How are local service ads impacting Google Ads accounts?

In September 2020, Google launched local services ads to lawyers. Since my agency works with a lot of lawyers, we were very curious to see how these ads impacted where people click in the search results.

At first, we assumed these ads were stealing clicks from the local pack results but were surprised to find that although it did lower the click-through-rate of the Google My Business listings, the average impact was only a loss of about 5 clicks a month. However, when we looked at several Google Ads accounts for several lawyers, it told a very different story.

In this example, after Local Services Ads launched, this lawyer saw their cost per conversion double and their number of conversions drop in half.

In this example, this lawyer saw his cost per conversion increase by 50% and his number of conversions dropped by 50%.

Seth Price, founder of BluShark Digital and managing partner of Price Benowitz LLP, saw something similar at his agency. When looking at several Google Ads accounts for personal injury lawyers, they saw that when Local Services accounts had been introduced, it almost always resulted in a decline in the click-through-rate in the traditional Google Ads account. Accounts that didn’t have Local Service Ads competing saw little change or increased click-through-rates.

When you observe the search results, it’s easy to see why these ads might “steal traffic” from traditional paid ads. They appear higher than traditional ads and they also have a lot of rich features (reviews, photos etc) that make them appear more attractive.

However, it’s interesting to see that for lots of high-

commercial-intent keywords, Google isn’t even showing traditional ads anymore.

Why we care. If you’re in a market or industry where Local Services Ads have not launched yet, I would strongly recommend keeping a very close eye on your Google Ads account when the ads finally do launch. As Google continues to expand these, I wouldn’t be surprised to see these roll out to new industries in 2021. If you see rapid declines in the performance of your Google Ads account, it would be a good idea to shift budget away from that account and towards Local Services Ads to ensure you’re not wasting money.

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About The Author

Joy is the owner of the Local Search Forum and Sterling Sky in Canada. She is also the author of The Expert's Guide to Local SEO, which is an advanced training manual for people wanting a detailed look at what it takes to succeed in the Local SEO space. She has been working in the industry since 2006. She is a faculty member at LocalU and enjoys speaking regularly at marketing conferences such as SMX, LocalU, Pubcon and State of Search. You can find her on Twitter or volunteering as a Product Expert on the Google My Business Forum.

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