

# Beyond Last Touch:

*Understanding Campaign Effectiveness*

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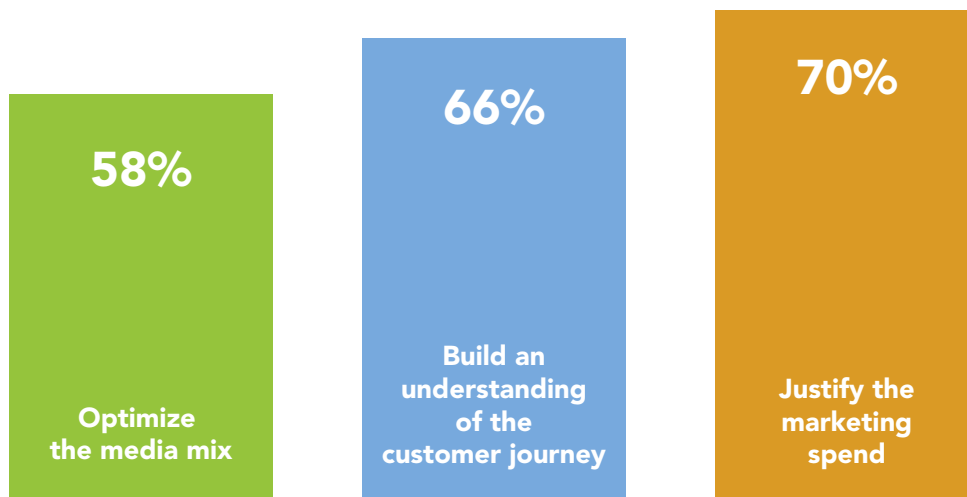
A Digital Marketing Depot Ebook

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# Introduction

Digital advertising has introduced both new challenges and opportunities with regard to attribution. Every touchpoint along the purchase path is now highly measurable, allowing marketers to allocate resources more effectively, identify the digital media that introduce prospects to the brand versus those that close sales, and scale their best performing campaigns (see Table 1).

**Table 1: Top Benefits of Attribution**



Source: Adobe "Quarterly Digital Intelligence Briefing: Making Sense of Marketing Attribution" – October 2012

(Note: This whitepaper is based on a webcast from Digital Marketing Depot, February 26, 2013. Contributors: David Grant, Principal Product Manager, Quantcast and Jessie Mamey, Media Director, WebMetro. Thanks to Karen Burka for preparing this whitepaper. The full recording is available at [https://info.quantcast.com/Webinar\\_BeyondLastTouch.html](https://info.quantcast.com/Webinar_BeyondLastTouch.html)

At the same time, advertisers must cope with a flood of data in an attempt to understand the metrics that truly matter. The challenge is especially critical for evaluating the impact of driving new customers into the purchase funnel. Many systems try to simplify attribution down to a single touch. But with so much digital data available, multi-touch approaches can be much more effective, particularly for understanding the value of digital display advertising.

How do you measure digital advertising success? And how do you track and measure each digital channel to evaluate and optimize your digital advertising investments? This whitepaper will answer those questions, and explain new attribution approaches and digital metrics that will help you track and drive new prospects to take action.

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## Understanding Attribution

Attribution is a statistical method that assigns credit for conversions to different digital touchpoints or channels along the conversion path. The question is: how does each conversion get assigned to a particular touchpoint or channel?

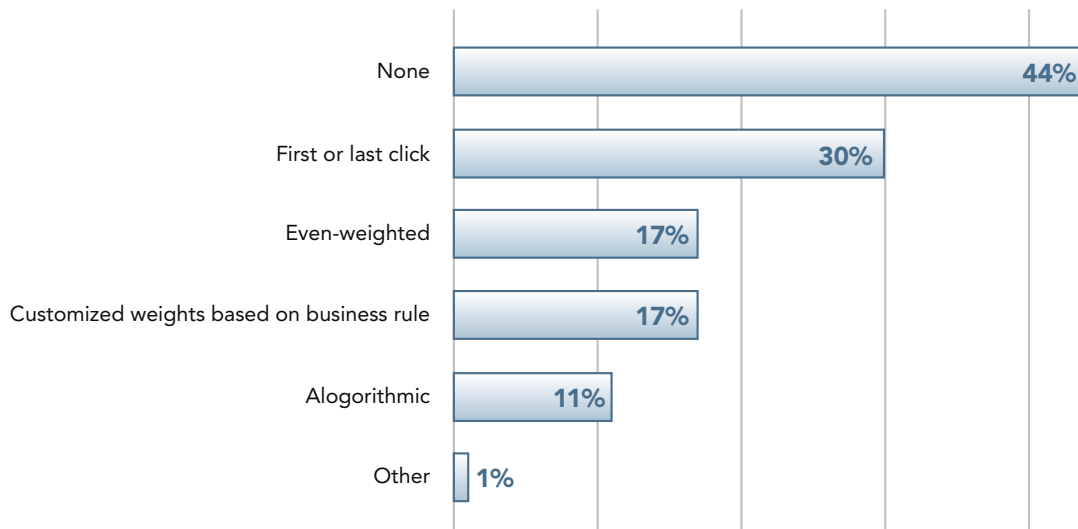


There are currently four approaches to attribution modeling that are commonly used by digital marketers. Each approach has its benefits and challenges.

- **Last touch attribution** assigns credit for a conversion to the last click or last view before the conversion. Touchpoints are viewed in sequence, with the credit recorded to the last click or last view in the conversion path. The benefits of a last touch attribution model are its proximity to the action or conversion being measured and its low data requirements (only tracking one click per conversion). The challenge with this attribution approach is its bias against upper funnel types of marketing such as prospecting, which can drive incremental conversions at scale. Last touch attribution tends to reward retargeting efforts because retargeting happens very close to the conversion events, after users have already shown an interest in your product or service through previous site visits. While retargeting may be correlated with conversion, it is not always the cause of the conversion.
- **First touch attribution** assigns credit for a conversion to the first click or view in the conversion path. The benefit of this approach is that it explicitly recognizes prospecting and upper funnel influences. The challenge is that it is not strongly connected to the action or conversion, and is reliant on third party cookies. The arbitrary nature of the time window in first touch attribution also makes it difficult to measure how much influence the touch had on a conversion that can take place weeks later.
- **Linear/Multi-touch attribution** assigns an equal value or fractional weight to each touchpoint in the conversion path. This approach also recognizes the value of prospecting and upper funnel marketing efforts. The challenge is its complexity, and the fact that it tends to reward high volume, low quality clicks or touches. Conversion paths with many touchpoints must allocate credit to each touch, even if they aren't driving conversions.
- **Algorithmic or customized attribution** assigns unique weights to each touchpoint in the conversion path according to specific business or statistical rules. This approach is flexible, and can be especially powerful. The challenge is that it is complex and can border on black box, meaning it is difficult to understand and may not be accurately utilized.

According to a 2012 Forrester Research Marketing Executive Panel survey, 30% of respondents used either a first or last click attribution approach, while 17% used a linear or even weighted model (see Table 2). Seventeen percent used an algorithmic approach; nearly half were not using attribution at all.

**Table 2: What approach do you use to assign credit to your interactive marketing channels, contacts, or partners?**



Source: Source: Forrester Research Marketing Executive Panel (Q2 2012)  
 Base: 267 interactive marketing executives; respondents selected all answers that apply

## Aligning Attribution with Causation

Which attribution approach is right for your organization? The answer will differ for each marketer, but the most effective attribution model will align well with causation. Causation establishes how a conversion occurred, with the goal of driving additional conversions by recreating similar purchase paths. Causation is at the core of a good attribution system.

It is also important to understand the differences between search “click” behavior and how users view display advertising. Search represents half of digital ad spending, yet only four percent of web user time, according to Nielsen Netview research. Unlocking the display advertising opportunity requires a change in thinking and metrics.

For example, clicks are a natural currency in search and an effective metric for measurement and optimization (see Table 3). Consumers use search results to navigate to another, more relevant destination. In display advertising, consumers arrive at a site to view and consume content, not to find another destination. Using a click-based approach is often imposed by default for display advertising, but optimizing clicks can actually be “anti-optimal.”

Industry research has shown that display “clickers” tend not to be converters. They are younger (i.e., less than 25 years old) or older (i.e., more than 65 years old) with lower education and income levels. Converters tend to be more middle aged (25 to 50 years old), and have higher income and education levels. Ninety-five percent of clickers don’t convert, and 90% of converters don’t click. By optimizing for “clickers” many marketers are literally optimizing away from converters.

**Table 3: Search vs. Display Metrics**

Search	Display
Clicks are a natural “currency”	Click-based approach imposed by default
Consumers arrive to navigate elsewhere	Consumers arrive to consume content
Clicks are an effective metric for optimization and measurement	Optimizing clicks can be anti-optimal

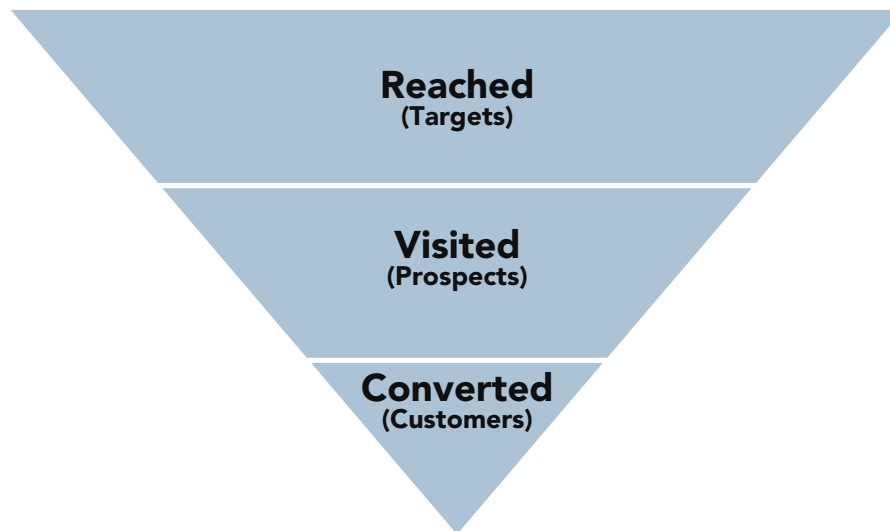
Source: Quantcast

## Understanding The Role of Site Visitation

If clicks are not the most effective metric for measuring display results, what metric should digital advertisers use? An emerging alternative is to look at the concept of “views,” which allows you to track all the media that a user was exposed to prior to conversion.

Several views that are often overlooked by many digital marketers revolve around the site visit. Incorporating site visit events in the conversion path is crucial to identifying and measuring prospects, and subsequently enabling retargeting. Attribution models frequently track impressions, but not the site visit events and the impressions before and after a site visit. There are three key metrics that can help you understand and evaluate the role of site visitation:

1. **New Reach Rate.** The percentage of visitors who are new to a site. Indicates whether or not your prospecting efforts are reaching new targets.
2. **Visit Rate.** The percentage of prospects reached who visit the site. Indicates whether or not your prospecting efforts are reaching the right prospects.
3. **Conversion Rate.** The percentage of visitors who convert. Indicates whether or not your prospects are qualified and converting.



## Emerging Challenges in Attribution

The dynamic nature of digital marketing also continues to surface new challenges with regard to attribution:

- **Viewability:** As a new metric and technology, there are many vendors and many approaches to tracking views. It is vital to understand the quality of each impression, not just the quantity of impressions. Not every impression is equal, and a prospect that views four impressions may be influenced by one more than another. How long was a display ad on the screen? And how long did the user view the ad? These are the types of metrics that are becoming increasingly important.
- **Cross Channel Marketing:** How are your visitors interacting with search and display? What is the relationship between the two? Are non-branded search terms causing conversions more than branded terms? A user may be searching for your brand name because they want to visit your site. This is critical information to track the navigation path, but it didn't cause that user to convert. Where did he or she initially become interested in your brand? Those are the kinds of questions that need accurate answers for accurate attribution.
- **Cross Platform Use:** Consumers are continuously shifting their media consumption across devices. How do you integrate offline media in a digital and mobile world? And how do you integrate touchpoints across devices?

## Attribution Best Practices

Here are some recommended steps to begin using attribution more effectively in your digital display advertising efforts:

1. **Tracking.** Ensure that you are tracking all of your site traffic.
2. **Data integration.** Consolidate and de-dupe all of your digital marketing data.
3. **Model flexibility.** Look at digital performance through different lenses by initially using different types of attribution models, including first and last click, linear, and algorithmic. As results become apparent, you can use one approach more than the others.
4. **Clarify objectives.** Different campaigns may have different goals. Be clear about your objectives for each digital campaign.

As you become more experienced with your attribution models you will be able to uncover more actionable insights that can help you refine and optimize your efforts, and enhance the ROI of your digital display campaigns. For example:

**How effective are your display campaigns at driving search?** Factors such as targeting, ad size, messaging, channel, and keyword category will all impact results.

**How are your digital channels interacting?** Being able to assess different touchpoint combinations will help you identify trends in path lengths, conversion, and quality. You may find that adding social media can shorten the length of the conversion path, improving your profitability or revenue.

**How does frequency or recency impact results?** Do more frequent display campaigns increase the probability that a prospect will come to your site through a branded term search? Less frequent campaigns may result in more visitors coming to your site through non-branded or industry search terms. Does expanding a one-day or three-day lookback window improve a post-click or post-view retargeting campaign?

## Conclusion

Using attribution more effectively is critical to improving the performance of your digital marketing campaigns. There are several approaches to choose from, and each has its benefits and challenges. We recommend that you use a multi-touch approach that goes beyond the first or last click or view. As more digital marketers utilize more channels in their strategy to reach prospects, it's important to understand the growing relationship between those channels. Particularly as strategies shift from tracking clicks to tracking views, and measuring quality rather than quantity. Incorporating metrics that track site visit events and the impressions before and after a site visit can provide greater visibility into the impact of prospecting on digital display advertising. ■

A cosmetics etailer began tracking display campaign results with a conservative one-day post-click and post-view look-back window to credit conversions to the last click. The etailer decided to open up the look-back window to see how earlier views impacted conversion. When expanded to a 3-day, 5-day, and even 90-day look-back window, views from every display tactic in the conversion path – from whitelisting and retargeting to contextual, run of network, and behavioral – all improved conversion.

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