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Attribution Whitepaper

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Driving Brilliant Cross Channel Performance™

Attribution Whitepaper
2015

Introduction

Tim Elkington, Chief Strategy Officer, IAB UK

Effective attribution is one of the holy grails of digital advertising, but is increasingly complicated in a multi-device world where consumers research and buy things using different devices in different locations. So how can we get attribution right and what are the steps we can take to make sure we can use the conclusions generated to maximise the Return on Investment from digital marketing?

This whitepaper is a collection of the latest thinking on attribution from IAB members and explores attribution models that go beyond the 'last click wins' principle.

Google argues that although the right technology is essential, an effective attribution strategy also relies on achieving stakeholder buy-in from across an organisation. They also stress the need for both technical knowledge and effective communication to deliver an effective attribution programme.

Havas offers a clear step-by-step guide to getting started with attribution which emphasises the need to educate stakeholders in order to achieve buy-in and of testing and refining so that you get the most return from your work in the attribution space.

Mediacom acknowledges that although its widely accepted that 'last click' attribution is an overly simplistic approach to attribution, there are significant barriers to implementing alternatives. Different approaches, for example touchpoint and pathway analysis are then discussed and the pros and cons of each highlighted.

Quantcast is keen to emphasise the limits of the 'last click' attribution model in a multi-device world where people often chop and change between devices when making purchases. However Quantcast also go on to propose that there is no 'one size fits all' solution for attribution modeling and that different approaches will suit different objectives.

Visual IQ's contribution to the topic includes five best practices for managing the transition to effective attribution. Buy-in and education is again emphasised as attribution can be a multi-person and multi-teamed discipline. The need for a series of test and control experiments to identify and build on the right approach is also discussed before going on to implement learnings and maximise marketing effectiveness.

How to Get Your Data to Work for You with a Data-Driven Attribution Strategy

Natasha Moonka, Product Marketing Manager, Google and
Matt Brocklehurst, Product Marketing Manager, Google



Compared to marketers reliant on last-click or simple rules based attribution approaches, enterprises that embrace data-driven attribution gain a considerable advantage; these are the businesses that will succeed in solving the puzzle of cross-channel spend optimisation.

How can companies use their data more intelligently in attribution, and what are the challenges in transitioning to a data-driven attribution strategy?

Pressure to use marketing budgets more efficiently is increasing while the number of channels for reaching consumers are multiplying. Additionally, users are often interacting with multiple channels simultaneously as part of their purchase journeys. In this complex environment, companies are finding it more important than ever to establish methods of accurately attributing sales and business success to their marketing efforts in order to inform their future investments.

Driven by the understanding that a last-click approach falls short, a host of web analytics platforms have introduced enhanced capabilities. These include tracking and analysing consumers across multiple visits, as well as revealing which channel produced each site visit. While this cross-session visibility is a step in the right direction, it's still limited in two important ways. Not only does this approach tend to exclude off-site impressions, but it also requires the marketer to identify an attribution model in advance without considering how their business is unique.

In contrast, data-driven attribution uses your unique marketing data itself to build a true analytical model by capturing every possible variation of cross-session and cross-channel activities at the granular user level. This process accords no predetermined weight to first-click, last-click, linear or other channels. [Adometry by Google](#) is an example of a platform that provides analytics of this kind.

This strategy is complex, however, and must go beyond just the monetary investment of an attribution performance management platform. While the right technology is of course fundamental, an effective attribution strategy depends on coordination throughout the entire enterprise. Capturing usable data and then putting data-driven insights into action requires organisational silos to communicate and work together closely.

Essentially, companies need a combination of communication skills and technical knowledge to build a data-driven attribution programme. With that in mind, establishing primary attribution metrics is a good place to start. One of the central benefits of a data-driven attribution programme is that results are measured in a common, consistent way. Up until now, various channels have tended to measure, report and optimise according to their own metrics, so an organisation should audit those that are currently in use before agreeing on a limited set of attribution metrics to employ going forward.

At this stage, it's also important to have conversations with stakeholders from across all sides of the business (such as marketing, IT, e-commerce, analytics, etc.) about what's realistic in the world of

data capture. As much as we'd like for attribution to take in and know absolutely everything, there's always going to be some data that's just not available. Stakeholders need to understand what will and won't be included, and to be reminded that the objective is to gain actionable insights rather than omniscience.

Specifically, marketing channel owners are a key body of expertise to involve early in discussions, providing valuable input to inform the implementation of the new data-driven attribution programme. And because insights from attribution analysis will have an impact on the organisation's media mix down the line, it's critical to have buy-in for the attribution methodology from channel owners from the outset.

IT of course should play a pivotal role because it will have responsibilities in implementation and maintenance of an attribution solution. A company's IT department will also be able to explain where marketing data currently exists and how it can be integrated into the new programme going forward.

As well as looking at how data has been handled in the past, a business should include time and resource in forward plans toward maintaining the programme. Data will inevitably evolve in the future, with new channels always emerging on the horizon; a data governance plan at the outset should formalise where data lives, how it is integrated, when changes should be allowed and how changes would be executed.

In summary, companies looking to solve the attribution conundrum need to lay a solid foundation: a platform that puts data at the centre of the strategy, standard metrics in place for all channels, communication across organisational silos, a plan for integrating existing data and tactics for accommodating future permutations. With these components underpinning an attribution programme, it's possible to mobilise data to produce truly intelligent and fully-informed marketing investments.

Getting started with attribution

Ben Dudley, Head of Data Modelling, Havas Media Group

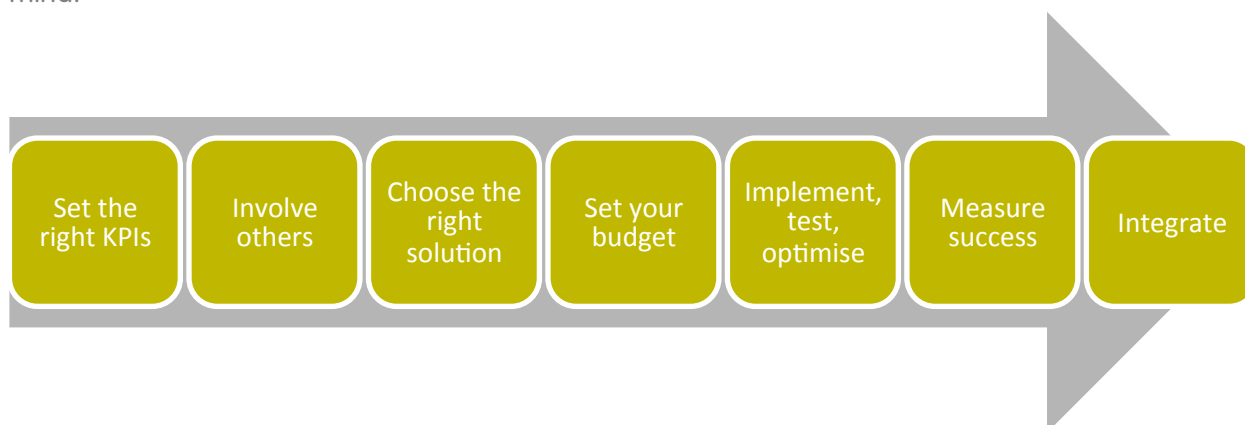


You're convinced; attribution is for you.

You understand how it works, at least conceptually, and the benefits it offers – from increasing your ability to answer questions on marketing performance through to understanding where to concentrate your efforts to improve results. You also understand the limitations and are able to communicate all this effectively to others.

Implementing attribution effectively is challenging, it could (and should) fundamentally change the way your business evaluates, plans, and implements all marketing activity - whether that's Owned, Earned, Shared or Paid.

So what do you actually need to do to implement it successfully? Below are the key things to bear in mind:



1. Set clear KPIs that are aligned with business objectives

All your activity needs to be working towards the same KPI – attribution won't work if different marketing channels, or departments, have different success metrics. This may take the form of a set of goals related to different conversion events such as downloads, content views or sales but, crucially, they must reflect overall business success.

2. Involve others early in the process

Getting the right people on board is crucial to success – you'll need their help, expertise and often resource. Get buy in by educating them on the benefits, showing them what success looks like and how you're going to measure it. Ensure they understand how it's going to benefit them, and that they know how to use the insights that are generated.

3. Choose the right solution for your business

There is no one-size-fits-all approach. Although data-driven attribution is the gold standard measurement approach, it isn't for everyone. Establish what marketing channels you use and what the quality and maturity of your data is. This will determine what you can realistically achieve and it may be that a simpler approach is the right one for your business at the moment.

4. Set your budget and justify the investment

Implementing an attribution solution will involve additional resource and capital cost but the right solution will create efficiencies and improve marketing performance – in short it should more than pay for itself.

You can forecast the value it will generate through optimisations both within and across channels by looking at your current spend levels and applying benchmark performance improvements. We typically find that overall improvements are in the region of 10 – 25% but, as the example below demonstrates, even smaller improvements can result in significant savings (or revenue opportunities). You can use this calculation to set the budget you're willing to spend on your attribution solution.

Example savings on a digital marketing budget of £1m per year:

	Low end	High end
Efficiency gain	5%	25%
Potential savings (profit)	£50,000	£250,000

5. Implement, test and optimise

So how do you use the insights most effectively? By applying a continuous process of analysing results, focusing on the areas in which you can make the biggest impact, and conducting a series of controlled experiments with predicted outcomes.

When you're doing this it's important for all stakeholders to appreciate that you're no longer judging the performance of a specific channel in isolation; you're considering overall marketing and business performance.

For example, if you find that exposure to Display activity improves search conversion by 20%, you might consider increasing Display budgets with the expectation that overall conversions will increase. Test this hypothesis, measure the outcome and adjust future activity accordingly. Similarly, results may suggest that some affiliates generate far more incremental conversions than others, allowing you to increase investment in them, or reallocate budget into better performing channels.

Where possible, you should also feed the results directly into media buying, for example you might need to adjust your PPC or programmatic display bids based on attributed metrics.

6. Measure success

You're already clear about what success looks like and now you've got the results to prove it but there are a few key things to bear in mind:

- You, and other stakeholders, should be (largely) convinced by the results, even if you don't like some aspects or they tell you something you weren't previously aware of

- It's important to monitor your attributed metrics and allow the business to consume these new benchmarks –everyone needs to develop confidence in the new metrics before turning the old ones off
- Tracking and communicating the return on investment from the attribution solution itself is key to embedding it within existing processes such as reporting, budgeting and forecasting

7. Integrate it with your other analytics

Attribution complements your existing measurement and data solutions, particularly econometrics (or marketing mix modelling). While econometrics provides a holistic overview of the business and performance of marketing channels, attribution can provide the specific impact of each keyword, site or creative.

Linking the insights from these two techniques can be very powerful. A simple but effective way to do this is to apply factors from your econometrics to your results – moving from gross to net attribution and ensuring that the attribution results you track truly reflect incremental business success.

Finally, get started

Use this as a guide as a starting point to implement attribution for your business – you'll improve the effectiveness of your marketing efforts and learn something interesting along the way. What are you waiting for?

Alternatives to last click wins

Matthew Wragg, Director, Mediacom

MEDIACOM

I think we're now in agreement that the days of using last click analysis to fully evaluate online efficiency are coming to an end and that multi-touch digital attribution holds the key to smartening our measurement surrounding digital performance.

Why then, have only a small number of businesses properly embraced this online analytics revolution?

It's probably due to the continued complexity, or at least perceived complexity, related to digital attribution. Like anything new, a myriad of different approaches and techniques currently exist, all of which claim to provide the perfect answer to attribution. Not surprisingly this makes education surrounding attribution confusing for businesses coming to this afresh, making it difficult to know where one should start.

Many digital marketers are therefore content to stick to simple outdated last-touch principles which they understand without the need to enter this attribution maze. And that's even before the need to then re-educate the rest of their equivalent marketing, finance & commercial colleagues as to how they are revolutionising their evaluation of digital performance.

With all this complexity in mind, we have tried to simplify some of these processes that surround attribution, and the different factors that must be evaluated & considered when deciding which solution to work with.

Data is King

Where possible always use 100% (or as close as possible) of your digital data within your attribution solution. Data is the fuel behind all your insight, so maximising this is crucial for accuracy & granular analysis. For example, understanding search performance at keyword level – and robustness of recommendations. This approach can produce longer computing times with the associated cost premium but its benefits outweigh sampled data which uses assumptions to aggregate up to build a full picture and can generally only look at performance at a macro campaign or channel level.

Different models = different results

Two main attribution approaches exist: Touch-point & Pathway analysis. Touch point analysis determines the value of multiple dimensions of each digital touch point with each dimension weighted according to the model based on the propensity to convert. Pathway analysis on the other hand analyses the macro detail of each touch-point, one dimension rather than multiple – this means the statistical significance of multiple paths can be low, so the model generally aggregates data delivering a more macro analysis of channel rather than detailed touch point e.g. keyword group vs. keyword.

Man vs. Machine

Methodology is perhaps the key factor when making decisions surrounding your attribution approach. Although there are a number of alternatives available in the market the two main

methodologies are Algorithmic & rules-based. An algorithmic technique is centred round a statistical approach, processing all relevant digital data including non-convertors, building out propensity to convert models, and producing dynamic weightings by individual digital touch-points. These models incorporate a constant learning machine that can adapt to changes in the media plan in real-time. This can be complex & requires trust in the approach. Algorithmic is sometimes accused of being black box given the complexities, an output of the numerous data & dimensions inputs.

A rules-based methodology is simpler and easier to implement, using rules to build out individual touch-point weightings which are applied to the attribution analysis. Although these rules are based on detailed expertise, they can be subjective and arbitrary, and they only focus on converting journeys. It also adapts less to changes in the market or communications strategy.

Digital media isn't the only thing that drives digital sales

A lot of simple attribution solutions are based on 'gross' attribution – in other words because they only model digital data they reattribute 100% of digital conversions to digital media. This measurement clearly has limitations as we know that other factors are significant drivers of digital sales, such as brand equity, weather and above-the-line media channels. Some attribution vendors have addressed this issue by building in a measurement of base to make sure they understand the incremental nature of digital activity. For those clients who have already bought into simple attribution and have the investment available, this is now being taken a step further by integrating econometric modelling, fusing top-down analytics with accurate bottom-up digital attribution. This dual approach is called net attribution.

Digital media is always on – so should analysis & optimisation

Digital media is always on and constantly evolving and therefore attribution solutions need to cater their measurement for this. Solutions that require one-off data collections rather than automated consistent harvesting of data take time and can be prone to errors, and means analysis & insight is not immediate. Solutions that automate data also enable real-time analysis and optimisation as well as enabling direct connection with individual channel technology partners.

Implementing attribution modelling has the capacity to deliver a true step-change in digital planning as long as the best most relevant approach is chosen. Being aware of the different elements or options surrounding attribution is a crucial step within this.

Why is Last Touch Attribution Dead?

Amit Kotecha, Head of Marketing, EMEA, Quantcast

quantcast

Digital advertising has introduced new challenges and new opportunities in marketing attribution. Every touch point along a consumer's path is measurable, allowing advertisers to identify the tactics that drive results, allocate budgets more effectively, and scale their best performing campaigns. However, not all attribution models provide the right incentives or measure the metrics that matter, leading to inefficient marketing optimisation.

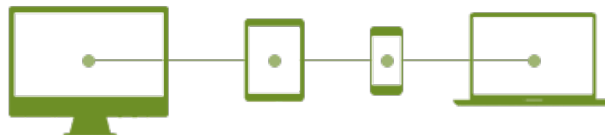
The last touch is not the only touch

The user does not simply decide to click once and then buy – this has not and will not ever be the case. In reality we face a situation where the user maybe sees an ad, then conducts their own search, perhaps then reads a news article and clicks an ad at the side of the page and browses again. Then a day later they see another ad that reminds them of the product, click it and buy.

Much of the work driving the user to conversion – creating awareness, guiding them through consideration - has already been done before the last touch, so why just reward that final step?

The marketing funnel is no longer on just one device

These touch points are now spread across a multitude of devices. 90% of users use multiple devices to complete tasks everyday, 67% of users will start a purchase on one screen and finish them on another.¹ Clearly in a situation where every user spreads their activity across multiple touchpoints, on multiple devices, we cannot simply concentrate on whatever their last touch was.



The use of smartphones is a prime example of where last touch attribution can do real harm. The mobile channel is one that can be accessed anywhere at anytime. Users browse a lot more on mobile and start 65% of purchases on their smartphone before continuing on to a PC/laptop.¹ Last touch would undervalue the mobile channel in favour of the desktop because that is where the sale occurred. This leads to bad strategic choices further down the line.

¹ Google 'The New Multi-Screen World: Understanding Cross-Platform Consumer Behaviour'
http://ssl.gstatic.com/think/docs/the-new-multi-screen-world-study_research-studies.pdf

A click does not equal a conversion

A click does not always equal a conversion. People visit sites for content not to click on ads – display ads take longer to have an effect. Compounding this, industry research that shows that display 'clickers' tend not to be converters; they are younger and in lower education and income bands than those who actually eventually convert.

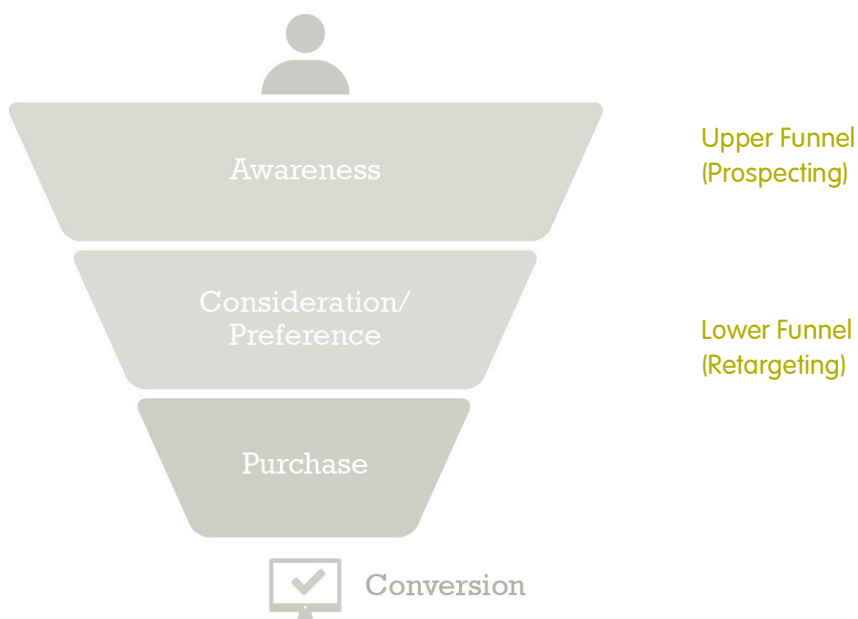
Ninety-five percent of clickers don't convert, and 90% of converters don't click. By optimising for 'clickers' many marketers are literally optimising away from converters.



Different goals need different measurements

Display is no longer just search, now a marketing plan involves several channels and many vendors within those channels. Your online campaigns can include search, prospecting, retargeting and affiliate to name a few – each of these approaches has different goals yet we continue to measure them all using the same attribution method.

By attributing everything on the same model we unfairly weight the scales in one direction. Advertisers need to start splitting their marketing activities based on where they are in the marketing funnel e.g prospecting and retargeting;



Prospecting and retargeting have different goals yet last click/touch would attribute them both based on a final action before conversion.

Now that we can measure so much including who is visiting an advertisers' site and how they got there, why would we not measure the success of prospecting on incremental growth in new site visitors? Prospecting, unlike retargeting, is not designed to simply drive a conversion but rather fill the top of the funnel with users who can then be targeted. Marketers need to drop last touch, there is no one-size fits all option in attribution, rather, there is a range of options based on how that approach is contributing to the marketing mix.

Five Best Practices for Managing the Transition to Marketing Attribution

By Vanessa Tadier, General Manager Europe, Visual IQ



Marketing attribution is quickly becoming a mission critical competency for today's sophisticated marketing organizations. It includes tracking and measuring the impact of every marketing touch point experienced by every individual on their path to a conversion, and then translating that measurement into individualised optimisation strategies to maximise the performance of your overall marketing ecosystem.

But in order to implement any attribution solution, marketers must collect their marketing performance data from multiple, disparate sources and devices and turn it into accurate, actionable insights. And as with any transformative technology, there are often sizeable cultural, procedural, and technical chasms to be crossed prior to successful adoption.

Here are five tried-and-true practices to help you manage the transition:

1. **Communicate for buy in:** In today's connected world, marketing is a team sport. Marketing attribution isn't about picking winners and losers among existing channels. Rather, it's about gaining a more nuanced understanding of the combined contribution of all channels to the successful execution of your company's omni-channel marketing strategy. Change is hard, so make sure each channel manager understands how attribution will help facilitate individual roles by helping the team as a whole become more effective.
2. **Include the value of information discovery in your ROI calculations:** Beyond its financial gains, attribution management offers numerous supplemental benefits to which it can be difficult to assign a dollar value. Attribution replaces your marketing magnifying glass with a microscope, providing your marketing team with orders of magnitude more information than previously available to assist in making better media optimization decisions. Acquiring a more detailed understanding of how your media works across all channels not only lowers uncertainty and risk, but also helps build a foundation for greatly improved media planning efficiency and predictability.
3. **Plan for quick wins and frequent value delivery:** With marketing attribution, it's important to focus on keeping implementation complexity low and delivering results early and often. An iterative, or "agile," implementation approach is typically best, as it allows you to see initial results that demonstrate the system's performance and builds momentum for expansion. The initial rollout can be defined by a specific pair of channels, business units or product lines, or a precise time period. Once some initial results have been realised, those early successes can be used to build a data strategy and roadmap for expansion across additional channels, business units, geographic areas, and more.
4. **Actively support adoption amongst your team:** Adoption is only going to happen if the attribution solution is understood and easily accessible. Managers and end users of your attribution solution should receive hands-on practical training tailored to help meet your immediate tactical goals and objectives. Becoming comfortable with the solution and extracting incremental value from it will greatly help encourage adoption and lead to better long-term results.

5. Develop a testing strategy: Successfully adopting marketing attribution requires building trust that the solution is delivering the right recommendations about your marketing programs and spend. Fortunately, algorithmic attribution allows you to validate the efficacy and accuracy of the model by testing media planning predictions. By setting up simple controlled experiments, it is possible to simultaneously control exposure to risk, validate the accuracy of the solution, and realise incremental revenue from optimizations. As you become more comfortable with this process and identify areas where the model is consistently accurate in its predictions, you can start to implement more aggressive optimizations and realise bigger gains.