



AT INTERNET
Online Intelligence Solutions

ATTRIBUTION IN ONLINE MARKETING

By Jacques Warren



ABOUT JACQUES WARREN

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*“Web Analytics: Measuring the success and maximizing the profits of your website”

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INTRODUCTION

Attribution in online marketing, the process which credits conversion to the correct activity (or combination of activities), has been one of the hottest topics in recent years. With the rapid increase in the number of channels and platforms available, it has become essential for marketers to be able to correctly evaluate the contribution of each campaign, and each online action to determine which combinations of the marketing mix work the best. The process of attribution becomes increasingly complicated whenever we take into consideration the large number of consumers who interact with a brand via a large number of touchpoints.

This in turn makes us consider the problem of duplication, where marketers are often invoiced twice or three times for the same conversions. Is this due to the fact that each platform, which is used, wants to take the credit for a conversion? In other words, a lot of money is involved in attribution.

This White Paper will focus on the main challenges of attribution and the different approaches which are possible, because there is not one definitive approach available. This White Paper will only concentrate on online marketing. We are all too aware that we will be ignoring an important part of the equation. By only considering online investments¹, attribution is already a complicated process, and with something new cropping up each year, this increases the fragmented nature of the Internet.

The issue of attributing conversion to a successful online marketing activity cannot be separated from the problem associated with having a large number of teams involved in the attribution process, where each team wants to be credited for what they are in charge of. This subject will be dealt with at the end of this White Paper.

¹ For us the term Web involves all interactive platforms; on the Internet, mobiles, social networks etc.

THE CHALLENGES OF ATTRIBUTION

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Today's marketers are faced with an increasingly complex choice of online investments. Where should they invest the heaviest? What should be taken out of budgets?

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The main reason behind creating a good model of attribution (and implementing the technology required to make it operational) is to understand what works best within the different online marketing strategies. Today's marketers are faced with an increasingly complex choice of online investments.

Where should they invest the heaviest? What should be taken out of budgets? In addition to each type of promotional activity, which combinations (from the marketing mix) are the most effective? Such questions are as complex as they are important.

COMMON TYPES OF ATTRIBUTION MODELS¹

Spoken

This is undoubtedly an easy model to use, and a very easy solution to implement technologically for attributing the most influential source, because it involves obtaining consumer opinion – (after a transaction or as a follow-up). Consumer opinion is, of course, subjective and subject to memory, and quite often the last touchpoint is often designated as being the most influential.

First (original) touchpoint

As part of the first versus last debate which has been a hot topic for the past few years, advocates of the first touchpoint believe that the channel which generates the first visit should be given more weighting (or 100%), on the assumption that the initial persuasion is the most difficult (and comes before creating attention and interest, with reference to the classical marketing model). With this model the attribution process is faced with problems associated with deleting cookies which is problematic for longer sales-cycles.

¹ We would like to thank Mr. Gary Angel, President of the Semphonic company, for his comments and input on the different types of attribution.

Organic searches are rewarded disproportionately because more and more Internet users who use search engines go back to websites which they have already visited

Most recent touchpoint

This is, by far, the most used model of attribution because, in technological terms, it is the easiest type to use. It is often based on the visit analysis (session) which has led to the conversion. Attribution associates conversion with the visit source that led to the conversion in the first place. With this very direct approach it is possible to analyse visits without having to worry about tracking visitors on different sessions, or worry about the trials and tribulations associated with deleting cookies as mentioned earlier. Certain defenders of this approach state that it is the most recent touchpoint which persuades a customer and motivates them to make a purchase. It is much more complicated in reality and attributing 100% to the most recent touchpoint will hide all of the previous operations that are necessary for the final action to take place. Organic searches are rewarded disproportionately because more and more Internet users who use search engines go back to websites which they have already visited.

All

This is the simplest of all models. Full credit is given to each of the touchpoints involved in conversion. Yes, this model does exist, albeit unintentional, because of the large number of reporting applications (sites, banners, affiliates, PPC etc.) which attribute themselves with the conversion after the complete separation of the different activities involved in online marketing. This method explains how a total sales figure, which is greater than the reference system's sales figure, is reached (ERP, CRP etc.), by adding each source together. This is a situation which the reader has undoubtedly experienced.

Equal

An equal value is allocated to each touchpoint for a piece of converted data. Although this model of attribution recognises the multi-touch of today's online marketing and avoids counting excess sales, its indecisive character, somewhat too simplistic, does not really help the marketing mix analysis.

The aim of attribution is to provide a model based on the real, not estimated contribution of a touchpoint whose presence alone is not enough to lead to conversion.

ATTRIBUTE DYNAMICS

The choice of an attribution model doesn't entirely resolve the issue. Several different factors help us better understand the dynamics of the model as a whole. There are two factors which we will keep in mind, the position of the source and succession of displays¹.

The position of the source in a succession of touchpoints is very important. Organic searches at the beginning of the purchasing cycle can be attributed with a greater weighting for example, compared to searches which take place at the final touchpoint just before conversion. When organic searches occur at the beginning of a purchasing cycle the search will make potential customers aware of a brand, whereas if the search takes place at the end, consumers will probably have used organic searches to return to the initial site to finish the transaction process.

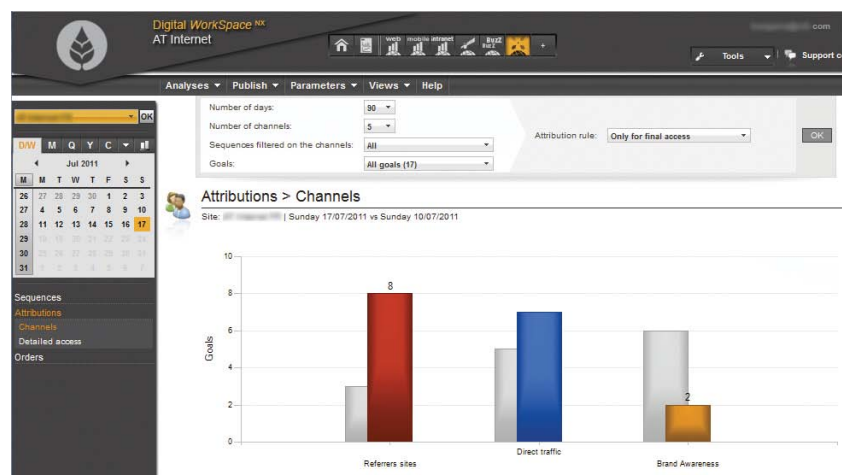
The succession of displays examines the impact that the frequency of a touchpoint can have in the conversion cycle. Using organic searches to go back to a site several times can only be an indicator of "browsing" search and does not represent any profit value, whereas going back to a site via a Facebook link can have a significant impact even it only occurs once for a visitor. In the second example, a visit to a brand's page allows consumers to read comments and recommendations from other consumers, influencing them to make a purchase or not.

¹ We have taken these two points from the Coverteco company's excellent presentation of the dynamics of attribution as discussed in their white paper "Multi-touch and conversion attribution".

ATTRIBUTION AND SEGMENTATION

It is not possible to talk about attribution without considering segmentation, which increases the complexity of the subject. Each segment responds differently to the different touchpoints, and may not use them all. There are preferences and habits, conditioned by a set of factors, most likely those identified when you were drawing up your segmentation model.

In a multi-channel context, multi-touch as is used here, adding the notion of segmentation does not make things easier. However, we feel that it is necessary to approach attribution in relation to segmentation; this is the only way in which marketers can optimise the effectiveness and efficiency of their online activity, not only by determining which channels and different combinations work the best, but also with whom. This is a complicated task at all levels including: design, technological, operational etc., but with the correct technology this task is not impossible.



AT Internet's ChannelOptimizer^{NX} Solution

ATTRIBUTION AND TECHNOLOGY

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A good attribution platform should make it possible to consult results clearly and freely, whilst at the same time making it possible to cross data from the different touchpoints with segmented information
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Readers will understand that anything mentioned up until now assumes the use of a solid technological platform. Not only are there questions of data reliability which are raised at the beginning, in particular relating to the platform's ability of grouping together visitor interactions, but there are also questions associated with the platform's modelling capabilities with the aim of getting the most from the tool¹.

The most important advantage of the solution is hidden far from the eyes of the user! The large volume and complicated nature of the work involved in creating such attribution solutions should not be underestimated, where each touchpoint for each visitor is the subject of sophisticated calculations to determine the solution's impact with the greatest degree of accuracy possible.

We believe that a good attribution platform should make it possible to consult results clearly and freely, whilst at the same time making it possible to cross data from the different touchpoints with segmented information. You should consider solutions from publishers such as the one provided by AT Internet which offers both types of features, or modules.

¹ Creating a correlation to evaluate combinations.

COMMUNICATION CHALLENGES FOR THE ANALYST

It goes without saying that the complexity associated with the different attribution models also reveals the challenge of communicating results to a company's management. The temptation is always there to communicate results with all of the different possible subtleties, but you will quickly notice that when combinations of models and the dynamics of attribution are considered, there are many different possibilities. You should not expect to find just one result, but rather several different solutions which can be applied according to specific circumstances, segments etc. You will also need to make management aware of the efficiency and importance of the investments that are to be made!

We believe that experience plays a role: you need to be able to provide a synthesis which indicates the general guidelines to be followed. Profitability will allow you to sort your choice and you will earn more by concentrating your message on the most profitable results on the short and medium term, whilst building on long-term learning.

ATTRIBUTION AND ORGANISATIONAL DYNAMICS

We would like to finish with a few words on the problems associated with attribution and the organisation of the marketing activity. On the forefront, attribution affects the concrete and tactical aspects of online marketing (and marketing in general); it is of the utmost importance to understand how the different mechanisms function in detail, and especially how they are organised around the segmentation model.

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For each marketer to want to prove to what extent their specialist area has contributed to conversion, whereas in reality, it is probably everything combined together which convinces consumers to buy
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We also firmly believe that the need for having the best attribution model necessary lies in the evaluation and rewarding systems used to assess team performance. With the large number, and increased specialisation of the tasks in the field of online marketing, it seems only but natural that the work be divided into specialist fields (email, SEM, display, affiliation, SEO, social networks etc.) and that the performance of each department be evaluated, in initiating and strengthening the shift to the silo mentality.

It is then normal for each marketer to want to prove to what extent their specialist area has contributed to conversion, whereas in reality, it is probably everything combined together which convinces consumers to buy. This is certainly not the place to suggest an overhaul of the organisation of the work done, or more precisely change the performance measurement system used, but this can occur on certain occasions. It would seem that, sometimes, rewarding a service as a whole slightly reduces the need to determine an individual winner.



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AT Internet est une société de référence en Web Analytics depuis 1995. Sa technologie et son indépendance lui ont permis de faire évoluer le marché du Web Analytics. Elle fournit, désormais en temps réel, une analyse fiable et exhaustive des sites web, intranet et mobiles. C'est l'information décisionnelle du online : Online Intelligence®.

La robustesse et la fiabilité de sa plateforme technologique constituent une solution unique. Créateur d'informations utiles, elle aide l'ensemble des métiers de l'entreprise à améliorer qualité et performance.

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