

The Hitchhiker's Guide to Attribution

Mapping the Customer Journey
for Advertisers



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Marketing attribution provides an understanding of the events that influence individuals to engage in a desired behavior, typically referred to as a conversion.

Determining attribution along the winding road to a conversion is no easy feat – especially when it comes to digital marketing.

Advertisers struggle to properly attribute online campaigns across multiple marketing channels, including display, social, mobile, email, search, shopping, video and affiliate. Attribution tracking is an ongoing battle, particularly in the increasingly dynamic, complex and fragmented marketing landscape.

In addition, the pressure to understand how digital marketing impacts the entire sales cycle brings with it a galaxy of other challenges such as curbing wasteful spending, analyzing existing campaigns and making improvements for future campaigns.

A lack of awareness regarding the tools at their disposal to address these challenges can leave advertisers adrift with no direction on where to start on the road to effective attribution.

The journey begins with tracking and analyzing billions of data points across the multi-touch universe. This allows advertisers to accurately measure the paths that lead customers to a brand and ultimately determine which channels influence conversions across the entire digital customer journey.

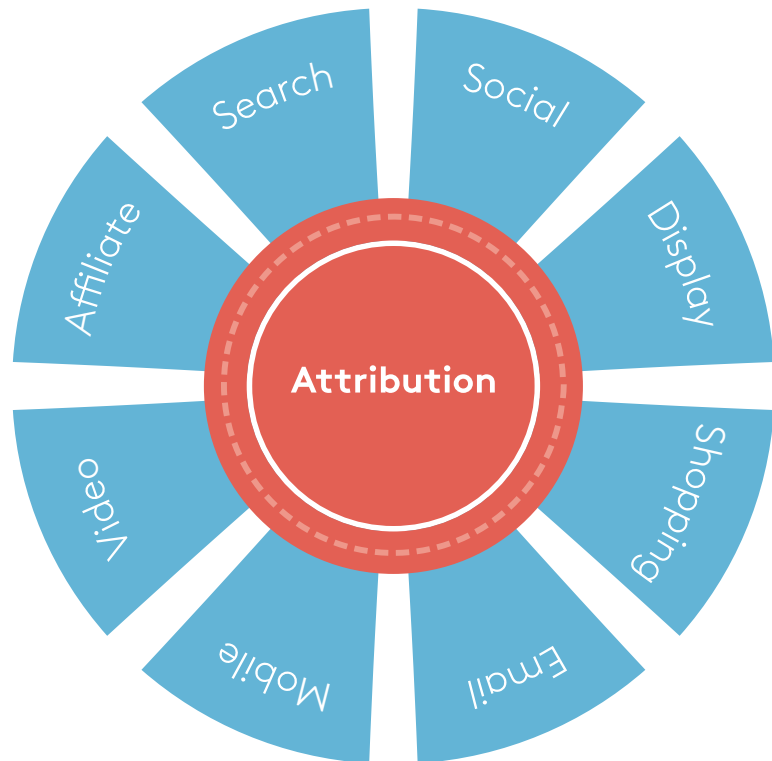
In this guide, we further explore how multi-touch marketing attribution can increase the success of your digital advertising campaigns.

UNDERSTANDING ATTRIBUTION

Advertisers need to track which digital channels and campaigns play a role in conversions, and to what degree.

DEFINITION

Conversion: when a visitor clicks through a link and makes a purchase from or generates a lead for an advertiser



At times, one marketing channel prevails as the reason a customer converts. Alternatively, other marketing channels help, resulting in shared credit across the media mix. It is the individual advertiser's choice as to how they wish to attribute and reward the relevant marketing channels.

By measuring the value of their channels, advertisers can pick and choose to invest further in ones that are steering customers toward a conversion.

With attribution, advertisers know precisely which touchpoints produce the highest returns. Advertisers armed with these actionable insights can better optimize their media mix.

WHY ATTRIBUTION MATTERS

Attribution modeling can show advertisers which marketing investments contribute to conversions, where marketing budget is spent along the customer journey and what combination of channels are the most effective.

Why is it vital that advertisers understand the cost of their marketing spend, and why does attribution matter?

1

GAIN A VIEW INTO THE CUSTOMER JOURNEY

The path to purchase is increasingly complex. As a result, it is becoming harder in the multi-channel environment to track data in real-time and gain insight into different online and offline channels. This is why it is vital to understand and refine your attribution strategy.

2

OPTIMIZE FUTURE CAMPAIGNS

Deep analysis of varying attribution models allows advertisers to evaluate past actions and predict future results. Heightened visibility across the path to conversion provides insight into what shapes consumer behavior.

3

SPEND WISELY

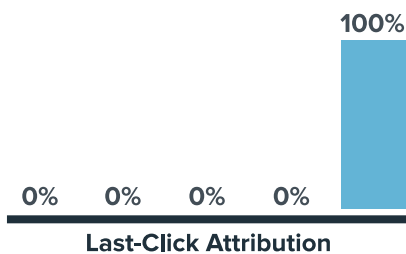
Understanding attribution allows advertisers to better allocate their digital spend. Advertisers cannot afford to invest capital in touchpoints that do not add value.

ATTRIBUTION MODELS

An attribution model is a set of rules that determines how credit for conversions is attributed to touchpoints along the customer journey. No attribution model fits every situation, so advertisers can use a mix of different value metrics and models, depending on their goal.

It's crucial to remember that attribution models must be evaluated regularly as ongoing optimization is essential to continued success.

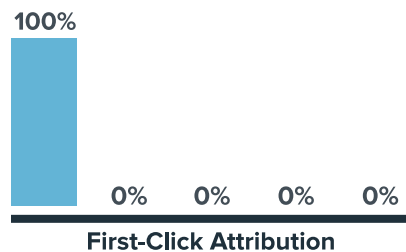
Some of the most well-defined attribution models include:



LAST-CLICK ATTRIBUTION

This simple cost-per-action model uses a “last-click wins” strategy. It focuses solely on the end of the customer journey, giving no credit to any other touchpoints along the way.

Last-click attribution is the most commonly used model because of its simplicity and advertisers’ familiarity with this model.



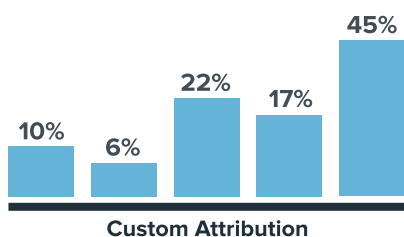
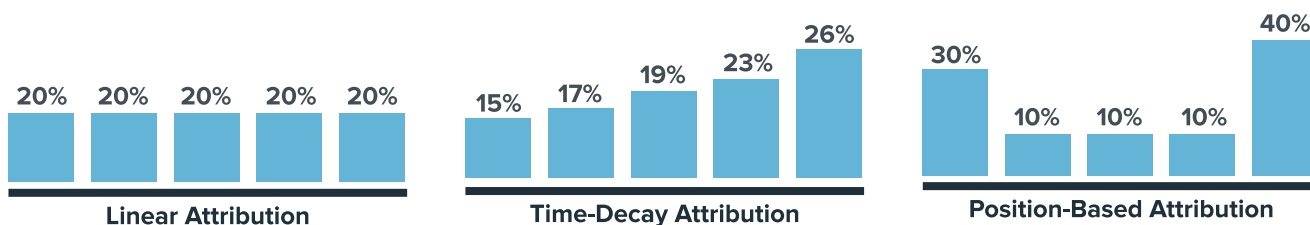
FIRST-CLICK ATTRIBUTION

While not suited for everyone, some advertisers choose to operate a “first-click wins” attribution model, where the bias is on the beginning of the customer journey. This rewards the first interaction that subsequently kicks off the path toward a sale or conversion.

MULTI-CHANNEL ATTRIBUTION

Multi-channel attribution splits credit for a conversion between a number of touchpoints, including display, social, mobile, email, search, shopping, video and affiliate. While some argue that multiple marketing touchpoints complicate the attribution picture, others believe it to be a fairer model, crediting those according to the roles they play in conversions.

Linear, time-decay and position-based models are all examples of multi-channel attribution.



CUSTOM ATTRIBUTION

A custom attribution model centers on using last-click, first-click, linear, time-decay and position-based models as a starting point then layering in other relevant, important factors to create a customized attribution model.

For example, a custom attribution model could layer in engagement factors such as viewing a set number of website pages, interacting with specific assets or spending a certain amount of time on a site.

ESSENTIAL "MUST KNOWS"

HOT TIP

Having visibility into all channels at once allows advertisers to leverage the data as a whole and create custom-built attribution models to optimize spend.

With numerous attribution models to understand, a plethora of fresh data and new tools and technology to experiment with, it is important to be aware of the essential "must knows" when it comes to attribution.

USE THE LAYERED APPROACH: TRACKING AND MEASURING

The more data advertisers have, the better-informed decisions they can make. Do not become overwhelmed by the amount of accessible data. Instead, approach data analysis layer by layer. This means exploring different elements individually, before entering into more complex levels of attribution. Measuring not just clicks, but other metrics such as customer quality, average order values and the ratio of new customers compared to old will help in the quest to understand the customer journey.

BRING IT ALL TOGETHER: VISIBILITY & DATA VISUALIZATION

Very few advertisers have a comprehensive picture of the customer journey because they tend to view their marketing channels as separate efforts. Bringing multiple channels into a single view improves attribution visibility and allows advertisers to see exactly what is driving conversions.

Advertisers often discover the channel initiating a conversion cycle is actually not the channel getting credit and the conversion cycle is really a cross-channel effort.

On the other hand, advertisers may discover one of their channels is having little or no impact on any of these conversion cycles and will want to redirect their digital spend.

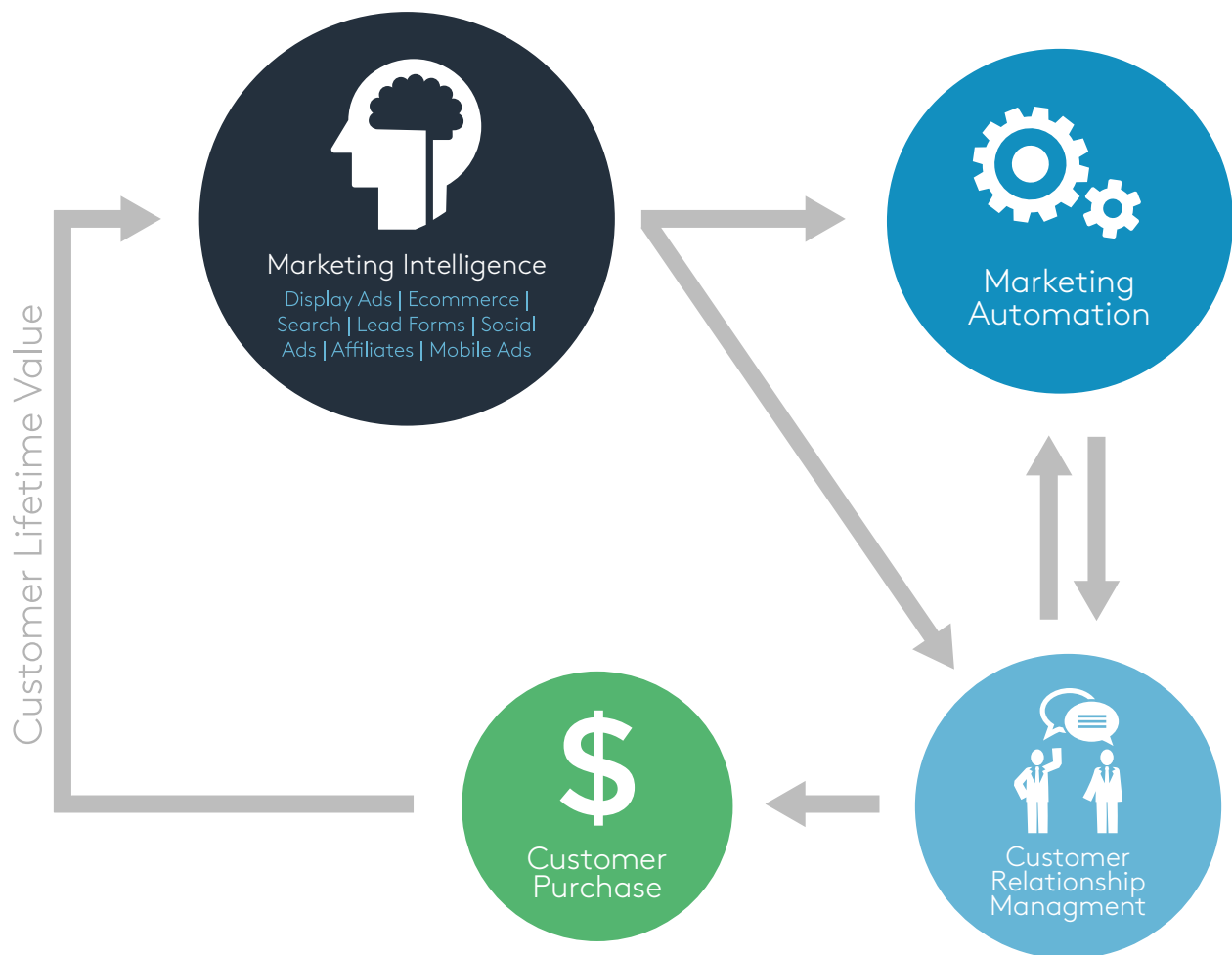
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When consolidating channels and viewing them side-by-side, advertisers are often shocked at what is going on under the hood. Often what they assume has been working turns out to not be working at all.
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CLOSE THE LOOP: POST-SALE ANALYSIS

DEFINITION

Customer Lifetime Value (CLV): a prediction of the net profit attributed to the entire future relationship with a customer, CLV is an important metric as it represents an upper limit on spending to acquire new customers

Do not underestimate the power of post-sale analysis within attribution. User actions after conversion can be used to customize and enhance future user experiences. These days, more brands are becoming concerned about true customer lifetime value.



HOT TIP

If you are looking at the conversion path and the last touch is a cookie drop a few milliseconds before the consumer hits the landing page, something could be wrong, especially if the previous touchpoint is a click from a known referral source. With the right visibility this “theft click” can be excluded from the conversion path.

BE MINDFUL OF FRAUDULENT TRAFFIC

While new tracking tools make fraudulent attribution more difficult, there are still ways that fraud finds its way into conversion pay-outs.

Cookie stuffers and tool bar affiliates steal conversions from previous channels along the customer journey by dropping a cookie right before the customer hits the advertiser’s landing page. It often occurs when a customer has malware, adware or a toolbar that they are unaware has been installed.

Phony computer-generated visitors, created by so-called “bot traffic cheats,” dupe advertisers into paying for traffic that does not originate from an actual person – meaning they pay for ads when they are clicked on, despite the click coming from a bot.

It is important to have visibility into potentially fraudulent traffic by tracking impressions, clicks and conversions in real-time.

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- About 36% of all web traffic is considered fake, the product of computers hijacked by viruses and programmed to visit sites.

- Interactive Advertising Bureau, trade group

- Fraudsters steal some \$6 billion in the U.S. annually.

- White Ops, ad-fraud detection firm

SUMMARY

Throughout this Hitchhiker's Guide to Attribution, we have introduced you to the complex, yet exciting and fast-moving concept of attribution.

From understanding various attribution models to focusing on the legitimate touchpoints that add value to the customer journey, there is plenty to understand.

While advertisers can never know 100 percent of the factors that lead to a conversion, tracking all touchpoints reveals which ones in the customer journey are working, and which ones are not.

ABOUT CAKE

CAKE provides a SaaS-based solution to track, attribute and optimize the performance of digital marketing spend, in real-time. Bringing clarity to multi-channel marketing campaigns, CAKE empowers advertisers, publishers and networks with the insight to make intelligent marketing decisions.

LEARN MORE

Contact us for a complimentary demo to find out how CAKE can help you with your attribution challenges.