Google is Scamming Real Estate Agents

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Referz.com is a real estate referral and recommendation company matching home buyers and sellers with the best real estate agents.

Real estate agents who choose to use Google AdWords to increase their business had better be careful. A recent in-depth review of the Google marketing for the Referz real estate company recently revealed that they have wasted \$76,136 marketing to "potential home buyers" or better yet, "home owners" in countries such as Afghanistan, Albania, Bulgaria, Russia, China, Uganda, Congo and more. It seems deceptive on behalf of Google that a real estate agent marketing campaign specifically setup to target home buyers or sellers in US cities such as Denver, Seattle, Minneapolis, St. Louis or San Francisco, could be targeting "clients" in far off corners of the globe. In fact, it almost seems like Google is using its vast worldwide search network to drain the bank accounts of unsuspecting business owners in the United States in order to boost its bottom line.

An internet search user in a poor country such as Uganda, would in theory provide minimal revenue for Google. Consider that According to Wikipedia, 37.8% of the population lives on an income of less than \$1.25 per day. We estimate that the average cost per click in Uganda should be less than \$.05. Not much of an opportunity for Google, however, if they can trick US based companies into accidentally competing for keywords, they can turn those users into a profit center. The unfortunate side effect of this is that local businesses in these poor parts of the world are unable to market their businesses because the accidental bidding from US based companies is inflating the fair market price for local keywords.

Consider that the Referz real estate company paid \$4.24 per click in Uganda for real estate keywords. This is nearly equivalent to three days? worth of wages for many people living in the country. The company pays less than this for many of their clicks in competitive real estate markets in the United States including Los Angeles, Seattle, Charlotte, San Diego and many more. It seems likely that there are a lot of real estate companies and agents who have fallen for this same trick.

When analyzing their real estate marketing campaign, they pulled their historical results, so it is difficult to know how many real estate companies are still being affected by this issue and how many have figured out how to properly setup their campaign. A recent search for the term, ?hire a real estate agent? in Uganda using the Ad Preview and Diagnosis tool, resulted in a real estate company trying to target users in the Mississauga area of Canada. They are suffering from the same setup issue experienced by Referz. The likelihood of this real estate company purposely targeting Uganda is extremely low.

A Google Conspiracy

Chuck Harris, the director of web marketing for Referz, believes Google may have been purposeful in designing the system this way, ?We have worked with various account managers from Google over the years, yet, here we are having thrown away more than \$70,000 of our marketing budget. The mere fact that Google makes it so difficult to exclude clicks from third world and developing countries, make us think this is part of their business strategy.?

Google provides three targeting options to choose from when setting up a marketing campaign. The option recommended by Google is, "People in, searching for, or who show interest in my targeted location". The other choices are, "People in my targeted location" and "People searching for, or who show interest in my targeted location". One might argue that a real estate agent should choose, "People in my targeted location". The problem with this option is that a real estate company would likely exclude relocation clients, which would reduce a large number of profitable home sales. The goal is to target potential relocation clients in the United States, while excluding countries such as Uganda and Albania.

Google gives the option to exclude locations, however, they force clients to list every country in the world individually. Although, there is a bulk locations tab, Referz efforts to copy and paste all non-us based locations did not work. Users can enter locations by bulk within a country by entering the country code and then listing the locations within that country, however, for a US based real estate agent, this doesn't help. The simple fact that Google doesn?t offer an easy way to exclude non-US locations, leads Referz to wonder if Google is purposely steering US based real estate companies into a setup that results in wasting money marketing to people who aren't real customers.

Proper AdWords Settings for Real Estate Agents

Referz found that by choosing, "People searching for, or who show interest in my targeted location" and then manually entering more than 400 excluded locations around the world, they have been able to almost completely eliminate the junk clicks from around the world. The real issue is how difficult Google has made this.

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For more information about Referz Real Estate, contact the company here:Referz Real EstateChuck Harris(612) 520-1380marketing@referz.com15 Excelsior Blvd. #426, Minneapolis, MN 55416

Referz Real Estate

Website: https://www.referz.com/

Email: marketing@referz.com

Phone: (612) 520-1380

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