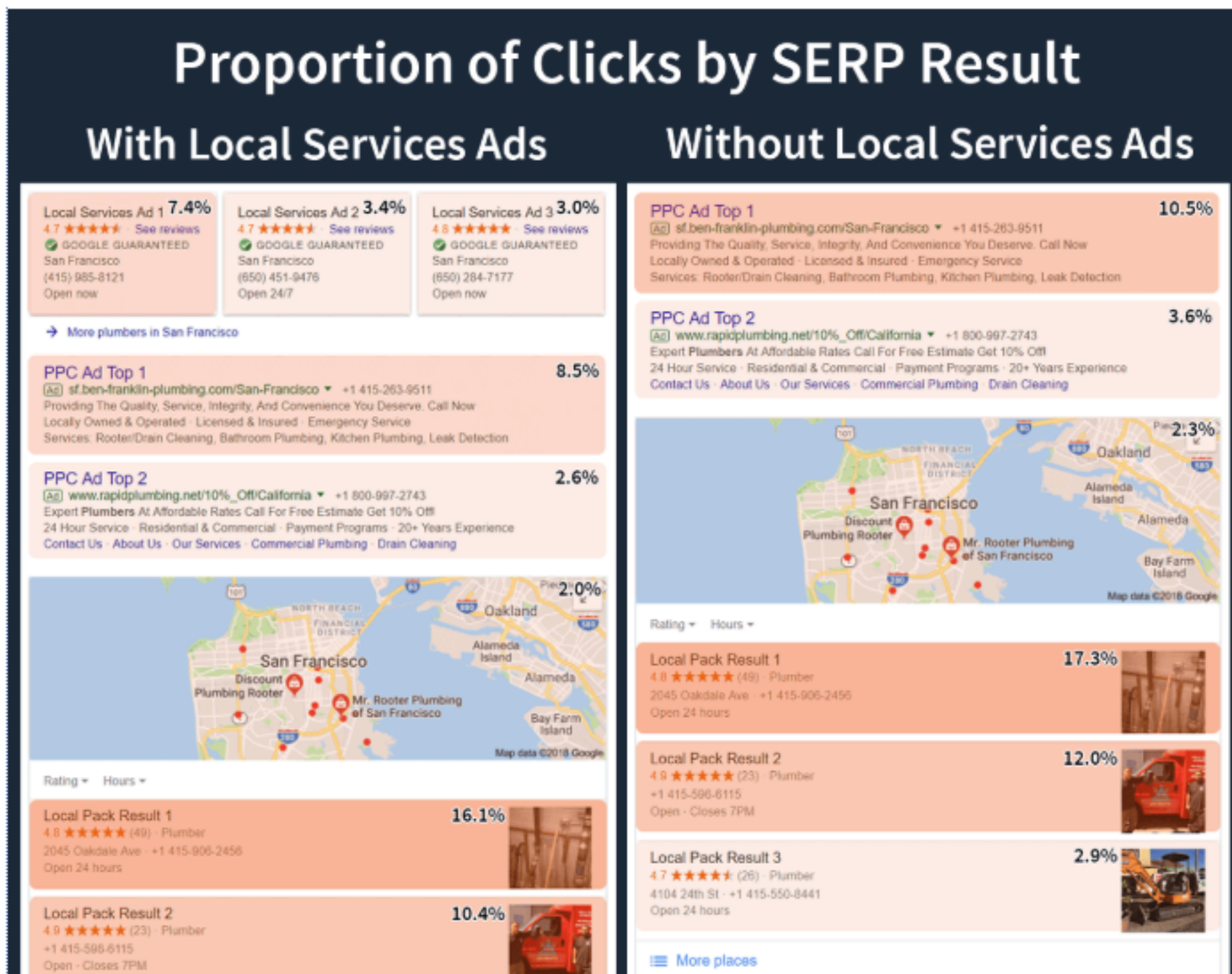


Beutler Air Conditioning & Plumbing
 4.7 ★★★★★ (343) · Air conditioning contractor
 Sacramento, CA · (916) 646-2222



Google is the Winner (shocking, eh?)

26%
Paid



14%
Paid

LSA's Cannibalize Paid Search

12 Months: Mature LSA Market

Impressions are down 59%

Clicks are down 62%

Average CPC is up 18%

6 Months: New LSA Market

Impressions are down 44%

Clicks are down 67%

Average CPC is up 3%

LSA Lead Economics

\$28 for a lead (HVAC average)

25% chance of customer contact

Real cost/lead: **\$112**

Close rate: **33%**

Full Acquisition Cost/job: **\$339**

Minimum Job Size at 7% CAC: **\$4,843**

LSA's vs Google Ads



Cost Per Lead:

\$120

\$28

Contact/Appointment

85%

25%

Cost Per Appointment

\$141

\$112

Appointment/Quote to Close

60%

33%

Cost Per Acquisition

\$235

\$339

A Year of Results: Significant Limitations

Jan 1, 2018 - Dec 31, 2018

Overview

<p>Leads charged</p> <p>95</p> <p>Phone: 95 Message: 0</p>	<p>Budget spent</p> <p>\$2,450.00</p> <p>\$75.00 expected credits not included ?</p>
<p>To get more leads, add more service types and areas to your profile</p> <p>EDIT PROFILE</p>	<p>Adjust your budget at any time</p> <p>EDIT BUDGET</p>

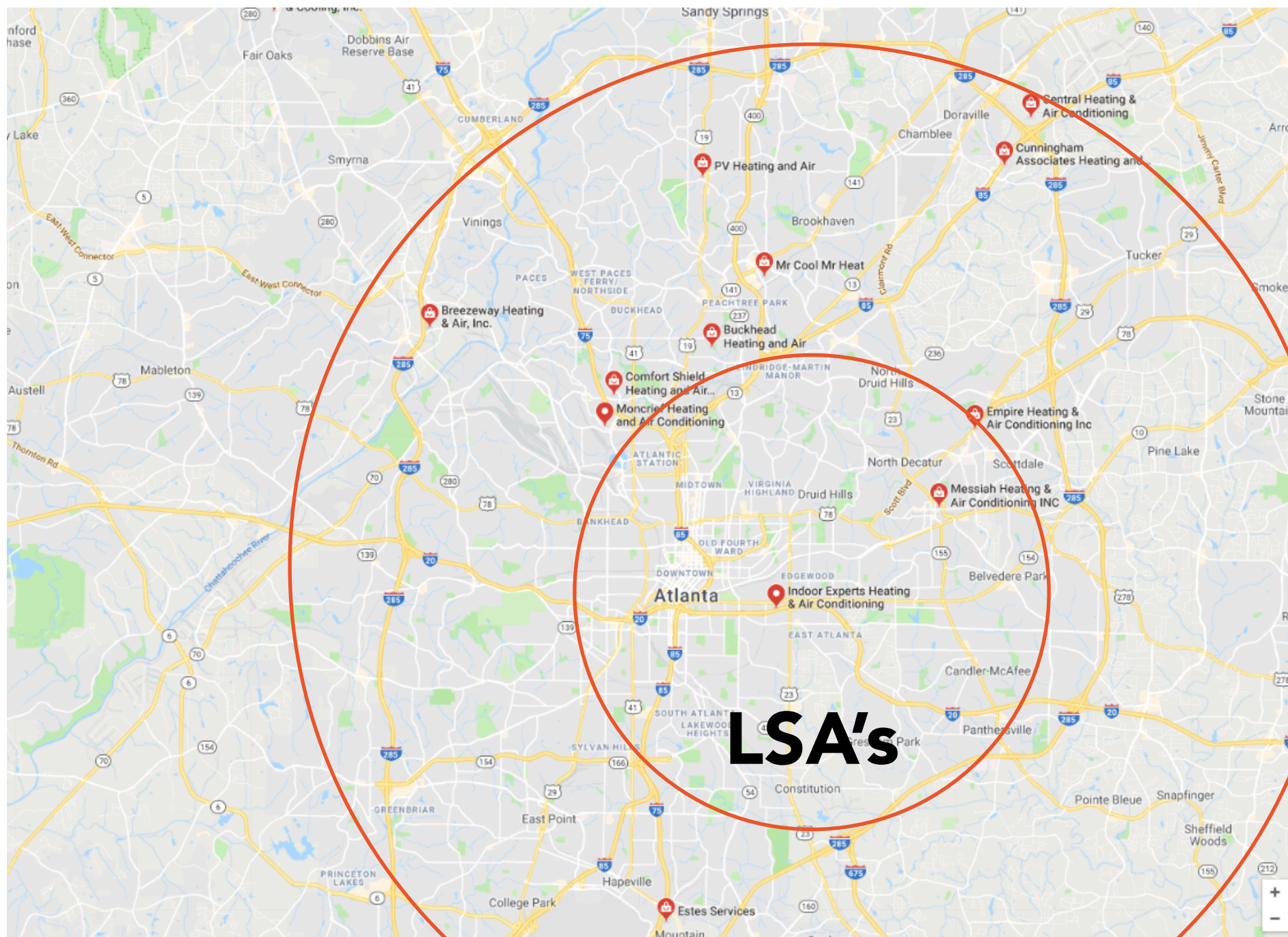
Budget Allocated: \$6000

Average Leads/Month: 8



MAXIMIZING LOCAL SERVICES ADS & PPC TOGETHER

Use PPC to Overcome Proximity



LSA's

PPC

Weigh Your Other Rankings

Install heating system - 50+ HVAC pros nearby

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Princeton Air Conditio...
4.8 ★★★★★ · See reviews
GOOGLE GUARANTEED
Serves Princeton
(609) 568-7573
Open now

Conway Comfort Heat...
4.9 ★★★★★ · See reviews
GOOGLE GUARANTEED
Serves Princeton
(609) 568-7643
Open 24/7

Perfect Air, Inc.
5.0 ★★★★★ · See reviews
GOOGLE GUARANTEED
Serves Princeton
(609) 568-7558
Open 24/7

→ More HVAC pros in Princeton

Furnace Installation | Carrano Air Contracting Inc

www.carranoair.com/

Professional Furnace Installation Services. Great Rates. Reliable Service. Call! Certified Technicians. Affordable Rates. A+ Rating From The BBB. Keeping You Comfy 24/7. Services: Heating Installations, A/C Installations, Boiler Installations, Furnace Installation.



Rating ▾ Hours ▾

Princeton Air Conditioning Inc.
4.8 ★★★★★ (338) · HVAC contractor
39 Everett Dr · (609) 250-2009
Open · Closes 6PM



Redding's Plumbing, Heating & Air Conditioning
4.6 ★★★★★ (31) · HVAC contractor
234 Nassau St · (609) 924-0166
Closes soon · 4:30PM



Central Jersey Air Conditioning Co
5.0 ★★★★★ (2) · Air conditioning contractor
(609) 921-3313
"He re-diagnosed an issue from a previous HVAC. The previous ..."



☰ More places

THE BEST 10 Heating & Air Conditioning/HVAC near Princeton, NJ ...

<https://www.yelp.com> › ... › Home Services › Heating & Air Conditioning/HVAC ▾

"Hvac heating air conditioning" read more. ... Heating & Air Conditioning/HVAC, Home Automation, Plumbing. ... Heating & Air Conditioning/HVAC, Water Heater Installation/Repair.

Furnace Installation & Repair | Princeton Air | New Jersey

<https://www.princetonair.com> › Heating & Cooling ▾

However, with the efficiency of modern furnaces, having a new furnace installed is also a good option as you will begin saving money on heating immediately.



A Coordinated Keyword Strategy

Produces LSA's

Heating and cooling
Furnace repair
Air conditioner installation
Thermostat install
Most generic HVAC terms

Does Not Produce LSA's

Mitsubishi Mini split
Furnace rebate
Whole house fans
Ventilation
Healthy home
Air quality test
Energy audit
Insulation
Smart thermostat
What is an efficient furnace?

Summary

- 1 TAKE ADVANTAGE OF LSA'S EARLY**
- 2 MANAGE PPC & LSA'S CAREFULLY**
- 3 CHECK EXPECTATIONS ON LSA VOLUME, ESPECIALLY OVER TIME**
- 4 MONITOR CLOSELY FOR CONVERSION AND COST PER ACQUISITION**
- 5 KEEP US POSTED. GOOGLE IS LISTENING**



END

Peter Troast

peter@energycircle.com