The \*\*ROAS\*\* (Return on Ad Spend) sheet in the Excel file is designed to help analyze the performance of advertising campaigns by calculating key metrics related to ad spend, conversions, and revenue. It provides a detailed breakdown of how much revenue is generated for every dollar spent on advertising. Here's a detailed explanation of the sheet:

### 1. \*\*Key Metrics and Calculations\*\*:

- \*\*Ad Spend\*\*: The total amount spent on advertising.

- \*\*CPC (Cost Per Click)\*\*: The cost incurred for each click on the ad.

- \*\*Clicks\*\*: The number of clicks generated by the ad campaign.

- \*\*Conversion Rate\*\*: The percentage of clicks that result in a conversion (e.g., a purchase).

- \*\*Transactions\*\*: The total number of conversions or transactions.

- \*\*Average Order Value (AOV)\*\*: The average revenue generated per transaction.

- \*\*Revenue\*\*: The total revenue generated from the ad campaign.

- \*\*ACoS (Advertising Cost of Sales)\*\*: The ratio of ad spend to revenue, expressed as a percentage. It shows how much of the revenue is spent on advertising.

- \*\*ROAS (Return on Ad Spend)\*\*: The ratio of revenue to ad spend, indicating how much revenue is generated for every dollar spent on advertising.

### 2. \*\*Formulas and Calculations\*\*:

- \*\*Clicks\*\*: Calculated as `Ad Spend / CPC`.

- \*\*Transactions\*\*: Calculated as `Clicks \* Conversion Rate`.

- \*\*Revenue\*\*: Calculated as `Transactions \* Average Order Value`.

- \*\*ACoS\*\*: Calculated as `Ad Spend / Revenue`.

- \*\*ROAS\*\*: Calculated as `Revenue / Ad Spend`.

### 3. \*\*Example Data\*\*:

- The sheet includes example data to illustrate how the calculations work. For instance:

- If the \*\*Ad Spend\*\* is $5000 and the \*\*CPC\*\* is $10, the \*\*Clicks\*\* would be 500.

- If the \*\*Conversion Rate\*\* is 5%, the \*\*Transactions\*\* would be 25.

- If the \*\*Average Order Value\*\* is $20, the \*\*Revenue\*\* would be $500.

- The \*\*ACoS\*\* would be 1000% (indicating high ad spend relative to revenue), and the \*\*ROAS\*\* would be 0.1 (indicating low return on ad spend).

### 4. \*\*Scenario Analysis\*\*:

- The sheet includes scenarios like \*\*Breakeven\*\* and \*\*Ideal\*\* to help understand different outcomes based on varying ad spend, product costs, and shipping fees.

- \*\*Breakeven Scenario\*\*: This scenario calculates the minimum revenue needed to cover the ad spend, product cost, and shipping fees.

- \*\*Ideal Scenario\*\*: This scenario shows the expected revenue and profit when the ad spend is optimized.

### 5. \*\*Expected Metrics\*\*:

- The sheet also includes expected metrics such as:

- \*\*CPC (Cost Per Click)\*\*: Expected cost per click.

- \*\*Conversion Rate\*\*: Expected percentage of clicks that convert into transactions.

- \*\*Average Order Value (AOV)\*\*: Expected revenue per transaction.

- \*\*Gross Margin\*\*: The percentage of revenue that remains after deducting product costs, taxes, and shipping fees.

### 6. \*\*Instructions\*\*:

- The sheet provides instructions on how to use it:

- Enter your \*\*ad spend\*\* in the specified cells.

- Fill in the colored cells with your data (e.g., CPC, conversion rate, AOV), and the metrics will automatically update.

### 7. \*\*Profit Calculation\*\*:

- The sheet also includes a section for calculating \*\*profit\*\* from the ad campaign:

- \*\*Earnings\*\*: Calculated as `Revenue \* Gross Margin`.

- \*\*Profit\*\*: Calculated as `Earnings - (Ad Spend + Agency Fee)`.

### Summary:

The \*\*ROAS\*\* sheet is a comprehensive tool for analyzing the effectiveness of advertising campaigns. It helps businesses understand how much revenue they are generating relative to their ad spend, and it provides insights into key metrics like CPC, conversion rate, and AOV. By using this sheet, businesses can optimize their ad spend and improve their return on investment (ROI).