Multi-touch Marketing Attribution...
Are you getting it right?

Why your existing analysis may not be working.

Knowing what media activity works - and what doesn't - is the beginning, the middle and the end of marketing best practice.

Marketing teams are used to their budgets being under huge scrutiny and for the most part they (and media agencies), do make an effort to report on sales generated from various campaigns and media activity. In this white paper we challenge the accuracy of standard media reports and attribution approaches and question whether they are bespoke enough to show the true ROI of each company's media activity and whether they do enough to help to optimise different companies' media effectively.

If you're responsible for managing or justifying your marketing spend, read on...

What's wrong with your current measurement?

A common problem is that media reports are often silo'd, taking little or no account of the impact of other media. Although better than nothing, this kind of measurement will over-estimate the contribution that any given media channel makes. Indeed, if a company added up all the sales claimed by each media report, the result would be a sales figure way above actual total sales. This is often because if a sale can be matched to more than one media activity (e.g. through a cookie) then each silo report takes full credit for the sale.

Where reports do join with other media and share the credit through an attribution technique, these reports are typically joining activity within a digital media environment. This can be acceptable if the only active activity was digital and we are confident that all the digital activity and touchpoints are taken into account. However – even if this was the case – it does raise the question of which sale is matched to which combination of digital media – especially if the sale did not occur online and cannot be linked by cookie or digital id.

To add a third dimension of uncertainty, we are also assuming that there is a fair way of splitting the sale across the media – or is a black box making that decision without the opportunity to counterclaim and adjust? As the budget owner, you need to understand and agree with how you are splitting your media.

So already we have a complex media measurement problem that draws attention to what media are included in your analysis, how to agree a fair split and how to match the right sale to the right media activity.

And what about offline channels? Direct marketing, emails, telephony? Combining online with offline channels is one of the biggest challenges facing multi channel marketers today.

Using individual level online and offline data and combining traditional and innovative analytics methods, R-cubed have developed a very accurate measurement solution that includes all media and allows transparent and flexible attribution of sales at an individual level.

R-cubed take the best of established and new data and analytical methods and combine into an individual level, all-media and all-sales holistic media measurement solution that is bespoke to each company. We call it **Attrifusion™**.

The individual analytical elements are described below, followed by an account of how these approaches are fused together to produce measurement that is not only accurate, detailed and capable of optimising media quickly, but can also drive strategic marketing planning.

Econometrics

Econometrics is an established media measurement approach that has stood the test of time and provides effective measurement for a number of specific marketing challenges. It is capable of measuring online, offline and direct media and assesses all media alongside each other, taking account of external factors and other marketing mix elements such as pricing and competitor activity.

It requires complete media and external data over a period of 2-3 years on average and **its real strength is that it covers the non-direct and non-digital activity such as TV and Radio.** However it is a specialist technique and is not straightforward to produce results quickly. For example, econometrics would not provide the depth and detail required by digital planners on a daily basis, such as key words and campaigns.

Nevertheless econometrics can give the holy grail of cost per sale and ROI by all media measured on the same basis – e.g. what would have happened if we had not spent on TV? Econometrics also provides diminishing returns on activity and response curves taking into account external factors and other marketing mix changes.

It is no wonder that econometrics continues to be a key measurement tool.

However econometrics on its own often leaves marketing teams lacking in insight for detailed media planning. For example, it can lack granularity such as what media and which campaigns work best for which customers (e.g. lapse versus new).
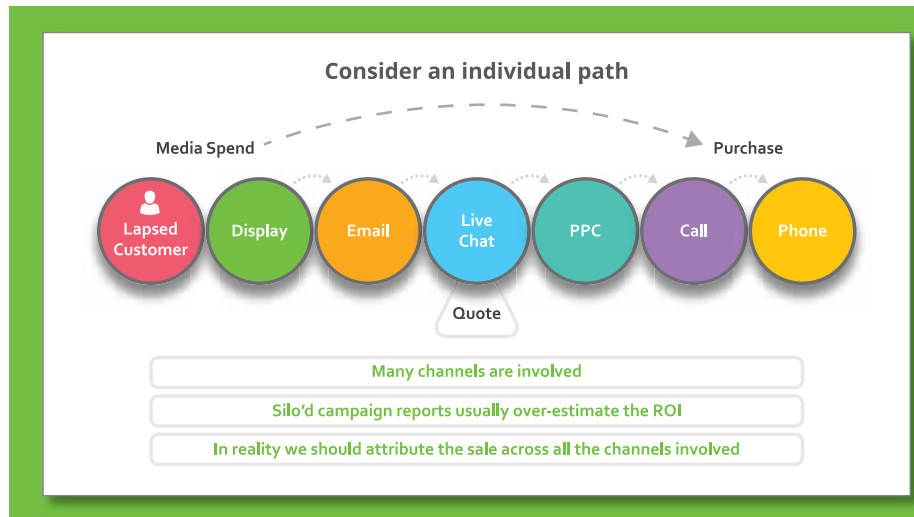
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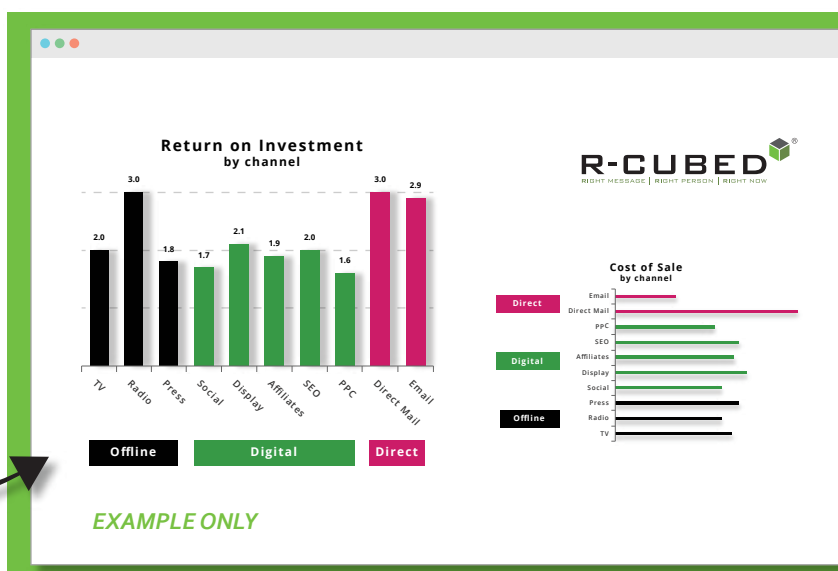
Also econometrics is not a fast way to provide detailed measurement so that media decisions can be made quickly such as keyword bids for example. In these cases, we really need to track the detail of the marketing that each individual sees and how they respond to it – across all media – and be able to do this quickly. Ideally in real-time. So because econometrics isn't enough on its own, we have developed customer path measurement.

Customer Path Measurement

Imagine being able to track **all the channel touchpoints** that a customer may encounter and understand the contribution of all media that influenced the outcome of that journey.

A customer may be influenced by a combination of online and offline marketing (from PPC to direct mail) and may have enquired and purchased through a combination of online and offline sales channels and touchpoints (e.g. call centres, shops and websites). Unless these online and offline journeys can be joined, it's impossible to allocate a customer sale accurately by all the influencing factors.
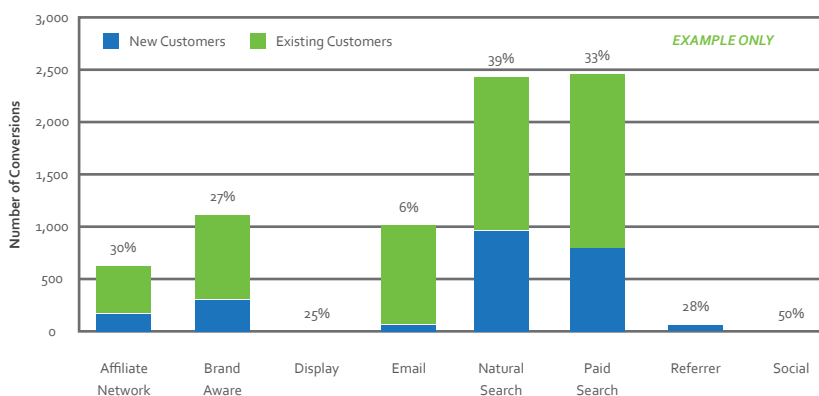
Consider an individual path

Media Spend → Purchase

Lapsed Customer → Display → Email → Live Chat → PPC → Call → Phone

Quote

Many channels are involved

Silo'd campaign reports usually over-estimate the ROI

In reality we should attribute the sale across all the channels involved

R-cubed have developed an approach in which **individual level customer data,** including the digital paths and website visits, is joined with offline sales, call centre interactions and direct marketing communications history, to create individual level paths with their outcomes. So if a sale is made all the influential media can take credit - from display impressions to Live Chat.

The advantage of this method is that **real detailed customer journeys are used for accurate attribution and true ROI and cost per sale.**

This method ensures that you match the right sale to the right media activity, includes all digital and direct media and allocates all sales to the right individual and their customer path.

Which channels are best for new customers?

Legend: New Customers, Existing Customers — EXAMPLE ONLY

Chart — Number of Conversions (y-axis 0 to 3,000) by channel:
- Affiliate Network: 30%
- Brand Aware: 27%
- Display: 25%
- Email: 6%
- Natural Search: 39%
- Paid Search: 33%
- Referrer: 28%
- Social: 50%

Media can be optimised for new customers.
Why waste PPC spend on known customers?

The only thing missing in the customer paths at this stage is the offline influences of non-direct, non-digital channels like TV, Press and Radio. That's where **Attrifusion™** comes in.

Attrifusion™

We took customer path analysis and fused it with econometrics, to give us one of the most powerful and accurate means of measuring marketing effectiveness available today.

By adding the econometrics studies to customer path analysis, we can reveal the relative impact we'd expect from non-digital and non-direct activity like TV and Radio. Armed with the econometrics style studies and the individual paths, the results can be woven together to produce **powerful all-media, all-touchpoint and all-sale measurement.**
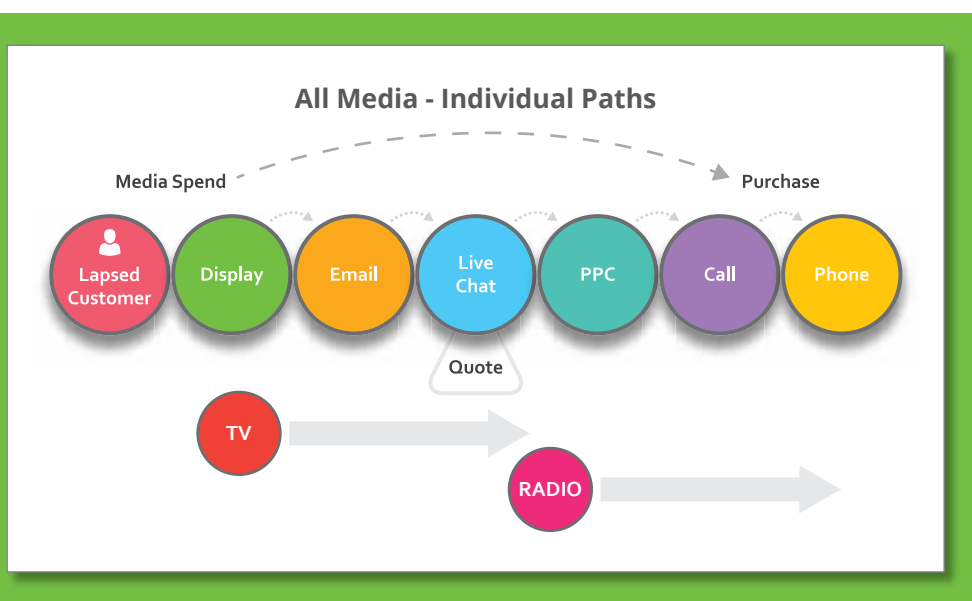
Very few companies measure all media activity on an equal footing – using real customer journeys and holistically including all media and all sales channels – matching the right sale to the right media activity. Last click is still common and, although any attempt at measurement should be applauded, given the importance and size of marketing investments, the implications of not getting it right can be a dreadful waste of budget.

Making budget savings

The results delivered by **Attrifusion™** allow our clients to make instant savings when you can see how individual channels perform for any given customer. For example, we've shown clients where display impressions continue to be posted after the sale – by reducing this activity, we could make immediate savings. We could also see that PPC is wasted on customers who are already known and who we can contact using their email address – a much cheaper media. As a result, more timely emails will reduce the PPC bill.

Supporting strategic planning

Using **Attrifusion™** , R-cubed can summarise the ROI and cost of sale results of all the media together into a "what-if tool" to make media scenario planning and forecasting easier, quicker and more accurate. Planners can make more confident decisions and see where cost savings and increased sales can be driven.

It may seem easier for marketing teams to rely on media reports that have always been generated or black box solutions that appear to do everything for the user, but the reality is that each company is unique and that its media measurement should come from its own real individual-level customer data across the customer journey – using attribution rules that are suited to your unique use of media. After all, what marketing works for one company, won't necessarily work for another. The wastage, savings and optimum media mix are much easier to see on your own detailed customer data. Having an all-inclusive media measurement approach bespoke to optimising your marketing budget is not far off.

If you'd like to understand the benefits that Attrifusion™ could bring to your business, just get in touch.