Measuring the impact of a marketing channel in relation to others

Our Mastering Marketing Attribution Tracking series tackles some of the common confusions when it comes to:
- **Measuring marketing's effectiveness** and
- **Evaluating the attribution routes of different customer journeys.**

In our first guide we explained the essentials of a good attribution tracking framework. We also highlighted fundamental questions that should be at the heart of a robust and effective attribution tracking process. In doing so, we explained why it was important to evaluate each marketing channel and in this next guide in the series we take a closer look and gives examples how.

The challenges when measuring today's marketing campaigns

When we designed our analytics' tool WebFusion, we felt there was a gap in the market for a digital data capture platform that integrated both online and offline marketing data. And yet marketers desperately need to evaluate different elements of their marketing activity to gauge and report on their effectiveness.

With today's multi-faceted campaigns, they need to be able to pinpoint the value of different elements - assessing each channel's worth and also groups of channels.

Now, when it comes to marketing channel measurement (and we'll be coming on to the nuances of specific ones in a moment), there is a key fundamental which is…

> **Adopt a method of comparing channel performance which uses the same Key Performance Indicators (KPIs).**

This will ensure you are able to make realistic comparisons and draw robust and clear conclusions.

To begin with though, let's take a look at measurement conundrums of popular channels and how steps are being made to secure a clearer picture of the true contribution of those channels to the customer journey.

Direct Mail

Direct Mail (DM) is typically measured by looking at the names and addresses of people mailed and then matching responder files to see the orders. This doesn't however take into account if the customer has used another platform like digital (eg pay per click advertising) to get to the seller's site.

On the other hand, analytics set up to report on the organisation's digital channels do not take into account a large amount of traffic generated by Direct Mail.

Rightly so, marketers are demanding a new breed of analytics tracking. This isn't a pipe-dream and enhanced tracking is a reality to give a clearer evaluation of DM's contribution and impact in the campaign mix.

The Direct Mail Evaluation example below shows such an enhanced tracking in evidence. The collated data of DM and Digital channels shows the number of site visits from people who received a DM catalogue. In the cases where there is a lower return on investment, the marketers were able to identify if this was because:

- People did not go to the site, or
- People did not convert once there

Enhanced Direct Mail Campaign Tracking Evaluation

SEGMENT	MAILED	RESPONDED	VALUE	VISITED SITE	TOP CATEGORY VIEWED	TOTAL VISITS	TOTAL PAGE VIEWS	AVE. PAGE PER VISIT
House file I	200000	5%	2400	30%	URL/XYZ	160000	784000	4.9
House file 2	200000	4%	2000	20%	URL/XYZ	120000	420000	3.5
Newsletter	100000	2%	800	25%	URL/XYZ	80000	352000	4.4

Cold email tracking

When buying lists of cold email addresses, marketers often have to rely on a third party broadcasting the email for them. This means that, when multiple lists are used, a recipient may be contacted a number of times. Trying to track which source was the most effective in generating a response can prove difficult

In a recent case we were called in by an organisation who wanted to test a national email list provider against a local one. Their overall goal was to better understand the quality of their external data in order to improve return on investment and also unify marketing evaluation reports.

We pitched both providers together in test campaigns. In evaluating the data, the national campaign (campaign 1) had a bigger data set and cost 10 times more than the local campaign (campaign 2), yet it only yielded twice the revenue.

Campaign	Opens	Website Visits	Website Visitors	Ave. Visits per open	Ave spend per visitor	Total Value
1	60500	950	850	2%	50	42500
2	6100	550	490	11%	50	24500

Drilling deeper to look at those recipients who received both the national campaign and local one, it became clear that half the national campaign's revenue was in fact generated by the local campaign.

| Campaign 1	Campaign 2	Opens	Website Visits	Website Visitors	Ave. Visits per open	Ave spend per visitor	Total Value
1	1	5500	450	400	10%	50	20000
1	0	55000	500	450	1%	50	22500
0	1	600	100	90	20%	50	4500

The learning point from this is that establishing reporting systems to compare like with like helps you to better understand which elements of your email lists are performing, and which are not. Run exploratory tests so you don't commit significant money and resources to email marketing providers who won't give you the return on investment you need.

Recipients of both campaigns

Campaign 1 Recipients

Campaign 2 Recipients
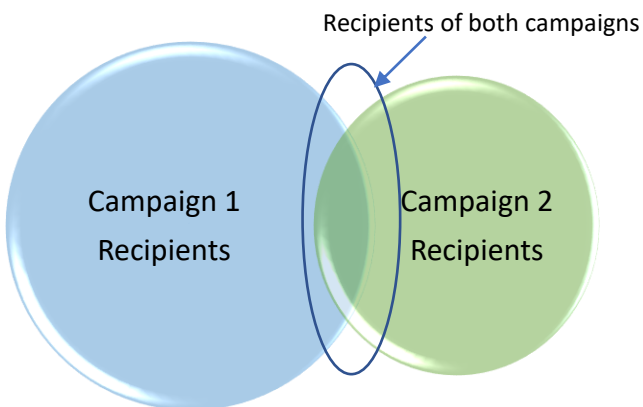
Online advertising driving offline sales

When it comes to evaluating online advertising's contribution to offline sales, here's a recent example involving a furniture retailer.

The retailer called us in to identify the impact of online advertising activity to their instore sales. Our tracking and analysis found that, at a top level, 11% of instore transactions were done by people who had visited the website within 90 days. These 11% of transactions represented 15% of the sales value (i.e. people who spent more had researched online before buying).

In store transactions driven by source
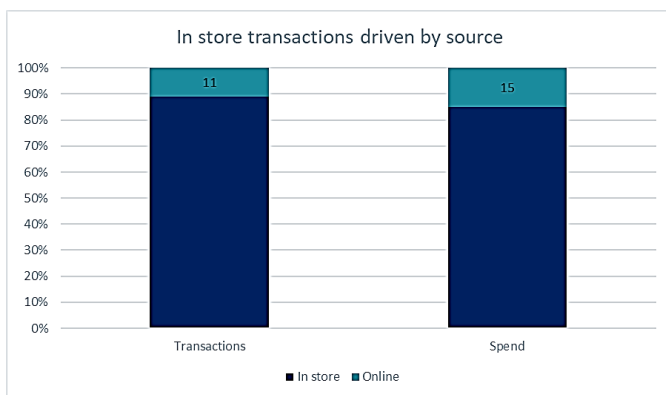
Further tracking of these customers found that some were in fact prolific browsers, who were checking-in on the site throughout the day. This meant that there was an over-representation (of 13%) in the organisation's direct traffic analytics. This fresh insight gave the retailer a much clearer picture of the true customer activity. They were not only able to assess the real value of each channel, they could also adapt their messaging and approach to better recognise the real customer behaviour at play.

% of visits
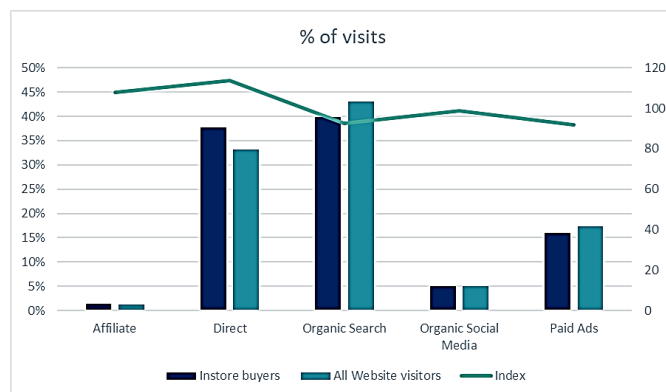
It is therefore important to cross-check and drill deeper if you feel there are generalities and possible assumptions emerging from the analytics reports you are utilising.

For help and support with your attribution tracking, contact the team at:
e: info@fusion-analytics.co.uk or t: 0203 287 5 387 w: fusion-analytics.co.uk

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Evaluating display advertising effectiveness

Display, affiliates and other online advertising often use pixels to help re-target people that have been to your site. However, from an analytics perspective you really want this the other way around to see the overlap of media that a consumer sees. Here are a couple of implications.

Metric validation

For those marketers used to tools like Google Analytics (where they have to filter internal traffic and BOTs) they will be familiar with the challenges in getting accurate tracking data. One advantage of having their own pixel tracking advertising is that marketers can validate the reporting metrics. In one case we found that over 20% of traffic "claimed" by a digital advertiser was actually internal traffic.

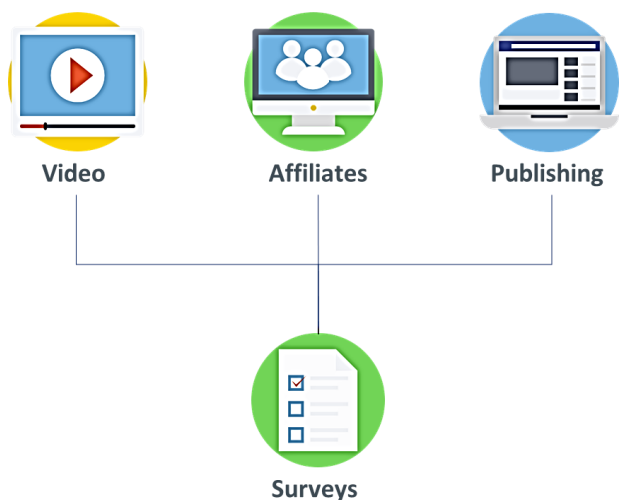### *Measuring uplift in brand metrics based on combinations of online ad exposure*

In tracking brand metrics, such as brand awareness, the example in the diagram below shows how awareness was uplifted by different impressions – or combinations of impressions and mixture of media.

The uplift in metrics could range significantly, based on:

- Demographics
- Frequency of ads show
- Creative and format
- Other online activity

Of course, the same method can be applied to customer spend, showing the impact of a channel or channel mix on the number of transactions of amount spent.
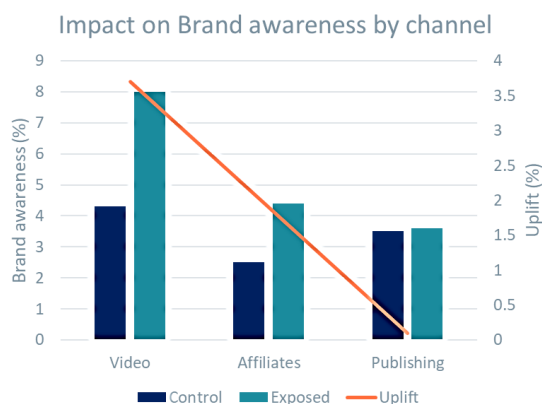
TV spot times

When it comes to evaluating the effectiveness of TV advertising, there are some standalone TV spot time platforms. These will show you the overall uplift in website visits in a given window, however, they don't typically consider or factor in contributing digital sources (such as Pay Per Click advertising or social) or the value generated.

There is therefore a need for a more integrated solution - one which allows marketers to identify sessions driven by TV but then also tracked customer journeys beyond (and ideally including immediate spend and that over the following 3months). Imagine being able to complete the following report with accurate data from your tracking. This isn't the stuff of fiction - we developed WebFusion to deliver such insights.

Default Channel Grouping	Acquisition		
	Users ? ↓	New Users ?	Sessions ?
	3,871 % of Total: 100.00% (3,871)	3,878 % of Total: 100.00% (3,878)	5,316 % of Total: 100.00% (5,316)
1. Direct	1,421 (35.78%)	1,421 (36.64%)	1,759 (33.09%)
2. Organic Search	839 (21.13%)	799 (20.60%)	1,119 (21.05%)
3. Paid Search	714 (17.98%)	705 (18.18%)	853 (16.05%)
4. Social	546 (13.75%)	517 (13.33%)	901 (16.95%)

Channel
TV & SEO
TV & PPC
TV & Other
SEO
PPC
Other

Other channels

Whilst we've explored tracking challenges of some popular marketing channels, there are of course many others like billboards, radio, voucher platforms etc. Each has its own nuance and if you would like ideas on how best to measure a specific one or integrate one into your broader tracking approaches, please do get in touch.

Advertising Impressions

Video   Affiliates   Publishing

Surveys

Impact on Brand awareness by channel

Legend: ■ Control ■ Exposed — Uplift

Y-axis left: Brand awareness (%)
Y-axis right: Uplift (%)
X-axis: Video, Affiliates, Publishing

Measuring uplift in the marketing mix context

Hopefully now we've showed that channel tracking doesn't have to be isolation and you can integrate channel reporting to gain more meaningful insights. With the right tools marketers can channel such tracking methods into a single customer view, so that every KPI or order can be tied back to a group of channels.

From a tracked media perspective this means they can then identify:

1. Channels that work together
2. Channels that provide uplift on their own

These approaches are similar to the concept of first or last click attribution in Google Analytics. There, rules are set for attributing value to a channel. This is a great way to evaluate a specific channel as marketers can get both:

- The GROSS impact of the channel (i.e. what the ad platform would try and take), and also
- The channel's true value (by putting it at the bottom of the hierarchy to test it).

When you put a channel at the bottom of the hierarchy you can firstly understand whether this channel requires other spend to make it work i.e. TV and PPC. You can also identify similar groups to measure a suitable uplift.

For instance, a marketer could compare a group of people that have the same journey with and without the new channel to see if overall it provides an uplift.

The sort of questions this approach can answer are:

- Do people who come via PPC in a TV spot time engage or spend more than other people who simply come via PPC?
- Does the number of people who go to a voucher code site just before they buy, outweigh the additional sales this channel generates?
- Does DM drive more people to the website in comparison to not sending the DM campaign?

Once marketers are at the point where they are sure what each channel is providing, they can then make informed decisions about what the most effective marketing mix is for their organisation.

Before we go…

By way of a wrap up to this subject, *the Drum* recently wrote an article about Photobox. The business was struggling to see the impact of each channel. Their approach was to hold back marketing spend in a controlled exercise to see what worked best – a brave approach! Considering the cost, a better tracking method may have been a more effective solution.

However, if marketers cannot see the impact of a channel on its own, or an incremental uplift in performance against a control cell, it's questionable if that channel should feature in the marketing mix at all. Where it does, it's often due to the marketer's or their analyst's discretion.

We can learn a few things from this:

1. If the organisation cannot get a sensible report, their findings will be useless

2. For longer term trends it is often up for discussion, therefore marketers and their analysts need to find empirical evidence to justify their assumptions

To compare channels fairly you need to get to a level ground, this means:

- ❏ Setting the right Key Performance Indicators – it is possible to measure almost any channel with any KPI

- ❏ Avoiding going into too much detail

- ❏ Respecting each channel has its own nuance; it will also saturate differently

- ❏ Not being afraid to measure channels independently and collectively

Coming up in the next guide in the series…

Setting a more effective marketing budget built on robust attribution tracking.

Fusion

For help and support with your attribution tracking, contact the team at:
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