RESPONSE ATTRIBUTION:

DATA INSIGHTS TO MAXIMIZE YOUR MARKETING SPEND

Today's marketers are faced with the challenge of consumers that expect more personalized and relevant experiences across multiple channels than ever before. In addition, marketers are having to not only create engaging customer journeys, but also justify which channels and touchpoints are driving conversions. So how do marketers optimize both their marketing spend while appropriately allocating budget across channels in this rapidly evolving marketing environment?

The answer is "response attribution". Response attribution is also often referred to as Multi-Touch Attribution (MTA), Multi-Channel Attribution (MCA) and even Media Mix Modeling (MMM).

Regardless of the "flavor" used, all response attributions attempt to match transactions to marketing touches and consumers along their path-to-conversion in an effort to show the "cause and effect" of various marketing communications to consumers, both within and across channels.

CHALLENGES TO RESPONSE ATTRIBUTION

A consumer's path-to-conversion is far from linear – today's consumers typically engage with brands via multiple touch points across multiple channels and devices before making a purchase.

Marketers need to understand which channels and campaigns are generating leads and converting consumers most successfully and why. They need to accurately predict the impact of increased or decreased spend within these channels in order to execute a good marketing strategy and maximize the return on spend. With consumer journeys becoming increasingly more complex and involving multiple engagement points, it becomes much harder for marketers to have full visibility.

For marketers, gaining any visibility into multi-touch, multi-channel attribution response data can be challenging. Many marketers must manually analyze disparate data from different sources and spend countless hours crunching numbers in spreadsheets. It is no wonder that a recent survey by *Ruler Analytics* shows **only 57.9% of marketers report using a marketing attribution tool!**

KEY BENEFITS OF RESPONSE ATTRIBUTION

By leveraging a response attribution solution, a marketer can:

- Track ROI and return on ad spend (ROAS) and understand which channels, campaigns and touches are generating the best results.
- Track the entire customer journey across channels and multiple marketing campaigns to determine which channels, campaigns, touch points and cadences drive the most conversions/sales.
- Generate truly personalized marketing communication content to help nurture customers to the desired goal(s).

KEY COMPONENTS TO A SUCCESSFUL RESPONSE ATTRIBUTION SOLUTION

There are 3 key components to a successful attribution process:

1. The Match Process

The phase of attribution where campaign records and transaction records are matched together in a type of “dupe group” to facilitate the ultimate attribution of orders to campaigns and communications. In nearly all attribution solutions, there is a waterfall approach utilized to match orders to touches at the following levels:

- **Individual**
    - In this match level, transactions are matched only to the direct recipient of any marketing communications or touches.
- **Household**
    - This match level will attribute transactions to any household member regardless of which member(s) received a marketing touch.
- **Residential**
    - This match level attributes transactions to anyone in at the street address that received touches. This level is the least accurate match. Care must be taken to only match to verified residential addresses (not business addresses) and that allocations are spread over all touches and members of the address regardless of relationship or marketing communication touches.

2. The Consideration Window

The “consideration” window for each matched touch determines if it was, indeed, relevant to the transaction being placed. For a marketing touch to be considered for attribution, the transaction date must fall within the marketing touch’s response window or else it is ignored for any attribution to that specific transaction.

Consideration windows will vary by tactic and event or offer. For direct mail campaigns, the consideration window begins on the earliest in-home date and runs for a few weeks. For many digital campaigns including SMS and email, the consideration window is usually shorter is based upon the type of marketing event or offer. For example, general digital marketing messages typically have a 3-to-5-day consideration window. Whereas a 1-day sale or 12-hour flash sale will have a 1-day consideration window based upon the send date and would only participate in attribution if a resulting transaction occurred on the send date.

3. Attribution Methods

Lastly, once transactions are matched to touches and determined to be within the consideration window to participate in the final attribution, it is time to determine the type of attribution method to be used to allocate the sales dollars and order across all relevant touches.

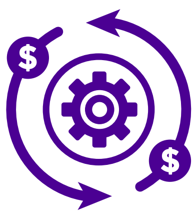
There are five common attribution methods deployed in response attribution solutions:

- **First-Touch**
  - 100% of the credit for a conversion is attributed to the very first channel that the buyer interacted with.
- **Last-Touch**
  - 100% of the credit for a conversion is attributed to the final channel that the buyer interacted with.
- **Linear Attribution**
  - The credit for the conversion is distributed evenly across each channel a buyer interacted with throughout the entire buying journey.
- **Time Decay Multi-Channel**
  - The credit from the sale is distributed to all marketing touchpoints, but the most recent touchpoints receive a higher percentage than earlier touches in the journey.
- **Position-Based (U-Shaped)**
  - The first and last touchpoints both receive 40% of the credit for a conversion. The remaining 20% is spread evenly across any touchpoints in the middle of the journey.

  NOTE: the % used can be varied. For example, another allocation is 30% to both first and last touches with the remaining 40% allocated across all remining touches.

The most common methods used are Last Touch and Linear attribution. It is important to note that there is no "one-size-fits-all" when it comes to response attribution methods. Each method has advantages and disadvantages. All methods will generate unique results, as they measure the importance of campaigns and touchpoints differently. The attribution method ultimately chosen and deployed will depend on the nature of the channels and campaigns being tracked. Marketers are encouraged to test and explore the impact on the attribution of transactions by testing each of method to evaluate which best fits the attribution requirements.

NEED HELP WITH YOUR RESPONSE ATTRIBUTION?



Marketers responsible for marketing budgets need to have a solution in place to measure which campaigns, communications and channels are generating the best return on investment for their brands.

But you might be thinking, "I don't have the expertise or bandwidth to do this in-house so can't I just send files to a vendor and get an attribution report back"?

The answer is "YES"! Vérité has a robust, self-service response attribution platform that allows marketers to load their campaigns and transaction files, map key fields, select consideration windows by campaign and select the attribution method to be utilized. The result is a standard report with a matched response data file supporting analysis of attributions in aggregate or by campaign and/or segment (keycode) levels. Vérité's solution supports a marketer's ability to test various attribution methods on the matched data to measure the impact of each method on their overall attributions before choosing a final approach. Want to learn more about response attribution? Schedule a call with a Vérité representative and start focusing on measuring the impact of marketing initiatives versus marketing spend!

RESPONSE ATTRIBUTION:

VéritéData

DATA INSIGHTS TO MAXIMIZE YOUR MARKETING SPENDING

With more than 50 years of experience, Vérité Data is a proven identity, data and analytics provider with a flexible approach that ensures scalability, reliability and security. Organizations can start small with a single project and scale up easily with Vérité – expanding across brands and channels as needed – to address your most pressing challenges.

SECURELY ENABLING A CONNECTED WORLD

To learn more about our Response Attribution,
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