

# Conversion Tracking Essentials

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‘Conversion tracking’ is like a technology fear trigger word. As soon as the average business owner hears the word ‘tracking’ they often freak out. Pie charts and graphs start floating through your head, followed by little bits of Javascript.

Conversion tracking is a critical part of any remarketing system, and all the main platforms let you track conversions. So let us allay your fears and talk you through it.

First, if you’ve struggled with conversion tracking in the past (or if you’ve completely ignored it), you’re in good company. I (Jonathan) can’t remember ever taking on a Google Ads client where everything was set up right. Recently I took on client who had accidentally installed the conversion tracking code three times on his website, causing three times the number of conversions to be reported. Which is like swimming in a swamp when you can’t see the alligators.

## What is a conversion?

In simple terms a conversion is any event that happens online in the build up to a sale. It’s any event you want more of.

If you run an online store, a conversion could be an online sale, which is the easiest conversion to measure. The farther away your conversion tracking is to the monetary transaction, and harder conversion tracking becomes. The thing you report as a conversion in Google or Facebook should be the online action that is closest to the sale.

Each conversion can be given a value. This could be the actual sale value in an ecommerce transaction, or an average value for a lead or phone call based on historical close rate.

## Different platforms won’t tally up

People run into problems with conversion tracking trying to tally up numbers from Google Analytics, Google Ads, Facebook, their merchant account, and other places. Different platforms track and measure conversions in different ways, so you’re best looking at your conversion numbers in relative terms, rather than absolute.

In other words, how many conversions have you had this month, compared to last? Which keywords have driven the most conversions? That’s enough to make better decisions overall, even if the numbers don’t tally up across platforms.

It’s worth remembering that Google Analytics is NOT Quickbooks. Your cash register or accounting system is where your real down-to-the-penny accounting happens. You should not consider your tracking to be a substitute for your record keeping. Conversion tracking is a marketing decision-making aid – nothing more or less.

The thing you want in your tracking is directional accuracy. In other words, do the numbers from different sources roughly tally up? On the web there are different browsers, different technologies, ad blockers, meaning different numbers will always be reported differently. No tracking is 100% accurate. Your website visitors won't interact correctly with your tracking scripts 100% of the time.

Many platforms use different attribution models, which is why you see different figures. In a maze follow-up system, a single person is likely to visit your website more than once, from different platforms and devices. Maybe first from Google, then Facebook the day after, then from email the day after that. The question is, which visit do you assign credit to when the customer eventually buys? That's called the 'attribution model'.

You could attribute credit to the last click, which generally makes sense when analysing your PPC performance. The last click is usually the most important one. But it's quite possible the final click wouldn't have happened without the clicks preceding it. So your conversion numbers aren't really a true picture of the situation. We call the preceding clicks 'assisted conversions', a bit like a player might be credited with an 'assist' in a soccer match.

You WILL see different reports from Google Analytics, Google Ads, Facebook and so on. But the differences matter less than the overall trends.

Periodically you need to do a 'sanity check'. Ignore all the tracking, and ignore all the systems. Just go and look at your bank statements and payment processor, and compare ad spend to revenue. The numbers you see will never match those in your analytics, but they should be in the same ballpark. If not you need to review how you are tracking conversions.

The only true measure of 'conversions' is the money in your bank account, and that's only correct because it's the number you enter on your tax return! Every other conversion number is really an interim measure that sits between the click and you being paid.

As you build out your maze remarketing strategy, people will see more ads from you across more platforms, increasing the volume and importance of assisted conversions. Before they buy, people will feel like you're 'everywhere'. Which makes it very hard to say how much revenue each individual ad generated.

## Tracking Conversions Offline

I (Rob) mostly work with companies generating leads, rather than ecommerce providers. I'm always trying to get clients to track conversions offline.

Rather than recording the average value of an online action (such as a meeting request or phone call), you can actually track individual leads through to eventual sales. This is called offline conversion tracking. Which is great in theory, but requires human involvement (so can easily fall apart).

This is why reporting the closest online action to the sale can be more effective, simply because it's calculated online with no human involvement. By using an average conversion values you're using

assumptions to make better decisions, because not all conversions will truly have the same value. Average numbers always hide outliers.

When a potential customer fills in a web form or phones up, you have to get something called the 'Google click ID' - which is a unique string appended to all Google clicks. You then store that ID against the contact record in spreadsheet, or in your CRM system. When the customer eventually buys, you upload the sale value and the click ID back into Google, and Google record the conversion with the actual sale value against the original click.

Which in theory is great, but I've only ever had one client manage to do it properly. The problems are workflow-related – getting somebody to systematically record and upload the click ID's. But if you can implement the process it greatly improves the quality of your conversion data, because you begin to see which conversions are more valuable than others. It might be that some keywords are attracting conversions from the wrong type of person, who subsequently rarely buy.

## Tracking Phone Calls

Many advertisers are good at tracking online conversions. Few advertisers are good at tracking phone calls. Especially because tracking phone calls from multiple ad platforms (Google, Facebook, LinkedIn, Twitter) requires a paid call tracking service.

There are a number of great third party call tracking platforms. If phone calls are a primary way you do business, you should consider one of these options. In the US we recommend CallRail. In the UK we recommend MediaHawk. This is just based on our personal experience – there are other excellent options available.

These solutions bridge the gap from online to offline. When somebody calls your phone number, the call is first routed through the call tracking software and the click history recorded. You can't ask people what they searched for, because they won't remember. It's more effective to record this automatically using a tool.

If you invest in one of these tools, it should become the primary way your call operatives manage phone calls. All of these systems will let you rate or score phone calls in real time. Most of these solutions will record calls so you can analyse and optimise your call scripts.

## Tracking Live Chat Interactions

Live Chat interactions are commonly overlooked. The people who initiate a live chat on a sales page are often hot prospects, plus the questions people ask can be insightful for improving your web page content. If people keep asking the same question, then check that question is being answered in the page content.

The challenge from a tracking perspective is that somebody who initiates a chat doesn't end up on a separate page where you can add your conversion tracking code. So you're reliant on the options within your live chat tool.

## Macro vs Micro Conversions

A live chat is what we would normally call a 'micro conversion'. It's rare you'll close a sale on a live chat, but it may well lead to a sale in the future. Some of your conversions will be further from the sale, and therefore have a lower value. Which is why looking at conversion volume is less useful than looking at conversion value.

Let's say you sell a product for \$100. You know that one in twenty live chat requests leads to a sale, averaging the value of each live chat interaction at \$5.

If one in five people who fill in a web form eventually buy the same product, then your web form conversion value is \$20.

If one in three phone calls results in an order, the value of a phone call conversion is \$33.

Based on this insight, phone calls and web forms are your macro, or main conversions. Live chat interactions are a micro conversion. Other micro conversions could be video views, or time on site. You might find that people who convert spend a minimum of five minutes on your website. If you can attract more people who will spend more time on site, you'll very likely increase your sales.

It can be helpful to think of conversion value as points, rather than currency. So if an ad generates a phone call, that's 33 points. You might start by guessing at the conversion value of different actions, and refine the values as you gather data.

Assigning values to different conversion actions is useful because traffic sources in your maze will drive higher value conversions than others. Ultimately you want to optimise your ad strategy for profit, rather than for volume of conversions.

Having said that, there is nothing 'wrong' with micro conversions. In general, there should be a correlation between your overall number of micro conversions and your overall number of macro conversions. If you don't have enough macro conversions to make any decisions, then zoom out a little and consider more of your micro conversions.

On an ecommerce store, a micro conversion could be when somebody clicks the 'add to cart' button. Unless there is a problem with your shopping cart, increasing this number should lead to more eventual sales. Micro conversions support macro conversions and aid your decision making.

Occasionally you may optimise for a micro conversion, and find that few if any of those people actually buy, which is why you still need to monitor the correlation between micro and macro conversions. But overall we're looking to make better decisions overall. Micro conversions are the breadcrumb trail between the click and a high value sale.

I (Rob) figured out that people are more likely to hire me if they've read one of my books. So in my ad spend I optimise for book sales, because more book sales always leads to more consulting work down the road.

## Assumption adjustments

You have to periodically review the assumptions you've made about conversion values. If you decide to optimise for phone calls, you may eventually realise those customers don't stick around, or have a low customer lifetime value.

The conversion values you set are just a model of the real world potential customers interact with your ads. Over time you may need to adjust the model, which may mean optimising for different conversions or adjusting your conversion values.

## Over-Optimisation

Sometimes you may make a change to your ads strategy, and notice that something else dies off. For instance, we've worked with clients whose Google remarketing conversions dried up when they shut off their unprofitable Facebook ads.

Why exactly is that?

By running ads on multiple platforms you create interdependence between different traffic sources. You can no longer isolate and compare the performance of LinkedIn, Google Display and Facebook, because to varying degrees each influences the others.

It's a mistake to look at your conversion numbers and think: "hmm... \$12 per conversion on Facebook... \$4 per conversion on Google Display... let's switch off Facebook." In all likelihood your Facebook ads are contributing to your Google Ads conversions.

Google have understood this for a while, which is why in your Google Ads columns there's a column called 'Assisted Conversions'. A cynical mind might argue that Google are attempting to justify the value of their display network clicks. But in my experience assisted conversions are more common than you might think.

When you start tying together multiple media, the number of assisted conversions goes haywire. People see you in multiple places and every conversion usually comes with a handful of assisted conversions. The whole picture is greater and more complex than the isolated sum of the parts. The problem is you can't measure this natively within any one platform. The 'Assisted Conversions' column in Google Ads won't tell you how many people saw a Google ad and converted later on Facebook. Or vice versa.

Which isn't to say you shouldn't attempt to measure performance across all your platforms. It just helps to understand that all conversion figures are approximate and only a representation of the real situation. You're simply trying to gather enough data to make sensible and mostly correct decisions. But switching off your Facebook ads to increase your Google conversions is like amputating your arm in an attempt to sprint faster.

You also need to account for seasonal differences. December is my (Rob) worst month for selling copywriting projects, because people simply aren't around. But it's a great month for selling books and memberships, as those same people actually have time to read over Christmas.

## Tracking for long sales cycles

If you sell over a long sales cycle, you need to track a contact's traffic history in your CRM system. For instance, Google will only record conversions within 90 days of a click. If people buy over 9 or 12 months, you might find yourself analysing the performance of different traffic sources using data from your CRM system.

Storing a contact's traffic source information allows you to see which customers have the highest customer lifetime value. You may find that some keywords deliver a high volume of one-time transactions, but others deliver customers who keep returning. Having access to this data serves as a useful check before you make major changes to your advertising strategy.

Another way to use data from your CRM system is to look for commonalities in traffic source across your high value customers. If you notice that many of your highest spending customers live in a certain area, or search for certain keywords, then adjust your ads strategy to spend more in those places.

You can also export your high value customers and upload them to all the main ad platforms. You can then advertise to them directly, or create something called a 'lookalike' audience, which is people who Google and Facebook think look like your best customers.

## Getting started with conversion tracking

The good news is that at a basic level, conversion tracking on Google, Facebook, LinkedIn and Twitter now uses the same javascript code base as remarketing. If you've already added the remarketing tracking code to your website, you're partway there.

On Facebook, you simply need to create a 'custom conversion', and tell Facebook what the URL of your thank you page is (the page a person ends up on after completing the form). Facebook give you a set of more advanced options called 'events', but these aren't necessary to get started. We recorded a podcast episode about the more advanced aspects of Facebook conversion tracking, which you can access free at <https://utm.io/uiwP>.

LinkedIn and Twitter work in a similar way to Facebook, where you install a global tracking code and then specify a thank you page. On Google, you'll then need to add some additional code to just your thank-you pages.

To track phone calls from your website, you need to be comfortable adding javascript to the page where your phone number appears.

It is important that your tracking is setup right from the beginning. If you aren't technical, this is something to consider getting help with. If you would like help, complete the form on the Maze Mastery website (<https://utm.io/uiwQ>).

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