



ProfitMetrics

The Ultimate Google Ads Tracking Blueprint For Ecommerce



Google Ads

2023

This eBook helps you avoid common pitfalls and find opportunities in Google Ads tracking. It provides a clear roadmap for achieving a perfect tracking setup. By doing so, you can make better decisions and provide valuable signals to Google's bidding AI, improving your performance.

By Frederik Boysen

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Introduction



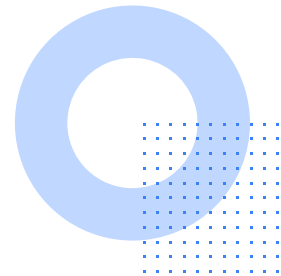
Introduction

Introducing *Mastering the Game: Perfect Ecommerce Google Ads Tracking Setup for 2023* by Frederik Boysen. With experience spanning over 15 years in Ecommerce, Google Ads, and tracking, I've had the privilege of assisting and auditing the Google Ads tracking of hundreds of Ecommerce companies. Throughout my journey, I have actively contributed to the online community, and now I'm thrilled to share my invaluable experiences and lessons learned I've.

Within the pages of this ebook, we will embark on an exciting exploration of auditing and perfecting Google Ads tracking setups for Ecommerce. Together, we'll unravel the intricacies involved in crafting an ideal tracking system while steering clear of common pitfalls that hinders success.

As we navigate through this insightful journey, I will also introduce you to ProfitMetrics, a revolutionary tool that I have meticulously developed over the years to elevate Ecommerce tracking to new heights.

Whether you're a business owner, marketer, or simply passionate about tracking, this ebook is brimming with discoveries and insights that will empower you to optimize your tracking efforts. Join me as we dive into the world of Google Ads tracking, and together, let's unlock new levels of success in the realm of Ecommerce tracking. Let's get started!



Tracking is Essential for Marketers to Achieve Optimal Results



Google Ads

Tracking is Essential for Marketers to Achieve optimal results

Let's delve into a brief example that illustrates the impact that proper tracking can have, using Google's Performance Max Campaign as a case in point

Comprehending tracking and setting it up correctly is critical for making informed marketing decisions. Discrepancies in tracking can often lead to premature termination of successful campaigns, mistaken for unprofitable ventures due to a lack or distortion of conversion data. The performance of bidding algorithms hinges on the data quality fed to them. Flawed input data may lead to misleading forecasts and decisions made by the AI.

Campaigns	Ad spend	Conversion	Revenue	Gross Profit	Profit after ad	POAS
PMax-household products (Inaccurate tracking)	2520	60	6000	2400	-120	0.95
PMax-household products (+15% convs .W. server side tracking)	2520	69	6900	2760	240	1.1

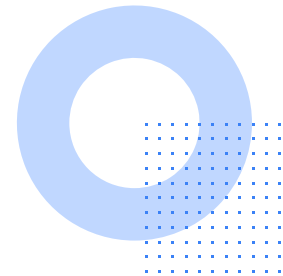
In this particular scenario, in which an incorrect or standard tracking setup managed to track 60 conversions, whereas a more sophisticated Google Ads tracking setup successfully tracked 69 conversions. This outcome occurred despite maintaining the same ad spend. This distinction causes the campaign to shift from a loss of \$120 in profit, after accounting for ad spend, to a profitable situation with a gain of \$240 after ad spend.

On a practical business level, all these conversions would have transpired within the Ecommerce operation. The divergence lies in the marketer's or the AI bidding algorithm's lack of insight into the final nine conversions. These missed conversions may lead to a false perception of an unprofitable campaign, potentially leading to its premature closure or reduced bidding. In reality, this campaign should have been scaled up.

Inaccurate tracking can be the underlying reason for numerous issues in shopping ads.

Early momentum is crucial for a product to prevent it from becoming a "sleeping" product within Google's bidding algorithm. If Google fails to perceive any initial traction, it may choose not to risk ad spend on the product, and favor those that have proven profitable in the past.

In this era of automation and AI, it's more crucial than ever to provide accurate inputs via top-notch tracking. Doing so will enrich the bidding algorithm with valuable insights into your products' true profitability. This knowledge empowers you to confidently scale your ad spend and sales volume.



Double-Tracking in Google Ads



Double-Tracking in Google Ads

Accurate tracking is essential to maximizing the performance of your advertising campaigns. However, double-tracking conversions can lead to incorrect data, which can result in misguided decisions by marketers and algorithms

It's quite common for me to audit accounts that appear to have excellent performance based on their conversion action, only to discover that a significant number of conversions are being double-counted.

Here's a case in point from a major online florist: upon activating ProfitMetrics, it seemed that their standard conversion action was tracking considerably more than the new conversion at the bottom as recorded by ProfitMetrics.

Konverteringshandling	Handlingsoptimering ↓	Konverteringskilde	Alle konv.	Konv.værdi for alle konv.	Status
Purchase - Google Ads	Primær	Website	10.123,89	331.585,02	Kontrollerer udvidede konverteringer
SE Conversion Tracking	Sekundær	Website	8.822,44	283.520,31	Registrerer konverteringer
Purchase - Server side	Sekundær	Website	7.297,43	337.844,14	Registrerer konverteringer ↗
PM Gross Profit - Browser	Sekundær	Website	7.184,72	81.115,03	Registrerer konverteringer ↗

Upon taking a closer look at the repeat rate, it was revealed that it stood at 1.32, and they had an attribution window of only 14 days. This means that 32% of the buyers should have returned and made a second purchase of flowers within 14 days. Although giving flowers is always a pleasant gesture, this recurrence is likely not the case. This miscalculation incentivizes the account to overbid for a significant period, as everything appeared 32% better than it truly was.

The main cause of double-tracking is often due to two reasons:

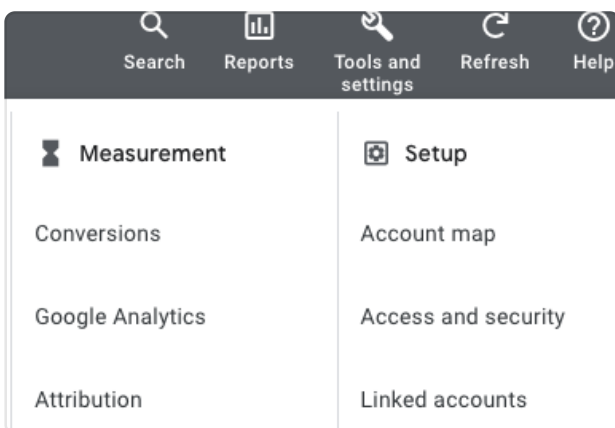
1) A user lands on a thank you page and the Gtag fires with a conversion and value. Google records this conversion for the first time. If the user keeps the tab open and refreshes the browser later, Google records the same conversion and value a second time.

2) Google records a conversion when the user first lands on the thank you page. If the user receives an order confirmation email with a link to "check order status" that sends them back to the thank you page, the Gtag fires for the second time with the same value.

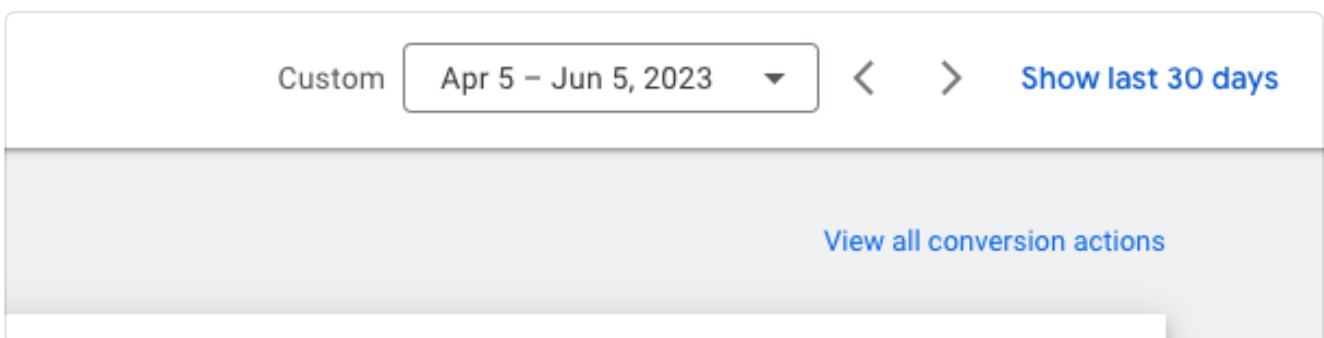
In both cases, Google believes the user has made two conversions with the same value. If the Conversion actions are set to "count = every conversion", Google counts both conversions and includes the value twice in the Conversion value for a campaign, causing the Google algorithm to believe it has performed better than it actually has.

To identify double-tracking conversions, follow these steps:

1) Go to Google Ads, then navigate to Tools & Settings > Measurement > Conversions



2) Click on "View all conversion actions" in the top right corner to access the "old" conversion action view.



3) Here, you will see a view of all conversion actions and their repeat rate. A high repeat rate in comparison with other Conversion actions for the same event indicates that some conversions are being tracked twice.

Count	Click-through conversion window	Included in account-level goals	Repeat rate
Every	30 days	No	--
Every	30 days	Yes	1.01
Every	30 days	No	1.01
Every	30 days	No	--
Every	30 days	Yes	1.01
Every	30 days	No	1.01
Every	30 days	No	1.12

One Conversion Action stands out with a repeat rate of 1.12, whereas the others register at 1.01. All are set to count 'every', implying that double counting could occur, we can eliminate the impact of a longer attribution window, as all are set for 30 days.

As a side note, you might be wondering why not set the count to 'one' instead. The reason is that you want the bidding algorithm to know if multiple conversions occur within the attribution window. If certain ads or products have a high propensity to attract customers who make several repeat purchases within the first 30 days, you would want it to bid more aggressively for those customers.

4) You can also compare with the tracking in Google Analytics for a given period. Google Ads tracking often shows higher numbers, but if it appears significantly higher compared to the total conversions during that period, it is likely that there is a problem.

5) Lastly, examine the conversions by time in Google Ads within a given period and then compare them with the Ecommerce backend. If the number of conversions by time is higher or even close to the overall e-commerce orders in the backend during the specified period, there is an obvious problem.

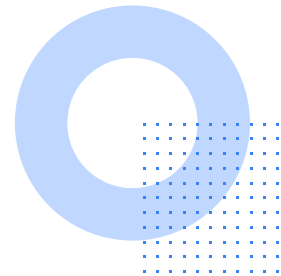
How to prevent Double-tracking in Google ads

To prevent double tracking, Google offers a function to add a TransactionID to all conversions. If Google receives a conversion with the same TransactionID twice, it will only count the first one. It is important to include the TransactionID in the Gtag to prevent double tracking and ensure that the Google algorithm does not bid too high based on inaccurate performance data, which could result in wasted ad spend.

```
<!-- Event snippet for Example conversion page -->
<script>
  gtag('event', 'conversion', {'send_to': 'AW-123456789/AbC-D_efG-
h12_34-567',
    'value': 1.0,
    'currency': 'USD',
    'transaction_id': '<%= orderId %>',
  });
</script>
```

Also, make sure you coordinate with your developer or set up in GTM to ensure that the Google Ads snippet only fires once on the thank you page.

In conclusion, always check for double tracking and include the TransactionID in your Gtag. This will ensure that you are reporting accurate data and making informed decisions based on actual true performance of your campaigns.



Enhanced conversion



Enhanced conversion

Cross-browser and cross-device journeys towards a purchase is simply the way shoppers buy today.

Identifying and tracking users on several devices is not easy for any marketing channel. This task has become even more challenging as browsers remove third-party cookies and privacy regulations tighten.

First, let me explain what Enhanced Conversions are and how they work: Enhanced conversions are part of Google Ads' website conversion actions and are designed to improve the accuracy of your conversion data.

Enhanced Conversions allow you to insert hashed first-party data, such as an email, for a converted visitor. This enables Google Ads to match that data to logged-in users who viewed or clicked on ads through another device than the one they converted on or attributed if a cookie has been deleted.

This is Google's solution for tracking in the post-third-party-cookie era.

1



Google signed-in user views your Youtube ad.

2



The user converts on your website.

3



The conversion tag captures a field you determined (eg. email), hashes the data and securely sends to Google.

4



The hashed data is matched against Google hashed user data and a conversion is reported in your account.

Let me give you an example of a typical buying journey, where Google only gets credit because of Enhanced Conversions:

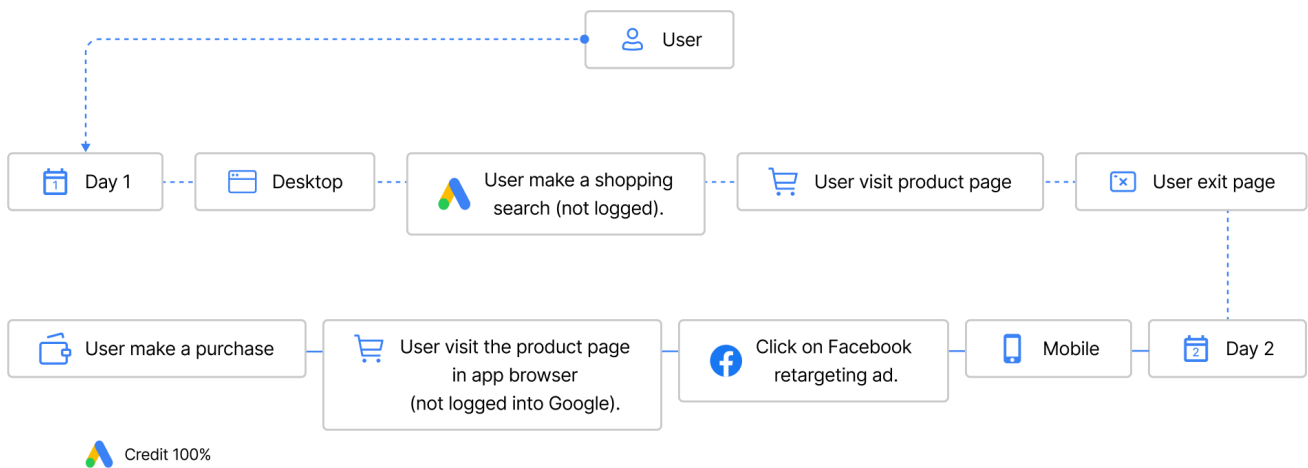
Day 1:

A user makes a Google search on their laptop while logged into Gmail on the same browser. They click on the site, browse around, and exit.

Day 2:

The same user gets retargeted on their mobile device through a Facebook ad. They click on the ad, visit the store, and purchase. The Google script fires.

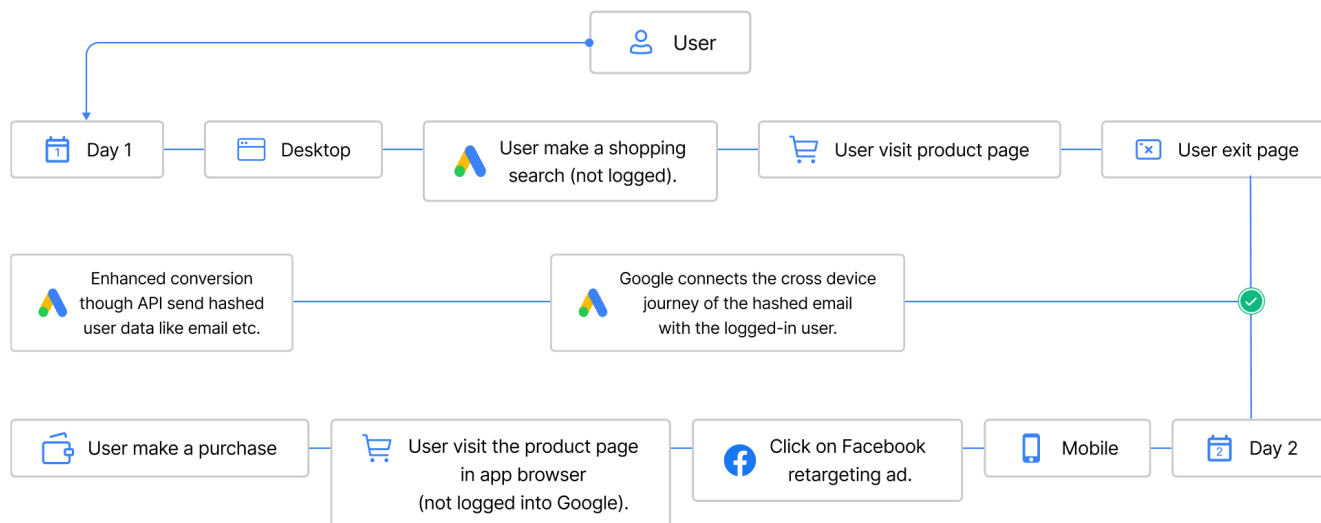
Google's insight into the customer journey without Enhanced Conversion



The Google script fires, but Google has no insight into the journey that happened on the laptop the day before. It appears as if a new user was driven to the site by Facebook.

Google Ads receives 0 credit.

Google's insight into the customer journey with Enhanced Conversion



When a user makes a purchase on a mobile device following the Facebook click, the Google Ads script is fired. Upon conversion, with Enhanced Conversion, you have the option to add a hashed email to the conversion on the mobile device. This can be accomplished either through the script, GTM or, ideally, via the API to ensure the delivery of 100% of the Enhanced Conversion signals.

This is where the magic happens. Now, Google can say, 'Hey, that user was actually logged on to a laptop and searched on Google before clicking on the site a day before.'

Google can then credit the conversion back to the ad click, using it for reporting and bidding purposes.

All of this happens without relying on third-party cookies, and this cross-device journey can be tracked even in Safari browsers (ITP), etc.

This example clearly demonstrates why Enhanced Conversion is crucial for accurate reporting and bidding. The loss of conversion data would lead to algorithms and marketers making incorrect decisions.

Results:

Conversion diagnostics BETA

Check your diagnostics regularly to make sure you're correctly and accurately measuring conversions.

Enhanced conversions

Status  Recording enhanced conversions

Impact These are changes in recorded conversions from your conversion sources due to enhanced conversion modeling. [Learn more](#)

Network	Change
Search	+6.04%

This info about changes in your reported conversions will be shown for a limited time. Download it for your records.

[Download](#)

Conversion diagnostics BETA

Check your diagnostics regularly to make sure you're correctly and accurately measuring conversions.

Enhanced conversions

Status  Recording enhanced conversions

Impact These are changes in recorded conversions from your conversion sources due to enhanced conversion modeling. [Learn more](#)

Network	Change
Search	+3.16%
Video	+10%

This info about changes in your reported conversions will be shown for a limited time. Download it for your records.

[Download](#)

Enhanced Conversions Set Up

The simplest method to set up Enhanced Conversions is through Google Tag Manager. Before establishing Enhanced Conversions, ensure that you have Google Ads conversion tracking configured using Google Tag Manager.

Here is a guide:

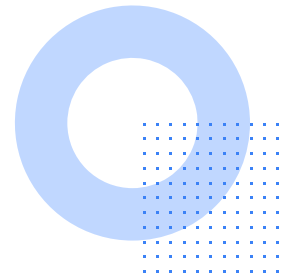
1. In your Google Ads account, click the Goals icon.
2. Click the Conversions drop-down in the section menu.
3. Click Summary.
4. Open the conversion action you want to use for setting up enhanced conversions
5. In the “Enhanced conversions” section at the bottom, click Turn on enhanced conversions.
6. Select “Google tag or Google Tag Manager” to set up enhanced conversions.
7. Click Agree to the compliance statement.
8. Click Check URL to check your website for a Google tag.
9. In “Tag type” you should be defaulted to Google Tag Manager if that is how you track conversions for this conversion action. Because you used Google Tag Manager to set up website tags, you need to use it to set up enhanced conversions. Follow the instructions below to complete enhanced conversions setup Google Tag Manager.

You can also find Google documentation here:

<https://support.google.com/google-ads/answer/12785317?hl=en>

I strongly advise exploring the API version of Enhanced Conversions, as it ensures that you can deliver 100% of the first-party data to Google Ads via the API. This is the approach we at ProfitMetrics employ when setting up for our clients.

Enhanced Conversion represents the future of tracking and will enable cross-device tracking once third-party cookies are phased out. Therefore, take advantage of this powerful tracking functionality that Google has made available to us.



Server-side & Client side Tracking



Google Ads

Server-side and Client side Tracking

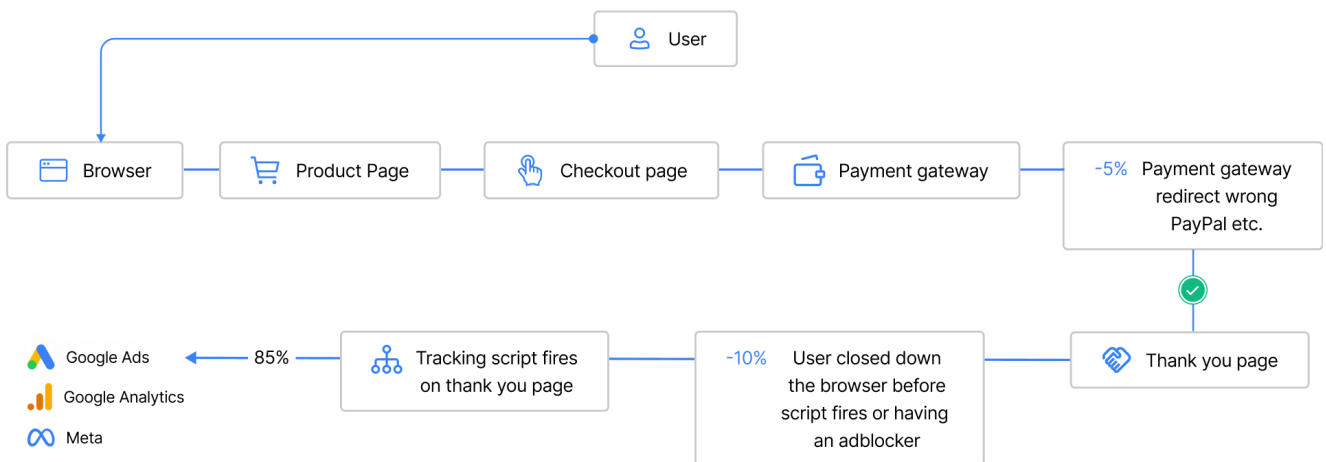
In this section, I will explain what the difference is between client-side and server-side tracking. There is a lot of talk about server-side tracking and not many actually understand it, so I will explain the difference.

What is client-side tracking?

Client-side tracking for Ecommerce requires the insertion of a small snippet of code, commonly known as a 'pixel', into a website's browser. This code captures and forwards data on user actions, such as clicks and purchases, to a third-party service for analysis and reporting within the browser. In this section, I will concentrate on Google Ads client-side tracking.

Client-side tracking is like sending a physical letter

The challenge with sending a physical letter is its potential to get lost in transit. There's no reliable method to track whether the letter has reached its intended destination.



In the above example, you can see how the Google Ads tag tracks a purchase in the browser (client-side). One of the issues with client-side tracking is that the user needs to land on the 'thank you' page and wait until the script fires for Google to report and track the conversion.

The most significant problem with client-side tracking is that slow or incorrect redirection by payment gateways often results in users not reaching the 'thank you' page, or the page loading very slowly. This delay is typical because the Ecommerce backend has to process the order and execute numerous scripts placed on the 'thank you' page. Consequently, users might see the "Thank you for your order" message and close down the browser before the Google Ads tag has successfully fired. Additionally, ad blockers often prevent the Google Ads tag from firing at all.

Many people regard server-side tracking as the ultimate solution to these issues. Unfortunately, this is not entirely accurate. While server-side tracking does resolve many of these problems, as I'll explain in the next section, there are specific features in Google Ads that are only functional and available with the client-side Google Ads tag.

Here are the most important ones:

Google Consent Mode:

This models conversions where users have opted out of cookies and helps the Google algorithm gain insight and use them for bidding.

View-through Conversions:

These are vital for YouTube and display ads, where people don't always click on the ads before opening a new browser tab to make a brand search and convert.

Enhanced Conversion:

As explained earlier, this feature is one of the most powerful functionalities that Google Ads offers, and it's only available for the Google Ads client-side tag.

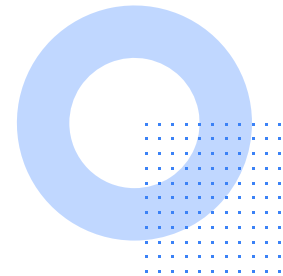
Thus, shifting entirely to server-side tracking isn't the best option, as you'd miss out on these invaluable functionalities.

What is server-side tracking?

Server-side tracking in eCommerce revolves around directly sending information on purchases and other conversions from the e-commerce server to the marketing platform servers thereby, bypassing the need for the user's browser to send the data in a script. This method can provide more accurate and reliable data for analyzing sales performance and optimizing marketing campaigns.

Server-side tracking is like sending an email to the marketing platform.

- You can confirm whether the message was sent.
- You can see if the email was delivered and opened, just as you can with server-side tracking.
- If the email was not delivered, you can send it again in real-time, just as you can resend server-side tracking.
- Server-side tracking is more reliable than client-side tracking, making it a better choice for accurate and data-driven decision-making in marketing.



Offline conversion imports (Gclid, Wbraid & Gbraid)

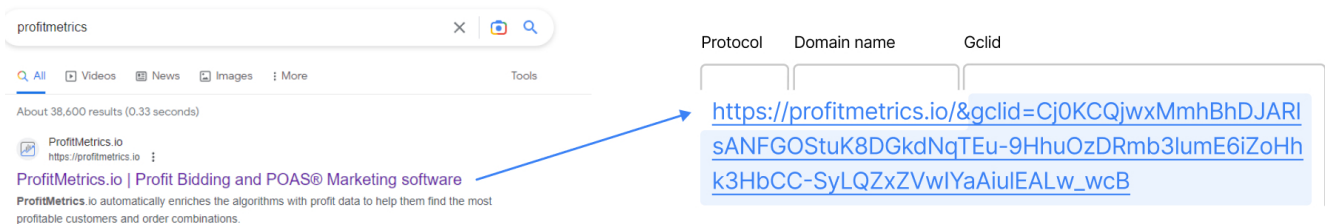
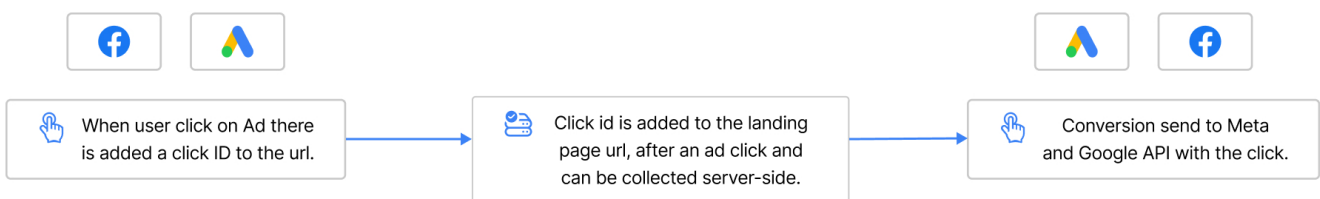


Google Ads

Offline conversion imports (Gclid, Wbraid & Gbraid)

The only genuine method of transitioning fully to server-side tracking is by utilizing Google Click ID Gclid, Wbraid, or Gbraid with offline conversion imports. GCLID and Offline Conversion Import from Clicks are tools offered by Google, allowing marketers to assess the impact of their online advertisements and quantify offline conversions.

Let me first explain how offline conversions click import works.



Google Click ID can be fully tracked server-side. When someone clicks on an ad, a parameter called gclid is added to the URL.

On iOS devices, in-app ads receive parameters called Wbraid or Gbraid, which have similar functionality but do not contain customer data, only information about the clicked ad. When the customer is redirected to the website, the gclid parameter is included in the URL, allowing it to be collected directly on the server. Even if the Google Ads script is blocked by ad-blockers.

Once collected, the Gclid can be sent back to the Google Ads API, together with a conversion value, allowing Google to attribute it back to the ad click.

Here are some benefits of using online conversion import for clicks:

- **Conversion Tracking Flexibility:** You can send conversions up to 90 days after the initial click, providing a longer window for tracking customer actions. Perfect for longer customer journeys
- **Conversion Value Adjustments:** If the conversion value changes (e.g., due to returns or upsells), you can adjust the conversion value retrospectively.
- **Resistance to Script and Ad Blockers:** Gclid is not blocked by ad blockers or scripts, ensuring accurate tracking even in these scenarios.
- **Browser Independence:** Unlike third-party cookies, gclid is not removed by browsers, ensuring reliable tracking across different browsers.
- **Multiple Conversions per gclid:** You can send multiple conversions associated with the same Gclid within the initial 90-day period, allowing you to track various offline conversions.
- **Own attribution:** You can choose to overwrite Google attribution and only send it to the first or last Gclid you collected in a customer journey

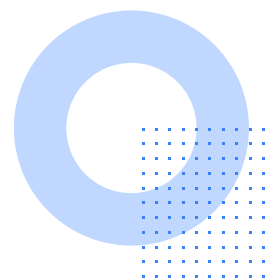
The most challenging aspect is collecting the gclid data. It often requires the assistance of a developer to implement the necessary server-side tracking or the use of third-party tools (like ProfitMetrics or Zapier).

In conclusion, Google Click ID and Offline Conversion Import offer invaluable tracking capabilities in Google Ads. By utilizing gclid, marketers can track user behavior on websites and connect online ad clicks to offline conversions.

The issue with GCLID and offline conversion import is that Google can only attribute conversions where a GCLID has been collected, and features like view-through, consent mode, and enhanced conversion don't function with offline conversion imports.

While server-side offline conversion imports resolve the major problem of payment gateways not redirecting correctly or scripts not firing on the 'thank you' page because users don't wait for them to load, they lack some of the most potent features that Google offers.

That's why we developed the Conversion Booster for Google Ads, which combines both client-side and server-side tracking, thereby giving you the best of both tracking methods. We'll elaborate on this later.



GTM server containers are not server-side Google Ads tracking



Google Ads

GTM server containers are not server-side Google Ads tracking

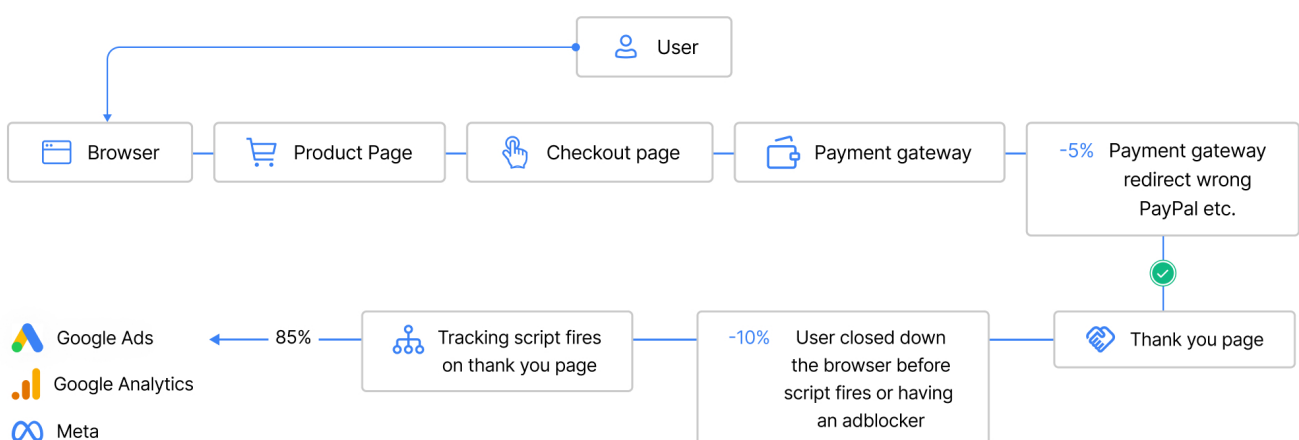
Many companies have set up, or are about to set up, a Google Tag Manager server-side container. However, the Google Ads tag in the server-side container is not actually server-side, and it doesn't offer better tracking than a Google Ads tag placed on the thank-you page. One exception is its ability to set an HTTP-only cookie, which has a longer lifetime. However, recent updates from Safari and Firefox detect when it's running through a CNAME record and treat it like a regular cookie. It's still possible to get it to work, but you need your own server, and setting it up is no small task. Therefore, in most setups, you won't gain any advantages in comparison.

Let me explain why this is the case. There are two ways of setting up a GTM server-side container.

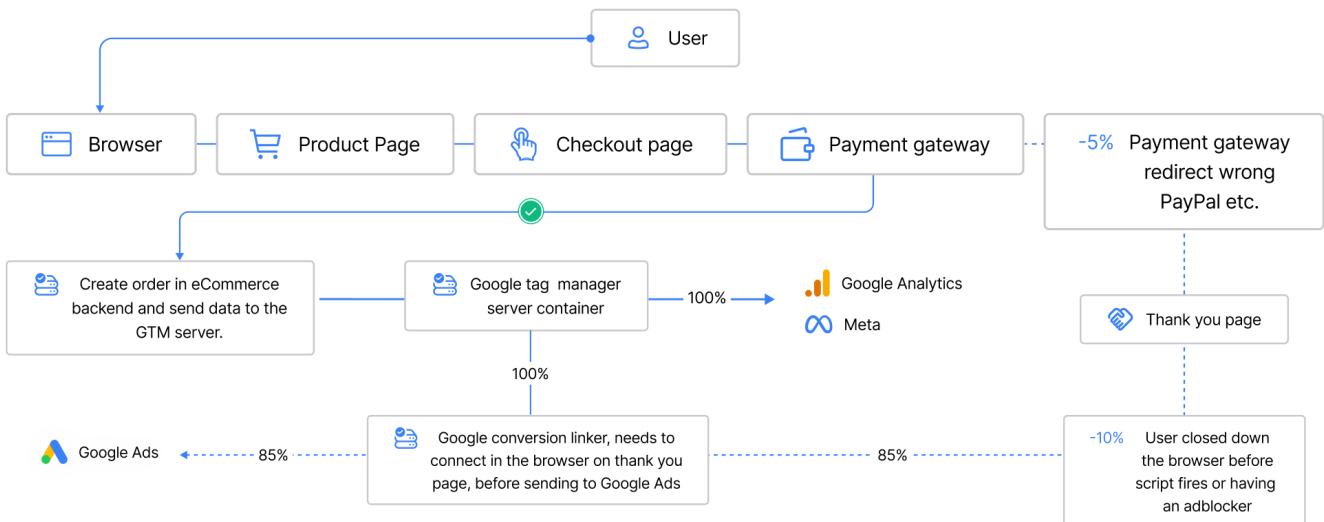
The first is the standard setup. Here, Gtag fires on the thank-you page and then sends the conversion to the GTM server-side container. This container then sends the data server-side to Google Analytics and Facebook. Hence, you are still reliant on a thank-you page script firing.

Google Ads tags are not actually sending data directly into Google Ads servers. Instead, the process goes back out to the browser with the conversion linker, adds a cookie, and then sends the conversion to Google Ads server-side.

Therefore, the actual process is: browser - server - browser - server.



The second setup is the advanced Google Tag Manager setup:



In this setup, the payment gateway sends a call to the e-commerce backend (server) too and an order is created. The e-commerce backend (server) then sends the conversion to the Google Tag Manager server container, which then sends the conversion server-side to Google Analytics and Facebook. Thus, it is genuinely server-side.

However, the Google Ads tag does not send the conversion directly to the Google Ads server. Instead, it goes back out to the browser with the conversion linker, adds a cookie, and then sends the conversion to the Google Ads server-side. Consequently, this setup also follows the pattern: browser - server - browser - server. Just like in the standard GTM server setup.

Therefore, for Google Ads, there isn't much to gain over simply placing the Google Ads tag on the order confirmation page. The only advantage is that you have more control over the data and the possibility to set an HTTP-only cookie, provided you have a developer available to build such a setup.



Conversion value



Google Ads

Conversion value

What does the conversion value actually include? It is crucial to examine this as it can significantly impact the targeting you set.

Is the conversion value inclusive of revenue, shipping, and VAT? Or is it revenue excluding VAT? Perhaps it represents gross profit. It is very important to find out where the value in the script is coming from and what it actually represents.

When we set up ProfitMetrics for clients and they start utilizing profit data in Google Ads, we often encounter accounts where agencies mistakenly assumed that the conversion value was revenue excluding VAT, only to discover that it actually included VAT. This discrepancy means their targets have been off by 10-25%, depending on local VAT rates.

We always recommend having both real profit and revenue data in Google Ads. Making decisions with both is crucial for optimizing performance for any e-commerce business. We developed ProfitMetrics to simplify the process of obtaining profit data and enable the use of POAS (Profit on Advertising Spend) bidding in Google Ads.



ROAS vs POAS



POAS® outperforms ROAS any day

You've probably heard it by now. There's a problem with ROAS.

The problem is actually not with ROAS itself, but how we choose to interpret it, due to the lack of correct data. ROAS means Return On Ad Spend - as you know - but somewhere along the line, we got okay with using it as Revenue On Ad Spend, since the actual return was not available in the data Google provided.

But as you also know, return and revenue are not the same

Of course, the problem is not just a semantic one. Let's look at an example of how ROAS is usually applied:

Many e-commerce companies or their PPC partner work with an average ROAS target on PPC campaigns. This target is usually set by looking at an average profit ratio based on historical data. Essentially, target ROAS is a "win some, lose some" approach, in which you accept that not all orders will be profitable, as long as the overall result is positive. However, this approach runs a huge risk for your company. It not only loses you money on some orders, but it will also mean that you inevitably close down ads that are actually profitable but do not hit the target ROAS.

But can't you just use margin bidding then?

You probably guessed my answer by now. No. Margin bidding using ROAS is not a reliable metric, simply because you cannot control customer behavior. The fact is that +20% of customers buy another item than the one they clicked on in the ad. This means that they may have clicked on an ad for a product with a 50% margin, but end up buying one with only a 10% margin. This makes for bad business in the long run.



10% Margin



25% Margin



50% Margin

All this to explain why I am obsessed with POAS.

As we see it, POAS is the real return on ad spend. Using POAS, you know exactly how much money you are making on every ad. And the cool thing about POAS is that it's completely transparent to work with. Because break-even is always 1.

If you make 100 Euros on a product after discount, shipping, product cost, packaging etc. and you want to break even, you can use 100 Euros in ad spend. That's simple.

POAS® (Profit on Ad Spend)

POAS CALCULATION CAMPAIGN ID #10

NEW WAY PROFIT-FIRST

Let's measure your campaign with
a POAS target

After ProfitMetrics.io

Target POAS is 1.3X i.e. 30% profit.

Revenue	\$ 100
- Discount (10%)	\$ 10
- Product cost	\$ 35
- Shipping cost	\$ 6
- Packaging	\$ 1
- Payment fee	\$ 1
Gross profit	\$ 47
- Adspend	\$ 33
Net profit	\$ 14

$$\frac{\text{Profit}}{\text{Ad Spend}} = \text{POAS}$$

Profit on Ad Spend

POAS is **1.42X** i.e. profitable
Increase budget

- Break-even always 1
- Based on real-time profit
- 100% transparent

The Problem

ROAS target 4:
 $246 / 4 = 61 \text{ CPA}$

Total Price ▲	Shipping Charged ⇅	Products Cost ⇅	Shipping Cost ⇅	Extra Cost ⇅	Payment Fee ⇅	Gross Profit ⇅	Order margin ⇅	Breakeven ROAS ⇅
246.40	31.20	184.26	40.00	0.00	3.08	19.06	7.74%	16.16
246.40	31.20	180.18	40.00	0.00	3.08	23.14	9.39%	13.31
246.40	31.20	145.53	40.00	0.00	3.08	57.79	23.45%	5.33
246.40	47.20	107.30	40.00	0.00	3.08	96.02	38.97%	3.21

$23 - 61 = -38$

$96 - 61 = 35$

If you examine these two ROAS (Revenue) bidding examples, you'll see that two orders have the same total price (revenue) of 246. With a ROAS of 4, the maximum CPA (Cost Per) would be 61. However, looking at the gross profit, one order generates 22, while the other generates 96. This means you incur a loss of 34 on one order, and, after ad spend, the other order results in a profit of 35

Potential

POAS target 1.5

Total Price ▲	Shipping Charged ⇅	Products Cost ⇅	Shipping Cost ⇅	Extra Cost ⇅	Payment Fee ⇅	Gross Profit ⇅	Order margin ⇅	Breakeven ROAS ⇅
246.40	31.20	184.26	40.00	0.00	3.08	19.06	7.74%	16.16
246.40	31.20	180.18	40.00	0.00	3.08	23.14	9.39%	13.31
246.40	31.20	145.53	40.00	0.00	3.08	57.79	23.45%	5.33
246.40	47.20	107.30	40.00	0.00	3.08	96.02	38.97%	3.21

$23 / 1.5 = \text{max } 15 \text{ CPA}$

$96 / 1.5 = \text{max } 64 \text{ CPA}$

Examining the same two orders, but with POAS (Profit on Ad Spend) instead, allows you to instruct Google on your desired profit after ad spending. For instance, let's say you want to gain 1.5 in profit every time you expend 1 in ad spend. In these two examples, you would inform Google that it can spend a maximum of 15 on the first conversion, and for the second order, Google can bid up to 64 in ad spend. This approach ensures profitability on both orders.

ROAS vs POAS® summary

ROAS has only become the best practice because it was the best practice that was readily available. Using a revenue-based metric like ROAS leaves you with a non-transparent setup that necessitates a high level of one-size-fits-all rules and guesswork to compensate for its shortcomings. In short, ROAS is complicated to understand and use. And more importantly, you will miss out on potential profits no matter which ROAS tactic you apply.

POAS® is a straightforward best-practice that is easy to use and understand: If your gross profit is higher than your ad spend, you've made money. With ProfitMetrics, POAS® is available for use directly in Google Ads, Google Analytics, Facebook, and other paid marketing channels, you can dedicate time and budget to the ads that make you the most on the bottom line. Full transparency and no guesswork!

POAS Bidding

Optimizing Profitability

ONCOURT

Based in Stockholm, Sweden, Oncourt is a brand that specializes in racket sports equipment. Behind the brand are the four young men, Simon, Viktor and the owners Uno and Martin. Passionate about racket sports, they embarked on a mission to establish a go-to destination to discover high-quality equipment for their favorite sports.

~ ROAS ⇒ POAS

20-Mar-2023 / 20-Apr-2023

Compared to:

16-Feb-2023 / 19-Mar-2023

- Ad-Spend: **-26%**
- Turnover: **-1%**
- CPC: **-3%**
- CPA: **-26%**
- Gross Profit: **+8%**
- Net Profit: **+71%**
- Conv. rate: **+31%**
- ROAS: **x1.34**
- POAS: **x1.73**

“ Statement:

Since day one, we have been treated professionally by Profitmetrics and received help with integration, transition and evaluation. Making this big of a strategic change often come with great risk, but we felt safe all the way. With great results and good customer relationship management, we can proudly recommend ProfitMetrics service.



Viktor & Simon

Rating: ★★★★★





New customer tag



New customer tag

If you are not segmenting your new and existing customers in your marketing strategy, you will end up paying more for existing customers that may have come back regardless.

By using one Return On Ad Spend (ROAS) target in Google Ads, you are actually asking Google to bid more for your existing customers. Existing customers typically have a higher average order value and conversion rate compared to new customers who tend to have a lower average order value and longer consideration time before making a purchase, resulting in a lower conversion rate.

Let's break it down using ROAS calculations. Let's say we're asking Google for a ROAS of 5.

Existing customers:

Order value: \$120

MAX CPA: $\$120 / 5$ (ROAS 5) = \$24

Conversion rate: 6%

New customers:

Order value: \$70



MAX CPA: $\$70 / 5$ (ROAS 5) = \$14

Conversion rate: 3%

Max CPC: $\$14$ (CPA) / 33 clicks (Conversion rate 3%) = \$0.42

As you can see, by telling Google to aim for a ROAS of 5, the bidding algorithm may end up spending 233% more per click on existing customers.

While Google Ads has an amazing algorithm, it's important to guide it in the right direction to align with your business goals.

Campaign	Conv. value	New customer lifetime value	New customers	Conversions
 THE FINE (STANDARD)	<u>12,121.95</u>	5,266.67	20.98	<u>30.97</u>
Unknown	1,007.05	0.00	0.00	5.00
New customers	9,735.21	5,266.67	20.98	20.98
Returning customers	1,379.69	0.00	0.00	4.99
 THE FINE (LARGE)	<u>2,669.24</u>	1,004.00	4.00	<u>6.83</u>
Unknown	329.40	0.00	0.00	1.00
New customers	2,010.75	1,004.00	4.00	4.00
Returning customers	329.09	0.00	0.00	1.83

Google has given marketers a great tool with the new customer acquisition goal, so it's important to make the most of it.

Here are some dos and don'ts to help Google bid for what's best for your business:

Don'ts:

- Don't rely on cookies to determine whether a customer is new or existing as cookies can be removed by the browser.
- Don't add an high extra value for new customers as it can interfere with reporting by mixing in with other conversion values. We so often see account where the conversion value is way to high and something is totally off, finding out that the Google ads recommended conversion value for new customer have been applied, this is often a very high value and the problem is you account will look so much better than it is and the reporting is mixing up actually conversion plus x times the new customer value.

Dos:

- Use a "new customer" tag: Look up in your CRM to determine if a customer is new and add this information to the Google Tag.

Parameter	Value type	Description
<code>new_customer</code>	Boolean: True / False / [Not specified]	<p>Is the customer who is converting a new customer?</p> <ul style="list-style-type: none">• True: new customer who hasn't purchased within a given time period (540-day lapse window recommended and set at default, but not required)• False: a returning customer who has purchased during the given time period• Not specified: if there's uncertainty (for example, use of guest checkout)

Example of the Google tag configured with the above parameter.

```
1. <script type="text/javascript"
2. gtag('event', 'purchase', {
3. "send_to": "AW-CONVERSION_ID/CONVERSION_LABEL", /* PLEASE REPLACE
   WITH YOUR VALUE */
4. ...
5. "new_customer": true, /* calculate dynamically, populate with
   true/false */
```


You can find the documentation for setting it up here:

[https://support.google.com/google-ads/answer/9917012?](https://support.google.com/google-ads/answer/9917012?hl=en#zippy=%2Cinstall-with-the-google-tag%2Cinstall-with-google-tag)

[hl=en#zippy=%2Cinstall-with-the-google-tag%2Cinstall-with-google-tag](https://support.google.com/google-ads/answer/9917012?hl=en#zippy=%2Cinstall-with-the-google-tag%2Cinstall-with-google-tag)
[manager](#)

- Upload your existing customer list: Without this information, Google Ads won't be able to identify which customers are new or returning. If you're using an MCC account, activate automatic sharing. To avoid ending up with too many customers in the "unknown" bucket, you need to upload this list and keep it updated. You can use automation tools like Zapier.

Define existing customer list

Adding audience segments of your current customers will help us identify new customers. For a segment to be eligible for new customer acquisition, the segment needs at least 1,000 active members in the Youtube or Search network. You can update your segments in [Audience manager](#). 



Note: Some ads may be shown to existing customers even when optimizing for only new customers due to technology limitations and privacy measures. [Learn more](#)

- I suggest assigning a new customer value of 1, unless you intend to use the new customer lifetime value for actual bidding and you've done the calculations yourself.

Additional conversion value from new customers

This adjusts how much you value a new customer's first purchase within a campaign using customer acquisition and "Purchase" as a conversion goal. [Learn more about customer acquisition](#)

For example, if a customer's purchase conversion is valued DKK418.04, you can allot DKK1.00 more for new customers. This makes the value of a new customer's purchase DKK419.04.

Existing customer value:
DKK418.04



New customer value: DKK419.04



- Use enhanced conversions: This will help Google to identify customers across devices.

- You should utilize the "bid only for new customer acquisition" setting in Pmax and search campaigns, but dedicate a campaign solely to that purpose. This setting allows for a more aggressive ROAS (Return on Ad Spend) for acquiring new customers

Customer acquisition

- Optimize campaign for acquiring new customers
- Bid higher for new customers than for existing customers (Recommended)

This option lets you optimize for new customer acquisition, while helping you drive overall sales by targeting all customers
- Only bid for new customers

This option limits your ads to only new customers, regardless of your bid strategy

If you would like to add a little extra value or you really know the lifetime value of a new customer. There is a quick hack for separating the actual conversion value and the new customer value from each other.

You can use the following two columns



New customers:

New customers

New customer lifetime value

New customer lifetime value

Add it next to you conversion value and you will be able to “extract” what value have been applied to for new customer value.

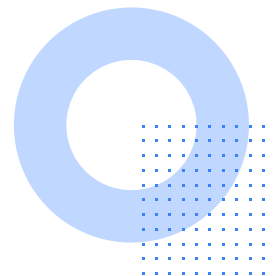
Campaign	Conv. value	New customer lifetime value	New customers	Conversions
 THE NEW STRATEGY	<u>12,121.95</u>	5,266.67	20.98	<u>30.97</u>
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New customers	9,735.21	5,266.67	20.98	20.98
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Unknown	329.40	0.00	0.00	1.00
New customers	2,010.75	1,004.00	4.00	4.00
Returning customers	329.09	0.00	0.00	1.83

Unfortunately it is not possible to make a custom column where you minus these, but hopefully Google will soon apply the “new customer lifetime value” in the custom columns selection drop-down.

Just a note to remember:

Dan Kennedy once wisely stated, "The business that can spend the most to acquire a customer, wins."

Therefore, it's crucial to strategically allocate your advertising budget towards acquiring new customers, instead of focusing on those who would likely have made a purchase regardless.



Consent Mode & Modeling



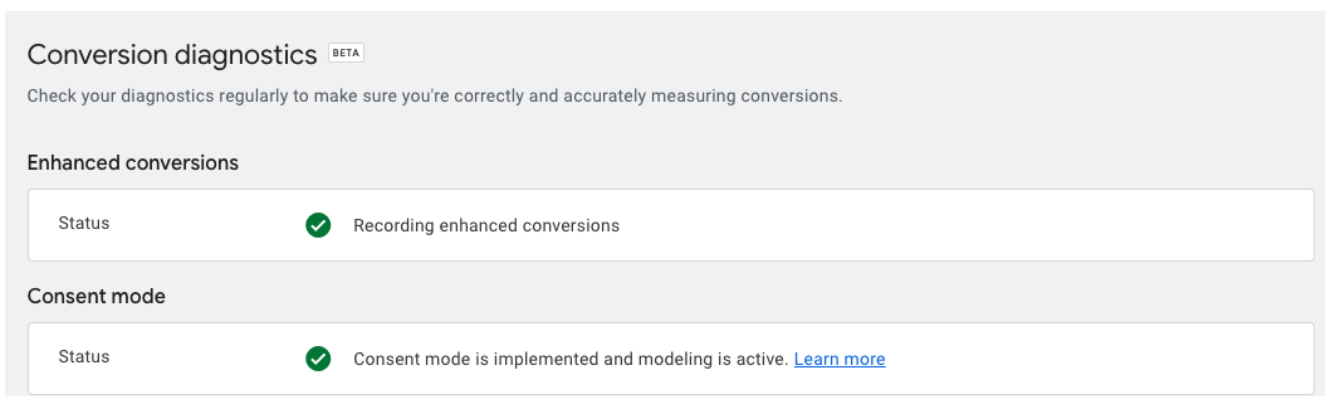
Google Ads

Consent Mode & Modeling

Consent Mode is a must-have in any Google Ads setup. If you haven't set it up yet, please do so. Fundamentally, Google Ads Consent Mode creates a harmonious relationship between privacy safeguards and effective marketing strategies, benefitting both consumers and businesses alike

When a user opts out of Google Ads cookies or Google Analytics cookies, Consent Mode intuitively modifies the behavior of the respective Google tags to prevent reading or writing cookies for marketing or analytics. Without cookies, advertisers experience a gap in their measurement and lose visibility into user paths on their sites. They are no longer able to tie users' ad interactions to conversions directly.

Conversion modeling can help fill in blanks in media measurement at times when it's not possible to observe the path between ad interactions and conversions.



The screenshot shows the 'Conversion diagnostics' section in Google Ads, marked as 'BETA'. It includes a sub-header 'Enhanced conversions' and 'Consent mode'. Under 'Enhanced conversions', the status is 'Recording enhanced conversions' with a green checkmark. Under 'Consent mode', the status is 'Consent mode is implemented and modeling is active' with a green checkmark and a 'Learn more' link.

Conversion modeling employs machine learning to analyze observable data and past trends. By leveraging user paths from users who have consented, Google's models can assess attribution paths for journeys of users who have not consented, effectively bridging the gaps where consent is absent. This not only ensures a more precise overview of advertising expenditure but also upholds respect for user consent.

Here are two easy-to-setup and compliant tools for cookie management that have built-in Google Consent Mode.

Cookie information: A Danish player, we use this tool in ProfitMetrics. Very easy to use and have some nice looking templates.

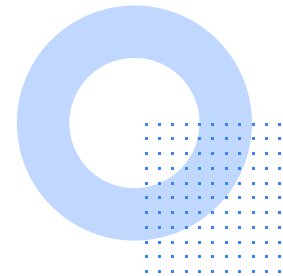
Here is a link: <https://cookieinformation.com/what-is-google-consent-mode/>

Cookiebot: Also a great alternative and is also easy to use. Probably the biggest company in the market.

Here is a link: <https://support.cookiebot.com/hc/en-us/articles/360016047000-Cookiebot-and-Google-ConsentMode>

Here is a list from Google website: <https://blog.google/products/marketingplatform/360/measure-conversions-while-respecting-userconsent-choices/>

Consent Tool	Supported consent types	Tag Manager Community Template available	Integrated with consent update calls	Integrated with consent default calls
Commanders Act	ad_storage analytics_storage functionality_storage personalization_storage security_storage	✓	✓	✓ (Integrated GTM template + TrustCommander template)
Consentmanager	ad_storage analytics_storage	✓	✓	✓ (Integrated GTM template + code example for gtag.js)
Cookie Information A/S	ad_storage analytics_storage functionality_storage personalization_storage security_storage	✓	✓	✓ (Integrated GTM template + code example for gtag.js)
Cookiebot (Cybot)	ad_storage analytics_storage functionality_storage personalization_storage security_storage	✓	✓	✓ (Integrated GTM template + code example for gtag.js)
CookieYes	ad_storage analytics_storage functionality_storage personalization_storage security_storage	✓	✓	✓ (Integrated GTM template + code example for gtag.js)
Crownpeak	ad_storage analytics_storage		✓	✓ (provided as an in-page code example only)



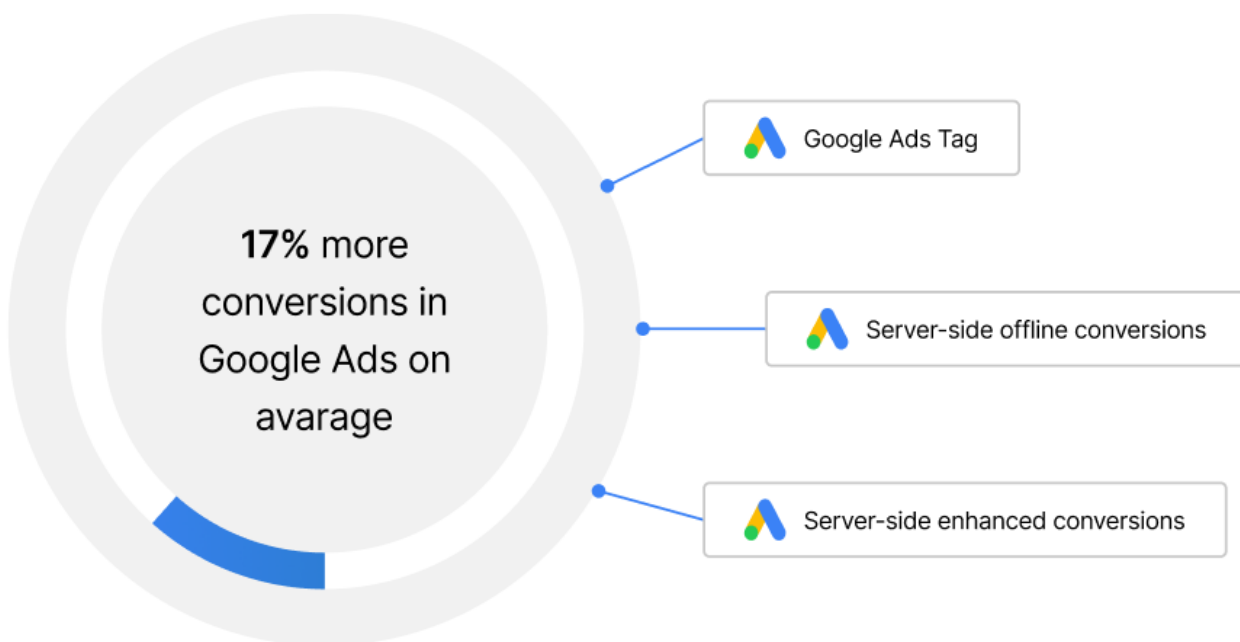
Introducing ProfitMetrics Conversion Booster for Google Ads



Google Ads

Introducing ProfitMetrics Conversion Booster for Google Ads

The problems and solutions I have described in this book for the perfect Google tracking setup are all things you can set up yourself. However, it is both time-consuming and requires a highly technical person, taking time away from actual marketing. That is why ProfitMetrics has developed Conversion Booster for Google Ads – the most advanced plug-and-play e-commerce server-side tracking solution on the market.



With Conversion Booster, you can say goodbye to the complications and time-consuming procedures of manual tracking setup. Our comprehensive solution guarantees hassle-free and effective tracking capabilities, empowering you to stay ahead of the game and focus on what you excel at: marketing

Setting up Conversion Booster is a breeze. No more struggling with technicalities or wasting time on tedious processes. Once implemented, you'll gain access to best practices and continuously updated features that guarantee cutting-edge Server-side tracking and deliver optimal results for you.

We've built all the integrations so you don't have to. We have plug and play integration for the most used e-commerce like Shopify, Magento, Woocommerce, Prestashop and many more. If we do not have integration we got you converted with our easy-to-use custom platform setup and support all the way through.

Conversion Booster for Google Ads offers built-in functionalities, including:

- **Auto Deduplication:** Prevents double-counting conversions
- **Server-side Enhanced Conversions:** Provides Google with 100% of the first-party data from your e-commerce backend
- **Combination of Client-side (Google Ads tag) and Server-side Tracking:** Offers the best of both worlds, including view-through and cross-device attribution.
- **Auto Fallback to Google Offline Conversion Import:** Uses Gclid, the NEW Wbraid, and Gbraid when the Google tag on the "thank you page" script fails.
- **Control over Revenue Conversion Value:** Allows for including or excluding VAT.
- **New Customer Tagging:** Enables bidding differently for new and existing customers.
- **Compatibility with Consent Mode:** Facilitates modeled conversions from users who do not opt-in to cookies.

Conversion Booster for Google Ads has a proven track record of increasing conversion tracking in Google by an average of 17%. Just imagine capturing 17% more purchase signals and the impact it can have on improving performance in Google's bidding algorithms. This boost can significantly enhance your advertising campaigns and provide you with a competitive advantage. Remember, Google's bidding AI is only as good as the data and signals it receives. More data means better results

But don't just take my word for it – take a look at our impressive case studies showcasing the outstanding results achieved with Conversion Booster. Discover how businesses like yours have witnessed remarkable improvements in conversion tracking.

Case #1

25% increase in tracked conversions

Avg. CPC	Clicks	Regular Google ads tracking (Gtag)	PM Conversion Booster
DKK2.45	866,190	27,180.99	34,219.15

Case #2

33% increase in tracked conversions

Avg. CPC	Clicks	Regular Google ads tracking (Gtag)	PM Conversion Booster
DKK1.56	26,151	1,210.71	1,618.04

Case #3

8% increase in tracked conversions

Avg. CPC	Clicks	Regular Google ads tracking (Gtag)	PM Conversion Booster
DKK3.76	32,904	482.36	524.86

Case #4

29% increase in tracked conversions

Avg. CPC	Clicks	Regular Google ads tracking (Gtag)	↓ PM Conversion Booster
SEK4.72	11,015	193.49	249.21

Case #5

18% increase in tracked conversions

Avg. CPC	Clicks	Regular Google ads tracking (Gtag)	PM Conversion Booster
DKK2.10	59,305	345.60	409.91

Case #6

16% increase in tracked conversions

Avg. CPC	Clicks	Regular Google ads tracking (Gtag)	PM Conversion Booster
DKK4.56	11,457	773.87	905.66

We understand the frustration that occurs when tracking suddenly ceases, particularly during crucial periods like weekends or important marketing events. Debugging these issues can drain your valuable time and resources. However, with Conversion Booster for Google Ads, you can bid farewell to these concerns.

By choosing Conversion Booster, you're investing in a reliable and cutting-edge Google Ads tracking solution. No more headaches of troubleshooting tracking problems. Let ProfitMetrics handle the technical aspects while you focus on delivering exceptional marketing results.

Experience the simplicity of setup our, gain access to the latest features in Google Ads, and have full confidence that your tracking is in capable hands. Prepare to witness remarkable improvements in conversions, enhanced performance, and ultimately, achieve greater success.

Don't delay any further – book a demo today to discover more about Conversion Booster for Google Ads and witness how it can revolutionize your Google Ads performance.

Book a demo on ProfitMetrics.io. ([Book a demo](#))



Frederik Boysen

CEO & founder of Profitmetrics.io

Book Demo
Scan here!

