FAQs: September Unlocking Growth Webinar (LSA & ROAS)

Question	Answer
I thought we were no longer able to dispute? That Google would determine lead quality. Our cost per lead on LSA is $87/ea	With Local Services Ads, advertisers pay for high-quality leads. When you have received a poor-quality lead, you have had the ability to dispute the lead and get credited. To help you stay focused on what matters most to your business, Google is making it easier to receive credit for poor quality leads with Automated Local Services Ads lead credits. For more than a year, we have worked to train machine learning models to understand which leads are high quality. With Automated Local Services Ads lead credits, Google will review all leads and automatically credit invalid leads*. With this system, there is a shift, and Google will no longer be able to support "job type not serviced" and "geo not serviced" leads. However, we will still credit *more* leads on average, overall, and your feedback matters more than ever. To help improve your future leads, fill out the Lead Feedback survey for every lead you receive in your inbox.
Does it make sense to do a LSA if there aren't any others in my area?	LSA is still the #1 position in SERP and is typically a lower cost option than PPC. If there is truly no competition in your market and you are the only one that shows up when your specific keywords are searched in your area, then LSA may not be necessary. But if you do have others showing up, LSA will allow you the #1 position. Reach out to your Local Performance Marketing team and they can help you determine what is right for your specific location.
Is there a way to always rank on the top 3 position on LSA?	There are many critical ranking factors for LSA. But unfortunately, you cannot pay your way to the top. Following the recommended best practices will be the first step in getting you to the top of the ranking.
Open 24 hours? does that mean you need to have after hours or weekend availability for customers?	If you have a live person answering calls 24/7 then you should list your hours as 24/7 on your GBP. This does not mean that you are running calls 24/7, just that someone is available to take the call and either book their appointment or schedule them for a follow up call to book.
If you answer calls 24/7 but do not run	If you have a live person answering calls 24/7 then you should list your hours as 24/7 on your GBP. This does not

appointments 24/7 - is it still the best practice to put 24 hrs?	mean that you are running calls 24/7, just that someone is available to take the call and either book their appointment or schedule them for a follow up call to book.
Our RPM office had an LSA campaign going on for the last several months. Per my digital rep, recently Google started forcing prospects to search for 'real estate agents' first, then select 'property management' as a subcategory. This doesn't seem to work at all, since we don't think anyone would actually do a Google search this way. So we canceled our LSA campaign. If this seems off-base, please let me know. We do plan to meet with the RPM marketing rep next month to discuss this.	The best next step is to meet with your RPM Local Performance Marketing team and your digital agency to determine what happened and how you should proceed with a new LSA campaign.
We provide service INSIDE the home but customers have been uncomfortable with us showing before / after or during project photos. What do you suggest?	Showing before and after can be done in many ways. If you can get photos without showing the customer's home and personal items that would be ideal. You do not need a lot of photos, if you can get permission from just one customer then use those photos. Or you can take photos inside your office or home and use those. And before and after are not required, Brandfolder has great photos. Also, post photos of your team.
What is the maximum number of photos you can post?	There is no perfect number and/or maximum number of photos to show on LSA, but the sweet spot is between 6-10 photos. Adding new photos frequently to LSA and GBP is essential.

	Photos should not include phone number, email address, street address, be out of focus, be a screenshot, be a duplicate, be off topic and not relevant to your business.
Does LSA require a head shot?	Select verticals on Local Services including law, real estate, and finance may have a main business headshot for their ad. Reach out to your Local Performance Marketing team to learn what is needed for your brand.
Do ranking factors differ by brand? We have been told by multiple agencies that proximity is no longer a top ranking factor.	This is correct yet in a highly competitive market, proximity can be a ranking factor.
Where is the feature to turn on where we don't have to pay for repeat customer calls?	In your LSA lead box, click the menu icon in the top left. Select Profile & budget from the menu. In the Settings card, you can switch on/off the Direct Business Search by using the toggle button.
Book Online question. We were told recently that Mr. Appliance owners could not use this because Google was not integrated with SmartWare. But SW is now on the Service Titan servers. So, is this something we could do now?	Connect with the Director of Systems for the Mr. Appliance brand. They will be able to assist.
Is it best to use photo taken locally with "Location" information, or to use higher quality professionally produced images from the brand?	Google recommends uploading several high-quality photos related to your business. They can be brand photos from BrandFolder or photos you have taken locally. They do not need to have location information tagged in the photo. Photos should not include phone number, email address, street address, be out of focus, be a screenshot, be a duplicate, be off topic and not relevant to your business.

	File types: JPEG, BMP, ICO / Resolution: 640x640 or greater / Maximum size: 10MB

What ROAS tool do you use?	All of the data in my presentation is reported from ServiceTitan. The level of specificity is possible because all of our shop's marketing campaigns use unique phone numbers, web bookings, and lead forms that are tied to ServiceTitan and, therefore, the system can follow the inbound lead all the way through to the closed sale and future sales to the same customer.
	
	Though ServiceTitan is a tremendous tool, it is not the only way to evaluate ROAS. Some ideas:
	
	- **Estimate ROAS and ROI using a business' overall figures and vendor-specific lead costs.**
	
	The easiest figure to get is usually the cost-per-lead. Using Google LSA as an example, the owner can login to the Google LSA account, select a date range, and read the total amount spent plus the number of charged leads. This is possible for owners, even if an agency manages the LSA account. You should have access to your own account. CPL = total spent on ads / number of leads.
	
	The harder part is estimating the revenue and margin attributable to the leads. Start by making the incorrect, but still helpful, assumption that the leads from the campaign close at the same rate as the average lead and sell for the average ticket price at the business' overall gross margin percentage. With those stats an owner can use the equations from the presentation to get a ballpark estimate of ROAS.
	
	    o (Average ticket) X (Percent of leads that turn into sales) / CPL = ROAS
	    o ROAS / GM% = ROI
	
	This won't be as accurate as tracking specific leads through the sales funnel, however it will at least give an owner an idea of whether the advertising can be profitable.
	
	- **Manually sample lead sources to estimate funnel metrics and sales**

	Sticking with LSA as the example… an LSA account must be assigned a single phone number. As long as the business owner has a digital phone system that records calls and has the ability to use a unique phone number for LSA, then it is possible to manually measure. Once a week listen to the recorded in-bound calls for the LSA phone number. Calculate how many are booked and then track those through your records all the way to the sale. Use the figures to calculate ROAS and ROI. It's tedious, but accurate. And the figures generated here can be applied with caution to other lead sources that don't have a unique phone number.
What were you doing to improve lead conversion rate and prevent those leads from becoming wasteful marketing spend?	The answer to this question would be an entire course on managing a lead-funnel. I love the topic and could go on for pages. I'll hit just three areas of importance… - **Get pricing right.** We didn't talk about it on the webinar, but for many businesses the weakest component of their average ticket is inadequate pricing. In our shop gross margin is 52%. It was 52% in 2019 and it is 52% in 2024. We evaluate prices several times a year to ensure we're keeping up with parts costs and we adjust prices with every labor increase. I don't even try and figure out what our competitors' prices are. This is the level it takes for us to have a health shop. And our conversion rate in 2024 is within 1% of 2019. Customers are buying at the same rate as before. This gross margin percentage is not relevant to other business types, but a great thing about Neighborly is that all of us have access to information about similar shops. Ask your brand leaders to share what the distribution of gross margin percentage looks like across your brand, then pull the price lever to get in line with strong performers. - **Invest in call center talent.** It doesn't matter how good the Service Professional is if the lead doesn't reach them. Lots of businesses have a call capture rate of 70% or worse. Getting to 80% from 70% is a 14.3% increase in revenue if the rest of the funnel metrics are unchanged. Our shop is consistently in the high 80s for call capture. Our CSRs care greatly about booking the lead and keeping the job on the board (fighting cancellations). I routinely overhear

them saying to Service Professionals "I know it's close to the end of your shift, but we need to help this person tonight." They look at their performance numbers just like Service Professionals do. To get this quality of person in the office costs money, which scares off some owners, however if we look at the impact of the CSR and also compare the cost of extra CSR pay to lead costs, spending up for strong talent is an easy decision. All of my CSRs make over $25/hour. Our average sale generates ~$600 in gross margin. If a strong player in the CSR seat can win us just one more job a week, that's $15/hour extra generated on a 40 hour work week. It's a rough generalization, but there is plenty of room to pay for strong CSRs and to pay at rate that keeps them around.

- **Raise the average by pruning the bottom.** We all take the time to train and coach and work with Service Professionals to increase their stats so that the overall average raises. That's the right thing to do. Sometime, a bigger change comes from cutting a few techs from the squad. I don't take this one lightly. Letting a Service Professional go is a tough call and needs to be done with great consideration and grace. In 2024, however, reducing our team size has been a drive of growth. We staffed up last year with new hires, but also apprentices graduating into their own trucks. Every member of the team was individually profitable, though a couple at the bottom lagged the group. One was slow and couldn't complete enough jobs to generate solid sales per week, another didn't believe in the pricing and found ways to have an average ticket hundreds of dollars lower than our norm, and a third had a weak close rate. All are decent guys, not trouble makers, or culture killers. But the lead volume is not there this year to keep everyone on the team completely booked. We let a few guys go. The team is smaller today than it was a year ago, but the leads which were landing in the hands of the bottom performers are now landing in the hands of Service Professionals who can do more with them. Since pruning, every funnel statistic that matters is up. We're growing 11% year-to-date on fewer service calls.

Is all of this data on new leads vs repeat customers? Or both?	The data I shared reflected all leads and sales, independent of repeat customer status. We do monitor the level of business from repeat customers and because the shop has operated since 1996, we are fortunate to have a healthy amount. It is a classic marketing debate as to how to factor repeat customers into ROAS calculations. Whether it's a paid lead source like Google LSA or a coupon in Valpak, a common argument is that the former customer who clicks on the lead or redeems the coupon "would have bought from us anyway" and therefore the advertising made the sale to the former customer less profitable. The same argument is made against bidding on a business' own brand name on Google. "They were searching for us by name and we just paid to have them click on our ad instead of scrolling down to the organic listing." I understand why some people avoid bidding on their own brand. I also respect those who reduce the revenue in the ROAS calculation to account for "subsidized" sales to former customers. My approach is to go after every lead I can get and set a threshold of ROI at 125% instead of 100% to account for errors in calculations and the occasional scenario where an entirely loyal and informed customer is caught up in my advertising. I lean that direction primarily because some of my most profitable campaigns are bidding against competitor's brand names. If I'm able to grab people who searched for the competitors by name, then certainly the reverse could be true. If I bid on my own name at least I know Mr. Rooter is appearing in the paid search section and crowding out competitors from the Google listings. We do take some technical steps with our customer list and Google to avoid serving ads to people who have purchased from us in the very recent past, however. There's no need to pay a lead cost for someone we just serviced yesterday and is using Google to find our phone number and ask for a copy of the invoice.