

 Dealtale

The Big Book of
**Marketing
Attribution**



I. Overview

Marketing Attribution

A. What is Marketing Attribution

Simply put, Marketing Attribution is the analytical science of defining which marketing strategies produce sales or conversions.

Marketing Attribution is the method of assessing consumer interactions (also called touchpoints) with channels and brand messages on their journey towards product or service procurement (also called conversion).

The aim of Marketing Attribution is to discover which channels and messages had the biggest influence on a consumer's decision to take the next step of buying your product or obtaining your service.



B. Benefits of Marketing Attribution

Implementing Marketing Attribution can take up both your time and resources, especially when used to assess a range of your data for multiple marketing campaigns across numerous platforms. However, when it is executed successfully, Attribution produces numerous benefits to your organization.

- 1** You will know where to best spend your company's marketing budget. You get insights from Attribution Models that reveal which touchpoints earn the most engagements.
- 2** You will know which specific consumer market to target. Marketers can improve targeting from Attribution data, which convey customer preferences in brand channels and messaging.
- 3** You can get to the right consumer, at the exact time, with the accurate message, because of effective Attribution, resulting in amplified conversions and higher marketing ROI (return of investment).
- 4** Your company's product development department will improve because you can better understand consumer needs from person-level Attribution. You will be able to target which functionalities and features of your product needed to be developed or updated. Person-level measurement is crucial in understanding distinctions between audiences and profiles within audience groups.
- 5** You can better understand how and when to communicate with users. Attribution Models that can assess creative elements of campaigns help marketers perfect campaign messaging and visuals.



C. What is an Attribution Model

“Attribution Modeling” has become something of a catchword over the past few years. So, what is it? How can it help you as a marketer?

An Attribution Model is a strategy for analyzing which marketing touchpoints get credit for a conversion. Each attribution model dispenses a conversion value across each touchpoint differently.

The highly effective attribution models will offer understanding into:

- Which of your brand messages was the consumer subjected to and on what channel.
- Which touchpoint had the most significant weight on a consumer’s choice to procure your product or service.
- The role brand perception that played in the choice to convert.
- The role of message sequencing.
- Which messaging gets the best results from each consumer.
- The effect of external factors (for example, how fuel prices affect auto sales).



Your company can use the several popular attribution models that are utilized by marketers today, generally categorized into Single-Touch Attribution & Multi-Touch Attribution.

Single-Touch Attribution, an attribution model for organizations with short sales cycles and limited touchpoints, gives full conversion credit to a single marketing touchpoint. Even if a customer watched 15 ads before making a purchase, Single-Touch Attribution will pin down that one ad out of the 15 ads that warrants sales credit.

While Single-Touch attribution only assigns credit to a single marketing touchpoint, Multi-Touch Attribution, an attribution model for organization with long sales cycles and numerous touchpoints before conversion, surmises that every touchpoint takes part in some role in driving a conversion.



II. Types of Marketing

Attribution Models

A. Single-Touch Attribution

You can determine which messages commenced or secured a sale by using the First or Last Touch attribution models. However, you can't get insight from either model whether a particular engagement across a sale cycle was or wasn't successful.

1 First Touch

The First Touch Attribution model is a type of Single-Touch Attribution where 100% sales credit is allocated to the first page that initially drove a visitor to your site. This model is used by marketing teams looking for driving traffic to their sites and identifying what exactly is attracting people to their brand.

An example: You see a sponsored celebrity tweet for a part of a content from Amazon. You're fascinated, so you click on the link in the tweet and get more information from the landing page. After further study, you determine you want to buy the product, so you go to Amazon and register.





2 Last Touch

The Last Touch Attribution model is a type of Single-Touch Attribution where 100% sales credit is allotted to the last page where your customers make their purchases since it is where the conversion happens. It is best for short sales cycles where you are trying to aim on what caused that conversion. It doesn't help you understand how your customer got there.

You're scrolling through Facebook, and an advert catches your eye. Clicking on it leads you to their site where you check out the product you are interested in. But you have second thoughts, so you leave. A few days later, you decide to buy the product by going directly to their website, selecting the product and an add-on, and purchasing them with your credit card.

The Last Touch attribution model gives credit to direct traffic for the conversion.

B. Multi-Touch Attribution

For businesses with longer sales cycles and numerous touchpoints prior to conversion, this general type of attribution can determine the most effective touchpoint in a buyer's journey.

Multi-Touch models give attribution to every content and channel in the customer purchase path, so you know how every touchpoint performs and contributes to conversions and revenue.

The advantages of using a Multi-Touch Attribution include a useful insight of a consumer's journey instead of just the initial and final steps, a bridge in the gaps in your tracking and identification funnel, and an aid in creating a sense of your data. These can assist you in aligning the efforts among the marketing, sales, client success and merchandise sectors of your business.

1 Linear

The Linear Touch Attribution model is a type of Multi-Touch Attribution that gives equal sales credit to every touchpoint across a customer's journey. If your customer had four touchpoints in his journey, each touchpoint gets 25% credit, totaling to 100%.

For instance, if you watched a commercial on TV and read an email from a popular shoe brand, each of your touchpoint would get 50 percent of attribution credit. But if you also viewed a social media post of a celebrity, each touchpoint is not credited with 33% credit.

This Linear model provides insight into the behavior of an audience. If you want to understand how consumers are interacting with campaign efforts, this type of attribution may be useful.

A disadvantage to this type of attribution is that you might not be disregarding any touchpoint in your evaluation, but you are nowhere near to comprehending which touchpoint had the most effect on the customer to drive a sale.

2 U-Shaped/Position Based

The U-Shaped Attribution Model allocates credit unevenly across the totality of marketing efforts. In contrast with the linear model, the U-Shaped model counts touchpoints separately, making note that some are more significant than others on the journey to purchase, particularly, both the first and last touch.

This model gives 40% to the first touchpoint, splits 20% to any touchpoints in between and gives 40% to the last touchpoint before converting. It helps you understand how a customer got to your site and what touchpoint caused the conversion.

An example: You begin by searching for “Chloe bags” in a search engine and select one of the results. You check out the page and surf the site. After a few days, a Facebook advert and email sequence target you. Soon, you purchase because you saw a display ad.

Under the U-Shaped attribution model, the first and last touch matter. This attribution model reveals which marketing channels are best for obtaining an audience and which are best for converting that audience.

3 J-Shaped

You can use the J-Shaped attribution model to score more credit on channels that closed a conversion.

The J-Shaped model gives 20% credit to the first touch, divides 20% to any of the mid-touchpoints, and gives 60% to the last touch. If a customer buys your product with a single touchpoint, 100% credit is given. If a customer buys your product with two touchpoints, 75% is allocated to the last touch and 25% to the first touch.

This type of model is terrific for those who give precedence to finders and closers, focusing more on the last touchpoint.

4 Inverse J

You can use the Inverse J-Shaped attribution model to score more credit on channels that initiated a conversion.

This type of Multi-Touch attribution gives 60% credit to the first touch, splits 20% to any of the touchpoints in between, and 20% to the last touchpoint. If a customer buys your product with a single touchpoint, 100% credit is given to the last touch. If a customer buys your product with two touchpoints, 75% is allocated to the first touch and 25% to the last touch.

This type of model is terrific for those who give precedence to finders and closers, focusing more on the first touchpoint.



5 Time Decay/Descending

The Time Decay or Descending model gives progressively more attribution to touchpoints as you grow closer to the time of purchase. The first interaction gets the least credit, and the last interaction gets the most.

Like the Linear model, the Time Decay model extends credit among all of the touchpoints, but time is also a consideration.

The Time Decay model is calculated by half-life, which is described as an interaction that occurred 7 days before the purchase gets half of the credit from the interaction that occurred the day of the purchase. For instance, touchpoints that occurred 1 day prior to the purchase get 50% sales credit, and 2 days prior get 25%.

A longer half-life takes to a more even allocation of credit over time, while a shorter half-life assigns the greater part of the attribution to the most recent touchpoints.

If a click and visit occurred within two minutes of one another, only the click is attributed. If a digital view and a click seem to relate to the same ad and occurred within 24 hours of one another, they are calculated as a single touchpoint when receiving credit for the conversion.

This model may be the right one to use when building relationships with clients and with purchases having a long sales cycle, for instance, business-to-business procurement.

This model is useful to you if you are looking to identify touchpoints directly leading to your customer's purchase. This model identifies the touchpoints of a customer path but not the impact of the touchpoints to your customer.

6 W-Shaped

The W-Shaped attribution model uses a similar concept as the U-Shaped model, except for an additional essential touchpoint for opportunities/leads.

The W-shaped model adheres to a fixed pattern: 90% of the credit is evenly distributed between the first, third, and last marketing touchpoints. The remaining 10% is split between the second and fourth touchpoints, hence the “W” shape. This model assigns the most value to the three primary consumer journey stages: visit, lead, and sale.

This model will help you in understanding interactions that deliver and convert leads and showcase significant engagements that impact your customers. This model, however, restricts insights into mid-touchpoints that help drive conversions.

7 Full Path

The Full Path attribution model is the most comprehensive Multi-Touch attribution model.

This model measures every touchpoint throughout the entire customer journey. It's an effective model since you see exactly what works and what doesn't for any particular customer.

It gives 22.5% credit to the first touch, the lead touch, the opportunity touch, and the last touch. The remaining 10% is divided evenly among the rest of the touchpoints.



8 Custom

A Custom attribution model offers you complete control over how you allot credits for conversions. Your company can give a custom weight to any touchpoints you think are significant. This model is great for organizations that have a long buying process and a wealth of customer data on hand.

A Custom model is tailored to your business setup, allowing you to perceive which marketing channels get excessive or inadequate credit.

Customizing an attribution model is time-consuming and resource-intensive to construct, maintain, and use. It is simpler to use or combine readily available pre-built attribution models instead of creating something else entirely.

This model is partial to the touchpoints you want to assign credits to, even if they may not be great for your organization.



III. Choosing the Best Attribution

Model for Your Business



To be able to increase ROI and to best spend your marketing budget, you must choose the BEST Attribution Model for your business objectives. To be able to select the most effective gauge, you first need to determine your end goal. Do you want to drive brand awareness or customer acquisition? Is customer relationship-building important to your business?

Sales cycles are also a factor in choosing the right Attribution Model for your business. If you're selling an extremely high-value product like a car, then this clearly has a longer sales cycle than selling shoes. Consequently, your marketing tactic will probably be more intricate, with multiple campaigns in various platforms.

You'll require a comprehensive attribution model which presents you the fine points of each prospective buyer's journey:

- How they came upon your brand.
- Why they discontinue.
- What makes them come back.
- Why they make the ultimate choice of purchasing.

For instance, you might want to check if the consumer happened upon your brand through search engine results, dropped off and then returned to your website after seeing your sponsored tweets. Alternatively, you might want to probe the particulars of your campaigns. Not all touchpoints significantly provide the same quantity towards a consumer choosing to buy, so it's worth discovering which works best.

Some marketers will claim the effectiveness of one model, and others will swear by a different model. Since each attribution model works fairly on its own and in different circumstances, don't be scared to explore various attribution models to uncover which works effectively for your organization and your marketing campaigns.



IV. What to Do Once You Choose an **Attribution Model**

Once you've chosen one or two marketing attribution models which work for your organization, consider your options for adopting a marketing attribution platform where you can review and manage all of your data in one place. Select an attribution tool which allows you to use multiple models or construct your own data-based restrictions. This will aid you in sorting through the attribution information you're collecting and finding the most efficient methods to improve your marketing strategy.

Dealtale understands the frustrations and limitations that using multiple, complex digital tools create. So, we built a platform that integrates and prepares data for analysis and provides teams with a super-simple UI to get immediate answers—without worrying about coding, data silos, legacy data structures, data science, or engineering.



v.

Final Thoughts



Each new trend and break that presents itself seems like the next best opportunity to flourish your business. However, the ideal is that adhering to merely a few tactics, gauging their effectiveness, and then revolving according to your results is a much more profitable means to truly expand your business.

And to evaluate all those different techniques, you need to give credit where credit is due.

Consider undertaking all the attribution models: First Touch or Last Touch attribution, Linear, U-Based, J-Based, W-Based, Time Decay, Full Path or Custom.

Ultimately, there is no correct answer.

The only right attribution model is the one that bestows you with significant information to augment ROI from your approach. If an attribution model isn't doing that, then you could better devote your time, resources, and energy somewhere else.

Which analytics attribution model do you most prefer?



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