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Why your multi-channel attribution could be flawed?

Multi-channel measurement is one of the most essential components in the marketing toolbox. Using multi-channel attribution modelling, marketers know the real contribution that each marketing channel makes to the business and can confront key issues such as "should last click win?".

Like many specialist techniques, to gain the most out of attribution modelling, and to avoid having a pile of useless fragments at the end, rules need to be followed, experience gained and skills maintained. Even if underlying modelling techniques have not altered over the years, the marketing environment and the marketing data they use have changed radically. Is your approach to multi-channel measurement and optimisation up-to-date and continually evolving? Do your attribution models genuinely offer multi-channel, real-time measurement?

As experts in real-time multi-channel measurement, R-cubed considers some of the key flaws encountered by marketing teams with their attribution models, which stop them from knowing the true contribution that marketing makes.

Fit for Purpose?

We start with the most basic of criteria – the objectives. An attribution programme does involve an investment in time and money and has a range of stakeholders – each with their own area of focus. What questions need to be answered by the attribution models? Be very clear on what the models need to achieve. A marketing measurement model focused on the effect of pricing and promotions will differ from a model that needs to determine the most effective split between online and offline marketing spend for example. Marketing mix factors may well overlap and need to be considered across models, but the data composition, the number of models, the model splits and the time periods used, for example, will change depending on the objectives.

Independent, relevant expertise?

Bias advice has limited usefulness. A bias may not be intended but exists through a lack of relevant experience. An attribution model that is used to determine the size, shape and mix of a marketing budget, for example, needs to address all marketing media channels (online, offline and direct marketing) alongside all the sales channels (website, call centre, stores and intermediaries) and the analysts need to be knowledgeable, confident and impartial in all these. Confidence in the independence and completeness of the findings is paramount.

Customer types differentiated?

Consumers who are 'new' to a brand will invariably respond to different marketing stimuli than 'existing' customers. Even if they are affected by the same channels, the proportions will vary. Can your models show the difference between new and existing customers? Also within these two groups, there are different types of individuals - loyal, testers, lapsers, customers about to lapse, for example. Therefore, just as your marketing strategy differentiates between acquisition, retention and win-back of customers across customer segments, so should the recommendations from your attribution models - which is only available from your database analytics.

Customer behaviour balanced?

Customers use different sales routes into a company or brand, such as through the call centre, web or an intermediary. This customer behaviour not only represents different customer types but often a different cost of sale as the result of a different mix of marketing stimuli. For example, a web buyer may be affected naturally by digital media but can also be influenced by offline marketing. And some of the digital activity - such as social - may also helping more traditional call centre sales. Similarly a significant proportion of marketing may be supporting intermediary purchases (such as consolidators), which is actually increasing the true cost of sale via the intermediary, i.e. adding marketing costs to the commissions already paid. For this reason, adding this sales route dimension to the attribution models enables the true cost of sale to be calculated.

Marketing channel completeness?

Fundamentally, an attribution model needs to access all the relevant marketing stimuli. It is not uncommon to find measurement silos within marketing teams, where – for example – digital measurement not taking into account online or direct marketing influences, or where offline marketing measurement is not taking account of direct or online marketing. Thankfully the silos are broken down in an attribution model if all the channels are included. So for an unbiased model, there needs to be the same data rigour across all channels so that each channel is represented evenly within the modelling dataset.

Future-proof with real-time actions?

The pace of marketing activity has quickened and the complexity has increased with the onset of digital channels. For example, consumers use social media as a channel of awareness, purchase, service, feedback and opinion broadcasting, almost instantaneously – which all needs to be considered when modelling the effectiveness and ROI of social spend. Attribution models need to flex and adapt when measurement and decision support is needed quickly. For this, layers of modelling may be needed with a focus on specific channel detail and their marketing influences.

So what?

Attribution modelling is a powerful tool for multi-channel marketing measurement and can help provide the answers to multi-channel marketing effectiveness and how to optimise channels. An attribution model is meaningless if flawed and is ineffectual without action, but sticking to the key principles above will ensure that your measurement questions are answered expertly, completely and without bias. So that, when using the results, your marketing can be shaped to attract the types of customers you want, through channels whose ROI is known, at an efficient cost of sale and at the right time.

Save up to 30%
of your marketing budget quickly and easily

1. Provide us with your sales and marketing information

2. We untangle each channel's impact on sales

Offline   Digital   Direct

3. We evaluate each channel's performance

- Return on investment by channel
- Cost of sale by channel

4. Then we can maximise your marketing
- What is working?
- Where can I save money?
- What channel works best & when?
- What is the right channel mix?

▸ Boosted profits
▸ Increased revenue
▸ Reduction in costs
▸ Clarity on budget allocation
▸ Optimised marketing spend
▸ A competitive edge

WE WILL TURBO-CHARGE YOUR MARKETING BUDGET