ADSWIZARDS / RESEARCH · APPLIED ANALYSIS / 2026

The Moving Baseline

When a 36% reported CPA improvement is not a scaling decision.

> **Same $40,000 monthly spend. Reported CPA falls 36%. Click-only CPA rises 4.6%. Funded customers barely move. Which number decides the budget?**

−36.0%	−5.9%	+4.6%
REPORTED CPA	EXCLUDING VTC	CLICK-ONLY CPA

Fully synthetic example: all campaign, asset and CRM counts are constructed.
A measurement-comparability stress test, not an empirical estimate of Google's 2026 changes.
Includes Technical Appendix. October 2026 — product details may change; reverify before reuse.

RESEARCH · APPLIED ANALYSIS

The Moving Baseline

When a 36% reported CPA improvement is not a scaling decision.

STATUS Applied analysis, v1 · Lei · October 2026 · **EVIDENCE** Fully synthetic model. Calculated — arithmetic on the synthetic model. Documented / Reported — Google product definitions and rollout timing, tagged by source tier in Appendix D. Position — AdsWizards' decision rule. Sources validate the product timeline, not the numbers.

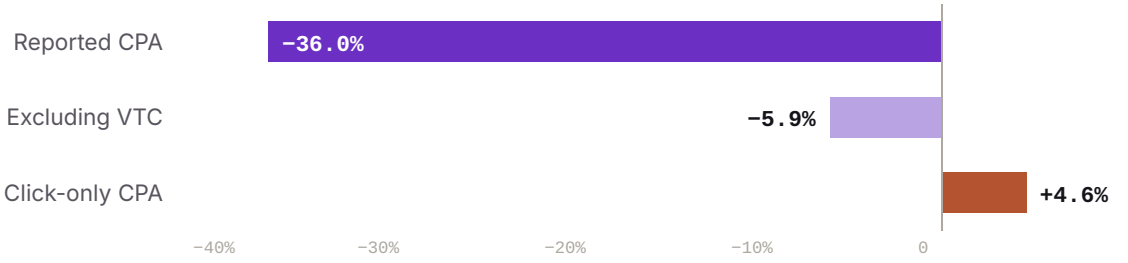
A CFD broker sees acquisition CPA fall from $50 to $32 at the same $40,000 monthly spend. The team proposes a 30% budget increase.

Before approving it, split the credited conversions by interaction type and check what happened to funded customers.

Your reported CPA dropped 36%. Would you increase the budget?

Figure 1 · Calculated

CPA change, June → August, same $40,000 monthly spend



Same monthly spend. Three attribution-based readings — not three estimates of incremental acquisition cost. Reported CPA $50.00 → $32.00; excluding VTC $50.00 → $47.06; click-only $58.82 → $61.54.

The fully synthetic example compares a June portfolio containing standalone Display with an August portfolio containing Demand Gen Display inventory. It is a measurement-comparability stress test, not a before/after experiment proving that Google's product changes caused the difference.

01

The ranking flips

AUGUST INVENTORY	INCLUDING ELIGIBLE VIDEO VTC	EXCLUDING VTC
Demand Gen Display	**$30.00**	$51.43
YouTube	$33.85	**$44.00**

With eligible video view-through conversions included, Display looks cheaper. Exclude them and YouTube looks cheaper. That changes the apparent winner without changing a dollar of spend.

The example's August Display VTCs are explicitly attributed to video assets, with VTC-optimised bidding enabled for eligible primary conversion actions.

02

Removing VTC is not enough

June records 680 click-through and 120 engaged-view conversions. August records 650 click-through, 200 engaged-view and 400 eligible video VTCs. The non-VTC denominator still changes composition: engaged views rise from 15% to 23.5% of non-VTC conversions. Non-VTC CPA is therefore a useful diagnostic cut, not a stable control metric by itself.

The click-only CPA moves from $58.82 to $61.54 (+4.6%). This is a reporting comparison; click attribution alone cannot establish incremental customer acquisition.

03

Why the baseline can keep moving

Google's 2026 Demand Gen changes touched audience expansion, inventory migration, VTC-optimised bidding, billing and measurement. A plausible feedback loop:

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eligible event definition changes → bidding signal changes → delivery mix may shift → reported performance changes → budget decisions reinforce that mix
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Each arrow is a hypothesis to investigate using dated settings, event-type reports and inventory allocation — not a causal finding from this model.

04

The business outcome tells a different story

The synthetic June registration cohort produces 120 first-time depositors by D30 from 600 CRM registrations (20.0%). August produces 118 from 625 (18.9%). Monthly spend divided by D30 cohort FTD moves from $333.33 to $338.98. This is a directional proxy, since calendar spend and registration-cohort acquisition costs are not perfectly aligned.

Comparing a young August cohort at D7 (9.4%) with a mature June cohort at D30 (20.0%) would create an even larger false alarm. Compare cohorts at equal age, with deduplicated CRM identities and consistent attribution.

05

Our position: protect the scaling decision

> **For CFD accounts bidding toward registration, AdsWizards does not treat VTC-driven CPA improvements as a sufficient scaling signal until the change is reconciled with KYC and funded-customer outcomes.**
>
> If that evidence is missing, hold the expansion decision and design a controlled configuration test with a feasible outcome and power calculation. VTC optimisation is a deliberate account-level choice — not a universal on/off rule.

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06 · Checklist

What we would do on Monday

Five checks before anyone touches the budget.

01	Export click, engaged-view and view conversion counts, windows, primary actions and campaign settings by date.
02	Reconcile registration → KYC approval → FTD by market and equal D7/D14/D30 cohort maturity.
03	Separate YouTube, Demand Gen Display and legacy standalone Display; check spend mix, video eligibility, placements, creative/policy constraints and migration dates.
04	Audit Tag Gateway, enhanced conversions, duplicates and offline imports.
05	Decide whether the evidence supports scaling, a bounded test or a measurement repair first.

07

The decision is the deliverable

A measurement diagnostic should end with a budget recommendation: scale, hold, test or fix the signal — and the evidence required to change that decision.

AdsWizards Lab examines where platform reporting and funded-customer economics diverge, then turns the findings into an acquisition decision. Full assumptions, cohort tables, decomposition, the 2026 timeline and sources follow in the Technical Appendix.

TECHNICAL APPENDIX

Synthetic model, product timeline and source notes

The tables behind every number above. All campaign, asset and CRM counts are synthetic.

00 · Scope

Scope and comparability

This is an illustrative measurement-comparability stress test, not an empirical estimate of the impact of Google's 2026 changes. June includes standalone Display and does not use VTC-optimised bidding. August uses Demand Gen Display inventory with video assets and VTC-optimised bidding enabled for eligible primary conversion actions (1-day VTC window). Reported CPA is a blended portfolio measure, not a stable single-campaign comparison.

A

Three performance readings

METRIC	JUNE	AUGUST
Monthly spend	$40,000	$40,000
Reported conversions	800	1,250
Eligible video VTC	0	400
Non-VTC conversions	800	850
Click-through	680	650
Engaged-view	120	200
Reported CPA	$50.00	$32.00
Non-VTC CPA	$50.00	$47.06
Click-only CPA	$58.82	$61.54

Reported CPA change: −36.0%; excluding VTC: −5.9%; click-only CPA change: +4.6% (deterioration). These are attribution-based views, not incremental CAC estimates. Non-VTC also mixes click-through and engaged-view outcomes; its composition is not held constant.

B

Inventory ranking and mix decomposition

INVENTORY CATEGORY	JUNE SPEND / NON-VTC	AUGUST SPEND / NON-VTC	AUGUST VTC
YouTube	$28,000 / 600	$22,000 / 500	150
Display*	$12,000 / 200	$18,000 / 350	250

*Display means standalone Display in June and Demand Gen Display inventory in August. "Within-category" therefore describes accounting yield within an inventory label under different buying configurations; it is not a causal within-channel performance estimate.

AUGUST CATEGORY	CPA INCL. VTC	CPA EXCL. VTC
YouTube	$33.85	**$44.00**
Demand Gen Display	**$30.00**	$51.43

Non-VTC conversion yield per $1,000 of spend rises from 20.00 to 21.25. Using June spend shares for the baseline, the three-term identity gives mix −0.71, within-category yield change +1.74 and interaction +0.22 = +1.25.

$$\Delta r = \Sigma(\Delta s_i \times r_{i,June}) + \Sigma(s_{i,June} \times \Delta r_i) + \Sigma(\Delta s_i \times \Delta r_i)$$

An August-weighted within term absorbs the interaction; do not combine conventions. This decomposition is an accounting identity, not a causal estimate.

C

Cohort maturity and downstream outcomes

CRM REGISTRATION COHORT	UNIQUE REGISTRATIONS	FTD D7	FTD D14	FTD D30
June	600	65	99	120
August	625	59	91	118

June D30 conversion rate: 120/600 = 20.0%; August D30: 118/625 = 18.9%, a 1.1 percentage-point difference. August D7: 59/625 = 9.4%. The D14 absolute gap is larger than the D7 gap, so no monotonic narrowing claim is made. Both cohorts have matured by the October publication date. Google Ads reported conversions differ from deduplicated CRM people by design; reconcile IDs, timestamps and attribution before interpreting the gap.

Spend / D30 cohort FTD: June $333.33; August $338.98. This is a directional proxy unless media cost is consistently allocated to the actual registration acquisition cohorts, accounting for lag and cross-channel touchpoints.

D

2026 change timeline

TIMING	LAYER	ACCOUNT-LEVEL CHANGE / CLAIM	EVIDENCE STATUS
March 2026	Audience	Lookalike suggestion mode by default; opt-out mechanism	Rollout timing: secondary
April 2026	Bidding	VTC-optimised bidding introduced in Open Beta	Google Help + industry
From June 2026	Inventory	Display-to-Demand Gen migration tooling; continuing into 2027	Industry / notices
15 July 2026	Billing	Discover VTC-optimised CPC → CPM	Reported: secondary
August 2026, rolling	Bidding	Video-only eligible VTC bidding; default for new campaigns	Google Help + industry
October 2026, rolling	Attribution	Demand Gen Display view threshold reported to change	Definition: Google Help; date: secondary
13 October 2026	Measurement	Tag Gateway 20%+ conversion uplift claim; Data Strength Uplift	Google announcement; internal analysis

Google's VTC-optimised Demand Gen help describes a view as ≥1 pixel on-screen for any duration; general Display Active View guidance describes 50% on-screen for ≥1 second. The pages address different contexts. Do not infer an exact universal switch date from the definition alone. Google's reported Tag Gateway conversion uplift does not independently establish incremental funded customers.

E

Diagnostic and decision protocol

CHECK	EVIDENCE	DECISION USE
Event types	Clicks / engaged views / views, windows, primary actions	Identify denominator changes
Measurement	Tag Gateway, enhanced conversions, offline imports, duplicates	Identify capture changes
Inventory	Spend, asset types, placements, policy, migrations	Explain mix and eligibility
CRM cohorts	Registration → KYC → FTD at matched maturity	Check funded-user quality
Signal choice	Primary actions, volume, predictive validity	Choose a viable optimisation event
Experiment	Hypothesis, design, minimum detectable effect, power	Determine what can be tested

With roughly 120 FTDs per month across the synthetic account, small FTD effects may be difficult to detect quickly. A VTC setting test measures configuration sensitivity and its downstream consequences; incrementality requires an appropriate causal design. Label findings observed, calculated, inferred or unidentified.

Default decision rule for registration-optimised CFD accounts: do not scale solely on VTC-driven reported CPA improvement; reconcile funded outcomes first, then decide scale / hold / controlled test / measurement repair.

F

Sources

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https://granularmarketing.com/google-ad-updates/october-2026-google-ads-update-demand-gen-changes-view-through-conversion-reporting/

Sources describe product definitions and reported rollout timing. They do not validate the synthetic numerical example, which is disclosed as a constructed illustration.

BEFORE YOU SCALE

Need to know whether your reported CPA improvement justifies scaling?

We reconcile platform reporting with KYC and funded-customer outcomes, then turn it into a budget decision: scale, hold, test or fix the signal.

Request a Growth Infrastructure Assessment →

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