Your Google Ads Account Is Hitting Its Targets, So Why Isn't The Business Growing?

Smart Bidding is optimized to achieve its targets, not necessarily to grow the business. That's why an ad account can consistently hit its Target CPA or Target ROAS while revenue, profit, and overall business growth barely change.

Unfortunately, this is often the result of a disconnect between advertising metrics and business reality. The algorithm keeps optimizing toward the goal it was given, even when that goal is no longer the bottleneck to growth.

That disconnect may become even more important following Google's August 17 bidding update. Google has indicated that budget-constrained campaigns using tCPA and tROAS will now be pulled closer toward their stated targets rather than significantly outperforming them.

In practical terms, the number in the target field in account settings should no longer be viewed as a suggestion. It's an instruction.

If that instruction is outdated, Smart Bidding may execute it more faithfully than ever.

Which raises an important question: *What causes an account to hit its goals while the business itself stops growing?*



7 Reasons The Google Ads Account Looks Healthy While Business Growth Stalls

1. The Target Was Never Tied To Margin

Very few targets in the ad platform get revisited as COGS, shipping rates, overhead, product mix, and customer behavior shift over time.

Most ROAS and CPA targets get set once and forgotten.

They come from historical performance, an industry benchmark, or a number that felt safe at the time. Very few get revisited as COGS, shipping rates, overhead, or product mix shift.

A 4.0x ROAS on a product line running a 20% margin produces a completely different financial reality than a 4.0x ROAS on a line running 60%. If your targets don’t reflect current unit economics, hitting them might mean breaking even or acquiring customers at a loss while the ad account reports a massive win.

See also: How To Calculate Your ROAS & Ways To Use It

2. The Easiest Conversions Come From Existing Customers

Smart Bidding tends to favor the audiences and queries most likely to help it achieve its target. Returning customers and people already familiar with your brand convert faster and cheaper than cold prospects, so bids naturally drift toward them.

An account can hit every target on paper simply by repeatedly converting people who were going to buy anyway. The metrics look strong, but the actual customer base never expands.

See also: The Conversion Setup Errors That Break Smart Bidding

3. Brand Terms Are Claiming Credit For Existing Demand

Accounts weighted heavily toward branded search or retargeting tend to post the best ROAS in the portfolio. In many businesses, a significant share of that revenue would have arrived anyway through organic search, direct traffic, or existing customer demand.

When those campaigns take full attribution credit, reported ROAS climbs while true incremental revenue stays flat. The account looks like it's growing when it's really just attributing performance to Google Ads.

See also: The PPC Clean-Up: How to Audit and Fix 'Value Inflation' in Google Ads

4. The Conversion Action Is A Proxy, Not A Sale

Lead generation and B2B accounts frequently optimize for form fills, PDF downloads, or booked calls. Those are reasonable proxy signals, but they aren't revenue.

- **Lead quality drift:** The algorithm learns to find more people who submit forms, not more people who buy. Over time, it gets exceptionally efficient at finding people who fill in forms, whether or not they ever buy.
- **The missing feedback loop:** If closed-won data never makes it back into Google Ads, the system has no way of knowing which leads mattered. It can only count submissions.

The ad account can produce a record month of conversions while the actual sales pipeline produces nothing new. In many accounts, the bidding system continues optimizing based on

historical conversion patterns long after the quality of those conversions has changed.



5. Efficiency Targets Are Capping Your Reach

Strict efficiency targets force the algorithm to sit out auctions that cost more, even when those auctions would have produced profitable, net-new volume.

Campaign Focus	Platform Metrics	What Happens to the Business
Efficiency-first	High ROAS / low CPA	Low impression share, restricted reach, capped volume
Growth-first	Moderate ROAS / higher CPA	Broader reach, more incremental revenue, higher net profit

A highly efficient campaign that has stopped growing is often doing precisely what its target allows.

The ceiling is in your account settings, not the market of new potential customers.

The highest-growth opportunities are often more expensive than the easiest conversions.

By insisting on an extremely low CPA or extremely high ROAS target, you're effectively telling the algorithm to ignore portions of the market that may still be profitable. The result is an account that becomes increasingly efficient while capturing less of the available demand in the larger market.

6. Every Conversion Is Treated As Equal

When every conversion is valued equally, Smart Bidding has no way to distinguish between your best customers and your worst customers.

Not every customer brings the same value to the table.

If bidding is built around immediate CPA, the algorithm will naturally favor price-sensitive, low-tier buyers who convert easily and churn just as fast.

For subscription models, SaaS, or any business where lifetime value matters, a wave of cheap acquisitions that cancel after month one will drag company growth down while the ad account reports stellar efficiency.

7. The Leak Is Downstream Of The Ad Account

Sometimes the ad account is doing everything right, but the rest of the business breaks the chain. Leads come in and sit untouched for three days. Orders arrive for products that are out of stock. Onboarding stalls out.

Google Ads can only deliver demand to the front door. If revenue leaks out between the conversion event and the balance sheet, no bid strategy will show it, and no bid strategy can fix it.

Where To Look First

Diagnosing these issues means asking questions the platform doesn’t prompt you to ask on its own:

- **Question the target:** When was the current tCPA or tROAS last set, and what was it based on? Can anyone in the room explain how it connects to current profit margins?

- **Question the customer mix:** What share of conversions and conversion value comes from new customers versus returning ones? Is that share stable, shrinking, or completely unmonitored?
- **Question the brand contribution:** How much reported revenue sits in branded campaigns? When non-brand spend rose in the past, did total business revenue rise with it, or did only the platform numbers move?
- **Question the conversion definition:** Is your primary conversion action a real sale, or something that merely might become a sale? How often do those conversions turn into revenue, and does the account ever find out?
- **Question the constraint:** Is impression share being lost to rank on campaigns that are hitting target? Is the account limited by demand, or by what the target allows?
- **Question what happens after the click:** How fast are leads contacted? What's the close rate on paid search leads compared with other channels? Are there stock or capacity issues the account doesn't know about?

Hitting The Target Isn't The Goal – Growing The Business Is

Success in Google Ads answers one question: Did the ad account hit the target it was instructed to hit?

Business growth answers a different question entirely.

What really matters is whether that target still reflects what the business needs to grow. Until someone compares Google Ads targets and conversion goals against actual financial results, the bidding algorithm can appear highly successful while business growth remains flat.

Key Takeaways

- **Targets are instructions:** Smart Bidding optimizes toward the number it's given, and since August 17, budget-limited campaigns deliver much closer to that number instead of beating it.
- **Efficiency isn't growth:** A strong ROAS can easily coexist with zero incremental revenue when conversions skew toward returning customers or branded demand.
- **Conversions aren't revenue:** Proxy actions and equal-weighted goals can reward the account for volume the business doesn't actually need.
- **Not every problem lives in the ad account:** Fulfillment delays, slow sales follow-up, and capacity issues can completely sever the link between ad performance and actual growth.



More Resources:

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https://www.searchenginejournal.com/your-google-ads-account-is-hitting-its-targets-so-why-isnt-the-business-growing/592942/