Every ad number, explained like you're new

One campaign, followed all the way from "people saw it" to "money came in." Real formulas, no jargon.

Marketing isn't creativity. **It's arithmetic with money attached.** Every metric below is one number divided by another — and each one tells you exactly where to look next.

THE ONE CAMPAIGN WE'LL FOLLOW

You spend **$100**. Here's what happens to it, step by step. Every number below comes from the two above it.

STEP	WHAT IT MEANS	COUNT	THE METRIC
Impressions	Times your ad appeared on a screen	**12,500**	`CPM = $8`
Clicks	People who tapped it	**250**	`CTR = 2%` · `CPC = $0.40`
Landing page views	People whose page actually loaded	**200**	`80% of clicks`
Leads	People who filled the form	**20**	`CPL = $5`
Clients	People who actually paid	**2**	`CAC = $50`
Revenue	Money in, at $1,000 each	**$2,000**	`ROAS = 20×`

Illustrative numbers, chosen so the arithmetic is easy to follow — not results from any account.

THE FORMULAS — CHECK EVERY ONE YOURSELF

METRIC	IN PLAIN WORDS	THE MATHS
CPM cost per 1,000 views	What it costs to be seen a thousand times. Goes up when lots of advertisers want the same people.	`$100 ÷ 12,500 × 1,000 = $8`
CTR click-through rate	Out of everyone who saw it, how many tapped. **This is your ad, not your audience.**	`250 ÷ 12,500 = 2%`
CPC cost per click	What one tap cost you.	`$100 ÷ 250 = $0.40`
LPV rate landing page views	How many clicks survived the page loading. Losing 20% here is normal; losing 50% means a slow page.	`200 ÷ 250 = 80%`
CVR conversion rate	Out of people who saw the page, how many filled the form.	`20 ÷ 200 = 10%`
CPL cost per lead	What one interested person cost.	`$100 ÷ 20 = $5`
CAC cost to get a customer	What one *paying* customer cost. The number that decides if you have a business.	`$100 ÷ 2 = $50`
ROAS return on ad spend	For every $1 in, how many came back.	`$2,000 ÷ $100 = 20×`

THE ONE FORMULA WORTH MEMORISING

These three numbers *are* your cost per lead. Nothing else:

`CPL = CPM ÷ (1,000 × CTR × CVR)` → `$8 ÷ (1,000 × 0.02 × 0.08) = $5`

Here CVR is measured from **clicks**, not page views: 20 leads ÷ 250 clicks = 8%. And that 8% is itself two numbers multiplied — 80% of clicks reached the page, then 10% of those filled the form.

So there are only three ways to make leads cheaper: pay less to be seen, get more people to tap, or get more of them to fill the form. Every tactic you'll ever read about is one of those three wearing a costume.

HOW TO FIND THE BROKEN STEP IN 30 SECONDS

Start at the top and stop at the first number that looks wrong. That's your problem — everything below it is a symptom.

CPM high?	You're bidding against too many people, or your audience is too narrow. Widen it.
CPM fine, CTR low?	**Your ad is the problem.** Not the targeting. The hook, the first frame, the first line.
CTR fine, few page views?	Your page is slow. They tapped and left before it loaded.
Page views fine, no leads?	The page or the offer. They arrived, read it, and weren't convinced.
Leads fine, no sales?	Not an ads problem at all. It's follow-up speed or the sales conversation.

⚠️ THE NUMBER THE PLATFORM SHOWS YOU IS NOT THE NUMBER

> **This is the one that costs people real money.**
> Ad platforms count conversions generously. They'll claim a lead that never reached your CRM, count one person twice, or credit themselves for someone who was coming anyway. In accounts I've audited, the platform's reported count has run
> **far above**
> what the CRM actually received.

The damage is arithmetic. If the platform reports **double** the leads you really got, your CPL looks **half** what it is. Then you scale the campaign, because the fake number says it's working.

The fix takes one habit: count leads in your CRM, not in the ads dashboard. Divide spend by *that*. Every number on this page should be calculated from the system where the money and the humans actually are.

The long version is on the blog. I post one video a day for 30 days about what I learned in corporate — it starts here.

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