

Making sense of marketing attribution

Howard Thompson

Fusion Analytics

www.fusion-analytics.co.uk

info@fusion-analytics.co.uk



14.45 - 15.15

Howard Thompson

Making sense of marketing attribution

As the number, range, and type of marketing channels has evolved over the years so has the number of ways to measure marketing activity. Whilst each channel has its own method of understanding return on investment they rarely relate to an overall strategic understanding of the overall marketing mix. It is time to look at ways of unifying the tactical campaign reporting methods and get your single "sale" view.



Howard Thompson has spent the last 10 years supporting clients with a range of marketing, analytical and technological problems. Including marketing attribution and optimisation

Fusion helps people capture, understand and interpret complex datasets

Our tool **WebFusion** captures digital data and integrates it with offline datasets

Insight

Reporting

Attribution

CRM



Introductions

Howard Thompson
Director
Fusion Analytics

Making sense of marketing attribution

Agenda

Discuss why attribution is a complex problem

Explore different reporting methods for each channel/department

Review examples of where this works and where they struggle

Explore new methods and approaches with enhanced data capture

The customer journey includes more touch points than ever before.
So, how do you assign a sale or revenue back to the cause...?

Broadcast media



Direct communication



Social media



Web sources



Web journey



- This is made more complex by:
- Varying sequences of touch points used
 - Personalised customer journeys
 - Different objectives for each channel



Customer service



Transaction



Typically there are two ways to consider attribution:

'Micro' reporting

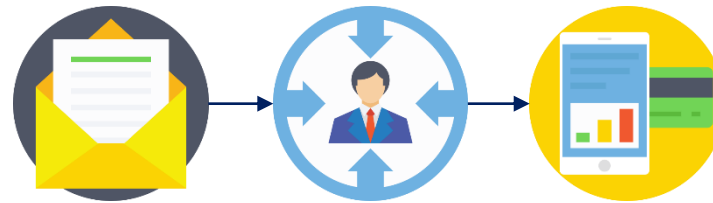
'Macro' modelling

Attribution approaches

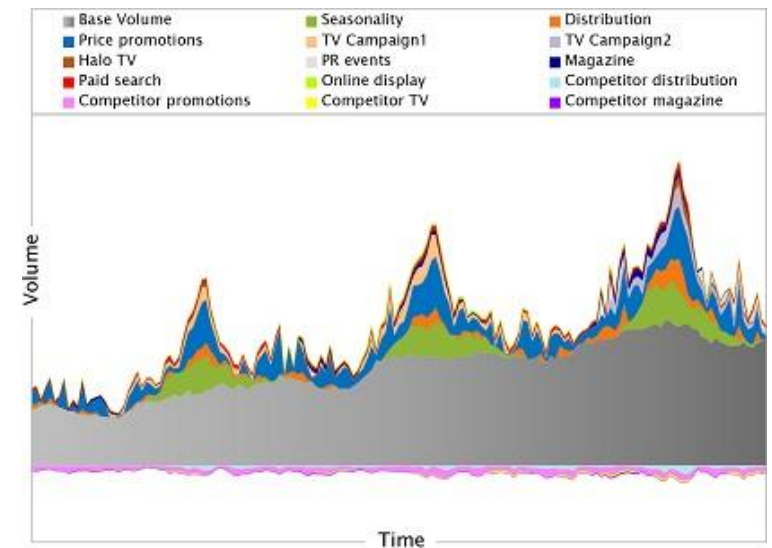
Macro: Marketing Mix

Vs

Micro: Customer Journey



A 'bottom up' calculation, looking at the known path to purchase to understand campaign performance within a channel



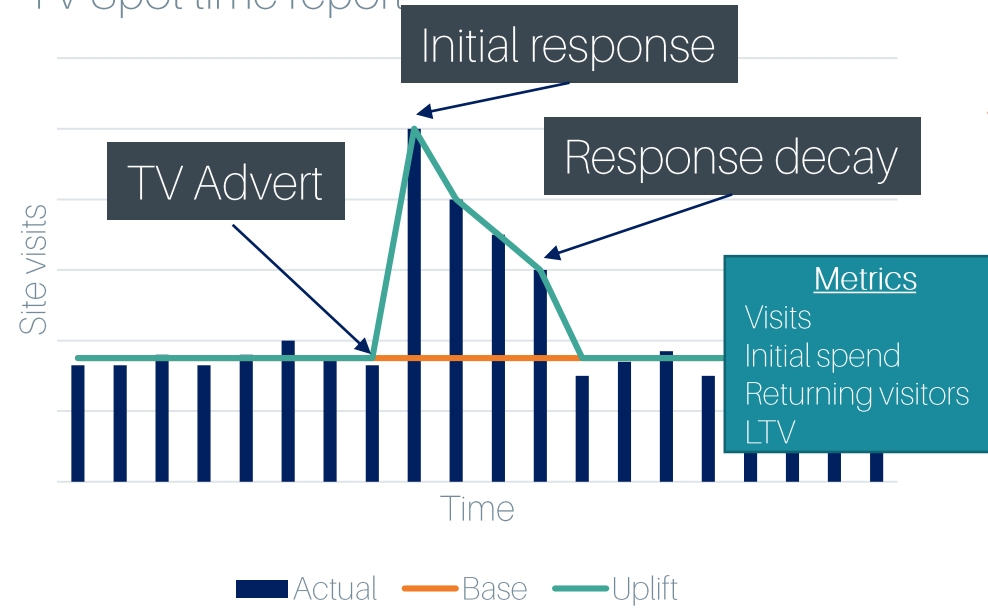
A 'Top down' view splitting spend amongst channels, to support overall strategy across many channels

Micro modelling demonstrates the performance of a channel, but leads to double counting revenue and miss-matched metrics:

Micro tracking by source

Each channel has its own 'micro' tracking method BUT they don't consider overlap

TV Spot time report



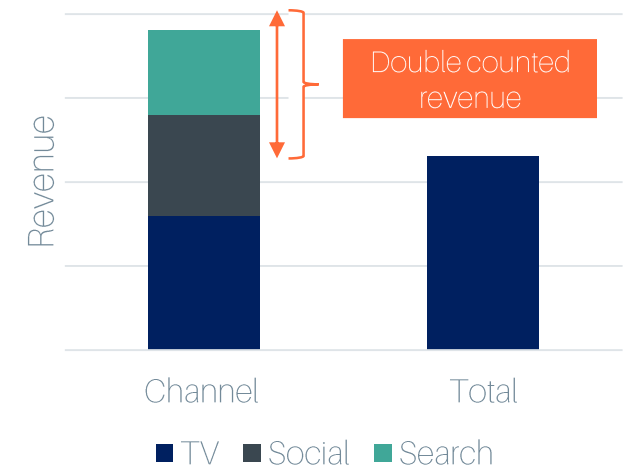
Facebook conversion tracking

Ad set name	Impressions	Reach	Results	Cost per results
Campaign 4 - FB Page - Interests	27857	5002	1131	0.442087
Campaign 3 - FB Page	28483	4958	1730	0.289017
Campaign 3 - Interests	54723	33740	2380	0.136555
Campaign 2 - FB Page	2174	1269	188	0.614787
Campaign 1/2 - FB Page	4737	2222	375	0.273013
Campaign 1/2 - FB Page - Interests	4290	1904	376	0.271596
Month 1 - FB Page	1254	609	121	0.784628
Campaign 1 - FB Page	3013	1018	303	0.704125
Campaign 1 - Pixel	929	313	22	0.712727

Web site click analytics

Channel	Users	New Users	Sessions
Social	5794	5663	6673
Organic Search	3080	3014	3864
Direct	1699	1670	2420
Referral	45	42	68
Email	27	26	29
(Other)	1	1	1
	10646	10416	13055

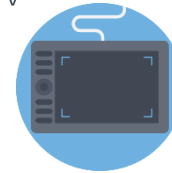
Channel revenue reports



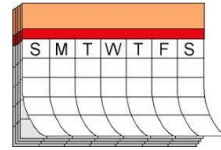
Facebook



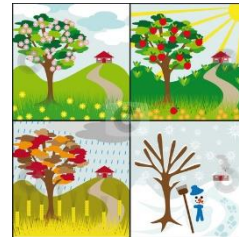
TV



Weekly media spend



Seasonal affects



Competitor Activity



© Can Stock Photo

Using Macro models to assign value

X% of FB is driven by TV

+5%



-5%

Base

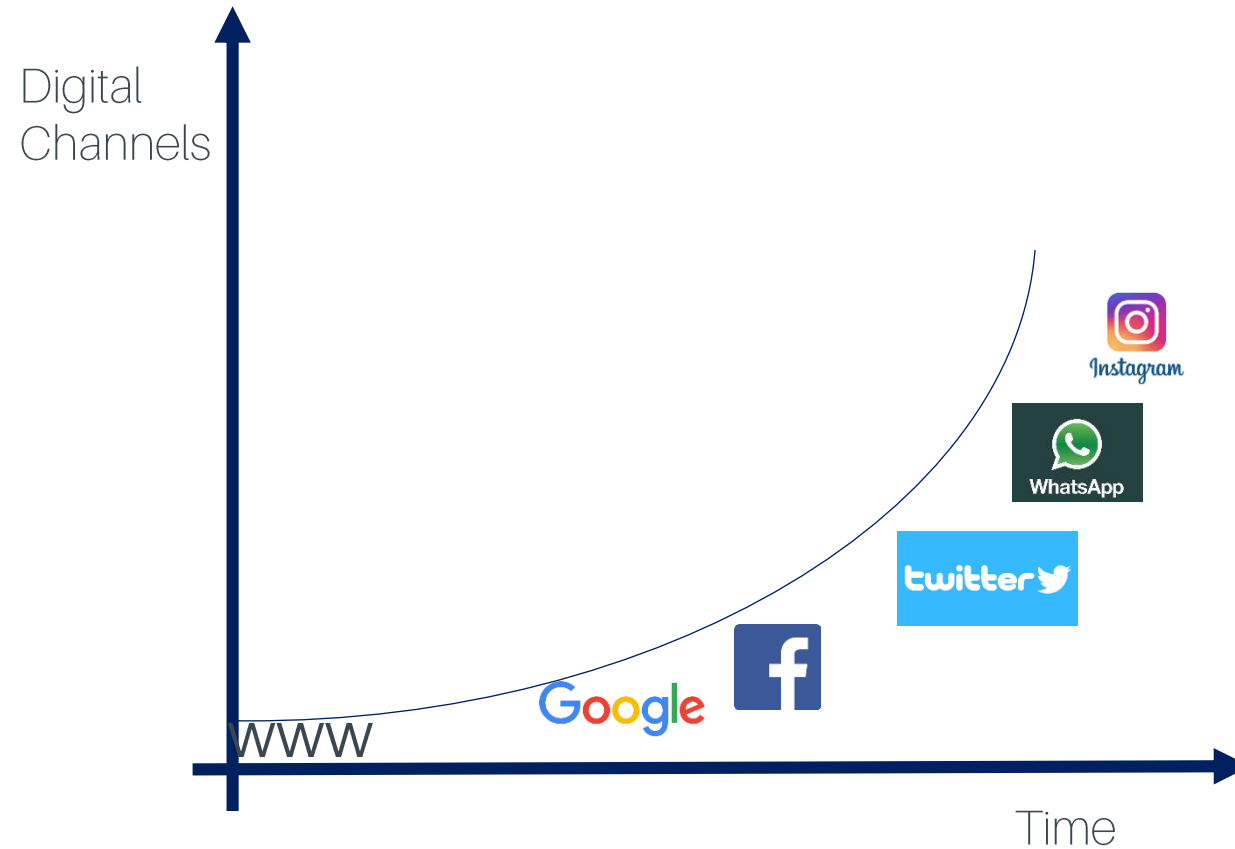


With fewer inputs we are more confident about where to draw the line

“The Internet has been the most fundamental change during my lifetime and for hundreds of years”

Rupert Murdoch

Over time we are getting more digital channels....

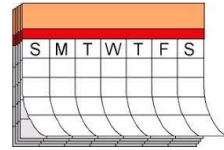


... That means more overlap, more metrics and more complexity

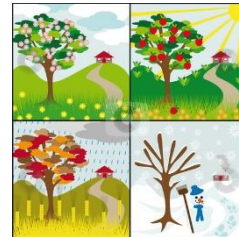
Traditional models struggle with the various datasets

Nested models
Neural networks
Brand health &
MORE ASSUMPTIONS

Weekly media spend



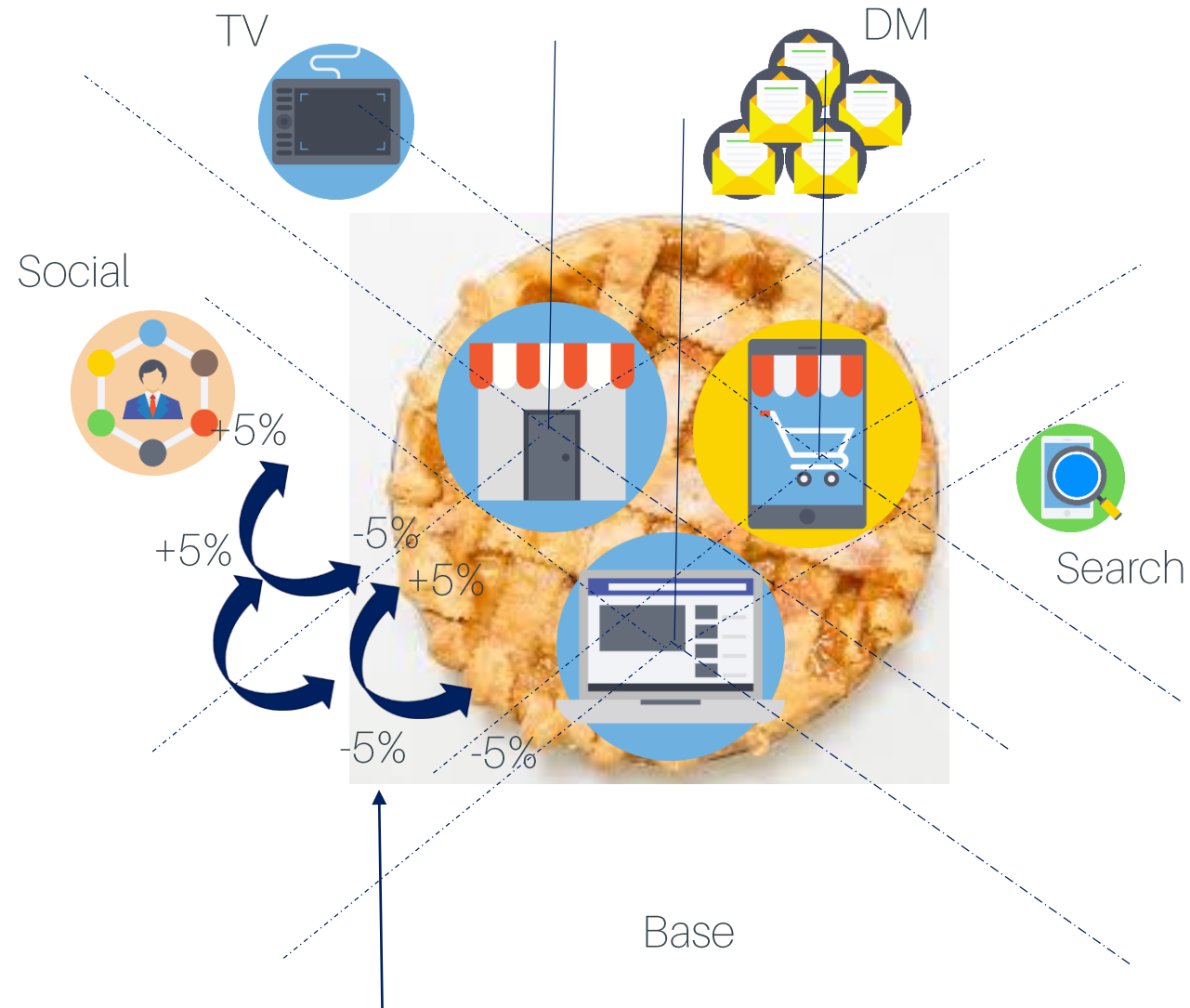
Seasonal affects



Competitor Activity



© Can Stock Photo



As we get more marketing channel inputs and more fulfilment channels it gets hard to see the picture

New channels
has led to new
challenges

What do we need to overcome

Our approach needs to:

Represent the customer journey

Resolve inter-channel complications

Provide a campaign level report

Also provide that strategic view

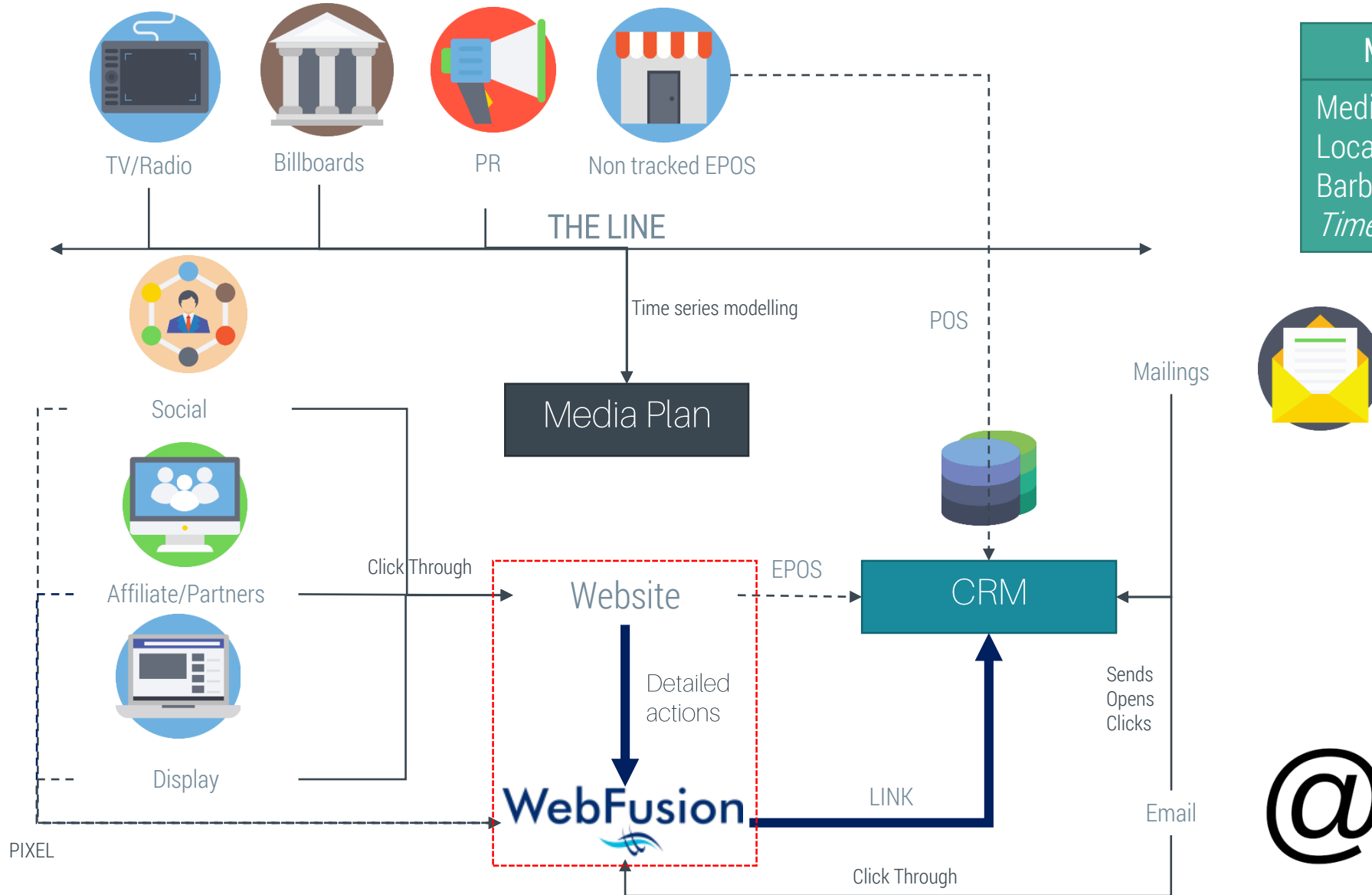
“If you torture data long enough it will confess”

Ronald Coase Nobel prize in Economics 1991

We don't need more models
We need more data

Capturing the right data with WebFusion

Going beyond "last" click to build the Single Customer View of Digital platforms



MODELLING META DATA

- Media spend plans
- Locations
- Barb spot times
- Time series*



Build a single customer journey view

See all interaction points across all channels

CUSTOMER	1ST CHANNEL	LAST CHANNEL	TOUCHPOINTS					COST					TOTAL COST	TOTAL VALUE
			EMAIL	% BRANDED	MAIL	SOCIAL	PPC	EMAIL	BRANDED	MAIL	SOCIAL	PPC		
John	Mail	EM	3	2	2	0	3	0.15	10	4	0	1.5	15.65	100
Paul	Web	Web	4	1	0	1	8	0.2	5	0	0.5	4	9.7	500
George	Web	Social	0	1	0	4	4	0	5	0	2	2	9	400
Ringo	Mail	EM	2	0.5	5	1	2	0.1	2.5	10	1	1	14.6	0

We cannot rely on one channel to define attribution

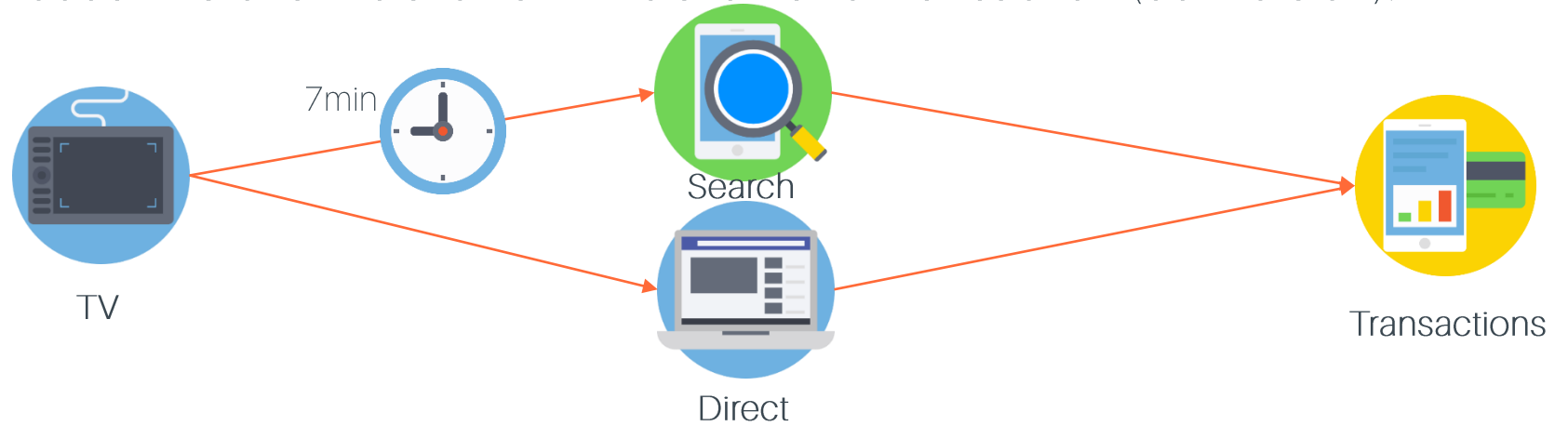
We must consider all touch points and metrics together

This is a single digital view of all your browsers, customers and enquirers.

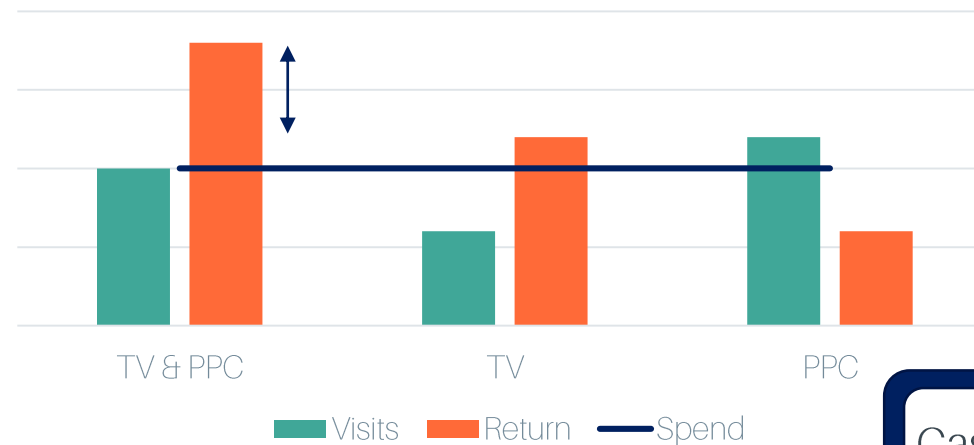
Understand channel interaction

Is PPC a fulfilment cost of TV

TV needs PPC channels to "fulfil" the site visit or transaction (conversion):



Channel combination performance for the same spend



But TV & PPC may deliver the most value

PPC may drive traffic

New digital metrics can be used to enhance all channel reports

Digital can provide 10 times the KPIs of traditional methods

Email

SEGMENT	MAILED	OPENED	CLICKED	VALUE	TOP CATEGORY VIEWED	TOTAL VISITS	TOTAL PAGE VIEWS	AVE. PAGE PER VISIT
House file 1	200000	30%	5%	2400	URL/XYZ	140000	462000	3.3
House file 2	200000	35%	3%	2000	URL/XYZ	100000	500000	5
Newsletter	100000	25%	3%	800	URL/XYZ	60000	210000	3.5

DM

SEGMENT	MAILED	RESPONDED	VALUE	VISITED SITE	TOP CATEGORY VIEWED	TOTAL VISITS	TOTAL PAGE VIEWS	AVE. PAGE PER VISIT
House file 1	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

Press, Inserts, Door drops

REGION	DATE	TOTAL ORDERS	TOTAL VALUE	WEB VISITS	WEB VISTIONS	% CURRENT CUSTOMERS	NEW CUS. VALUE	EXISTING CUS. VALUE
NE	July	200	20000	180000	144000	20%	14000	6000
NW	July	280	30000	240000	192000	15%	16000	14000
SOUTH	Aug	600	50000	600000	480000	40%	40000	10000

Assess appropriate metrics

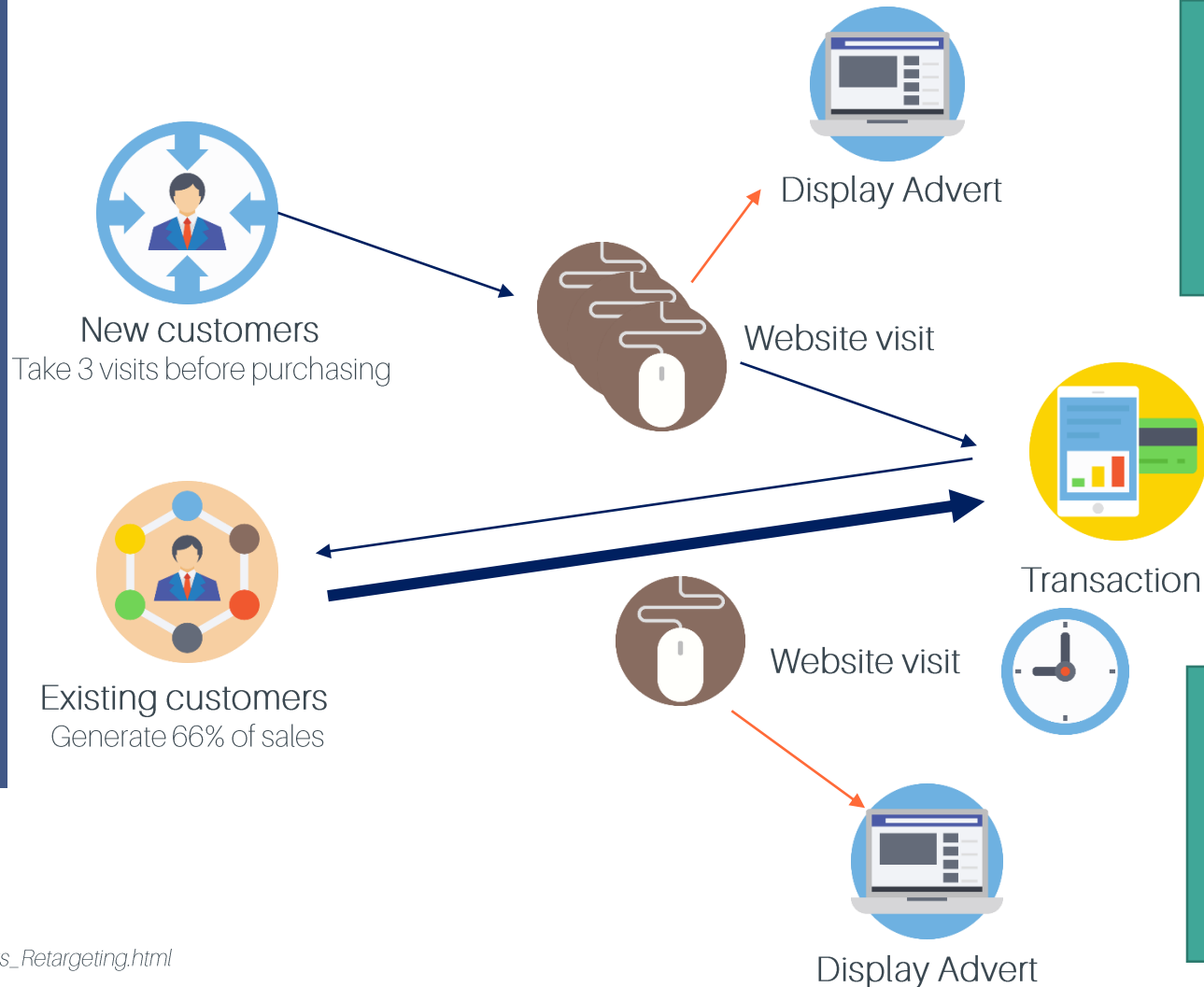
How much engagement is driven by DM?

New integrated channels can be effective for some segments
However, uplift may not be clear or replicate for other segments over time

Consider channel saturation

Casual inference:

Does display/re-targeting drive more sales?



"...retargeting represented the highest lift in trademark search behavior at 1046%."
www.cmo.com

Overtime all visitors are likely to receive a display advert...

New tracking enabled the unification of reports

Our client was testing using a national email list provider vs a set of local providers.

The national campaign was sent to (cost) 10 times more than the local campaign:

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

Yet it only yields twice the revenue.

Further more when we look at those that received both, we could see that half national revenue was generated by the local list:

Campaign 1	Campaign 2	Website 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

Consolidate similar reporting systems

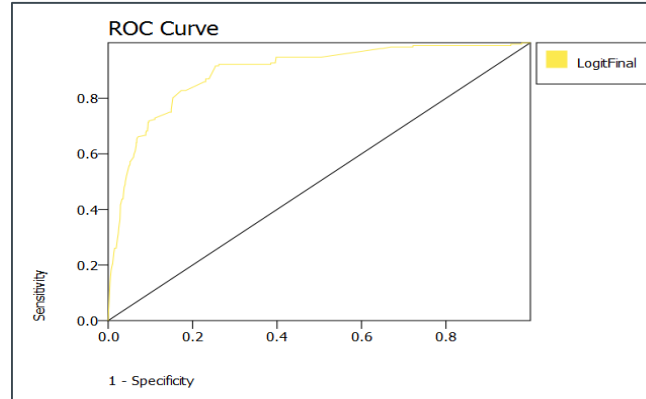
Understanding the performance of external data



Build hybrid
Micro
Marketing
Mix
Models

*Use more granular data to
build marketing mix models*

Using propensity modelling



Area Under Curve = 0.89

Channel engagement/uplift

Variable	Coefficient
Natural Search	0.3
Events	0.12
Affiliate	1.17
Paid Search	0.38
DM	0.84
Email	1.23

Our Model

Channel	Spend	Incremental Value	Proportion of Value	ROI
Natural Search/Direct	£2500	£44,170	10%	£17.70
Events	£5000	£30,760	7%	£6.20
Affiliate	£20,000	£73,150	17%	£3.70
Paid Search	£5000	£39,470	9%	£7.90
DM	£10,000	£64,880	15%	£6.50
Email	£2500	£46,120	11%	£18.40
<i>Base Spend</i>		<i>£139,450</i>	<i>32%</i>	
Total	£45,000	£438,000	100%	£9.70

GA Last Touch

Channel	Spend	Incremental Value	Proportion of Value	ROI
Natural Search/Direct	£2500	£279,260	54%	£111.70
Events	£5000	£	%	
Affiliate	£20,000	£36,575	8.8%	£1.83
Paid Search	£5000	£76,045	17.5%	£15.20
DM	£10,000	£	%	
Email	£2500	£46,120	11%	£18.40
<i>Base Spend</i>		<i>£</i>	<i>%</i>	
Total	£45,000	£438,000	100%	£9.70

Case Study

Coniak

... Or enhance existing models with more granular data

Benefits of using a single digital data source

New data is the essential part to any approach you take

'Micro' methods

- See more response metrics
- Consider external factors
- Improve accuracy of results
- Understand one channel in the context of others

- Results integrate into 'macro' level results

'Macro' methods

- Explain smaller ROIs
- Explain the base spend
- Report at the customer segment level
- Understand the impact of a given campaign
- Reduce our modelling assumptions

- Results integrate into 'micro' level reporting

Making sense of marketing attribution

Summary

Each channel has its own 'micro' reporting approach

However this is not a fair view

Traditional 'Macro' modelling cannot cope in a digital world

The answer is **more data, in a single source**

This will enhance existing approaches and make way for new ones

Thank you

Howard Thompson

howard@fusion-analytics.co.uk

www.fusion-analytics.co.uk

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