Connecting the Dots: Maximizing Your ROI with Attribution Reporting

Forthea Interactive

We are an award-winning digital marketing agency that believes there are right ways and wrong ways to spend marketing dollars. We believe there is no point to skimping on details or cutting corners when solving some of marketing's hardest challenges.

Key Stats:
- **Founded:** 2006
- **Headquarters:** Houston, TX
- **Active Clients:** 40+
- **Our Purpose:** To experience the joy of helping others be more successful
- **Representative Industries:** Retail, Technology, Real Estate, Automotive & Healthcare
- **Representative Services:** Search Engine Optimization, Pay-Per-Click Marketing, Media Buying, Analytics & Consulting

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**Marketing Attribution**

*def.* **Marketing Attribution** – the process of quantifying the influence that each brand interaction has on a consumer’s decision to make a purchase, or convert.

*Giving credit, where credit is due.*
Our World as Marketers…Most Days

Marketing is Messy

Today’s Topics

• **Accuracy**
  • What factors affect attribution accuracy?

• **Action**
  • Do I need to take action?
  • If so, where and to what extent?

• **Advanced Topics***
Why does accuracy matter?

Accuracy helps us discover the right questions, which drives the right actions…

• If we spend more in outdoor, how will it impact our paid search campaigns?
• If we cut back on paid search, will our organic rankings still drive in the same amount of traffic/sales?

General Question: How can we improve our overall marketing ROI?
Top Factors Affecting Accuracy

• **Internal Factors**
  - Excluding Interactions/Data – e.g. myopic reporting/modeling
  - Missing Interactions/Data – e.g. inadequate tracking/tagging

• **External Factors**
  - Changing market conditions – e.g. seasonality and other economic factors
  - Competitor’s actions – e.g. price wars, promotions, new releases, shifts in competitor advertising

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Factor #1 - Excluding Interactions/Data

**The Path to Purchase is a Winding Road**

[Diagram showing the path to purchase with various interactions and data points]
Factor #1 - Excluding /Data

Yet, if we’re not looking closely...

What happened

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<th>display view</th>
<th>SEM click</th>
<th>SEO click</th>
<th>display click</th>
<th>SEM click</th>
<th>SALE</th>
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<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
</tr>
</tbody>
</table>

Factor #2 - Missing Interactions/Data

Key Cross-Channel Purchase Paths

- **Offline-Online**
  - Offline-to-Online (Off-On)
    - Example: TV/print/outdoor driving online web sales (w/o custom landing pages, redirect domains, vanity URLs, promo codes, etc.)
  - Online-to-Offline (On-Off)
    - Example: web ads driving in-store traffic (w/o coupons, POS & survey integration, call tracking, etc.)

- **Cross-Digital**
  - Inter-Channel
    - Example: email marketing driving site traffic (w/o proper email link tagging)
  - Intra-Channel
    - Examples: Twitter traffic driving Facebook page visits (w/o proper social post link tagging); or non-branded keyword traffic driving branded keyword traffic (w/o SEO software to help predict organic search query volume based on page visits)

- **Cross-Device**
  - Example: desktop ads driving late-night mobile purchase behavior (w/o using cross device analytics)
Action

Do I *Really* Need to Take Action?

- **Probably Little to No Attribution Problems** *(or lower priority)*
  - 80% conversions come from 1 visit *(ACR < 20%)*
  - Short sales cycle – minutes, hours
  - Few repeat buyers

- **Mild to Critical Attribution Problems** *(or higher priority)*
  - More than 20% of conversions come from 2+ visits *(ACR > 20%)*
  - Longer sales cycle – days, weeks, months
  - Multi-channel retailer/advertiser
Assisted Conversion Ratio (ACR)

\[ ACR = \frac{\text{Assisted Conversions}}{\text{Total Conversions}} \]
Assisted Conv. Ratio (ACR) = Assisted Conv / Total Conv

If ACR > 20%, then you need to dig deeper.

Identify top channels...look right?

Check the Assisted Conversions report for the “cast of characters” (i.e. channels) responsible for the assists

Anything over 1 may be “undervalued”
Top Path Report

Check the *Top Path* report to understand top user behavior patterns and conversion sequences.

How is Direct our top “first touch”? Direct is also getting a lot of “assistance.”

Which Attribution Model?

Custom Predictive Modeling
Create a custom model for each client and current tactics to find the best fit.
Run the Model Comparison Tool with:
- Last Click
- Time Decay
- Position Based

What % change in Conversions do the other models predict?

Model Comparison Tool

Enter "Admin" settings

Run the Model Comparison Tool with:
- Last Click
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- Position Based

What % change in Conversions do the other models predict?

Model Comparison Tool

Custom Model
Build a custom model, weighting the first and last interactions based on the objectives of the campaign and the amount of awareness held by consumers.

More top of funnel credit, e.g. "brand awareness"

Increase for shorter sales cycles or if well-known brand
Advanced Tactics

*Advanced Tactic #1: Cost Data*

Conversion Value (e.g. Sales Revenue) is only ½ of the ROI equation.

Import cost data from any channel/source to get CPA and ROAS data, and close the loop on ROI.

Non-Media costs should include:

1. In-House Personnel (% of time per channel * fully-loaded cost)
2. Outside Fees (agency, tool vendors, print fees, etc.)

Model Comparison Tool + Cost Data
**Advanced Tactic #2: CCGs**

Use Custom Channel Groupings to track your other specific marketing channels, like, for example, "Paid Video" or "Affiliates".

Also, track offline channels like "Offline Catalogs", "TV", and "Billboards" with UTM tags and vanity URLs.

Don’t forget to split Paid Search into "Branded" and "Non-Branded".

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**Advanced Tactic #3: Conversion Segments**

Use Conversion Segments to discover meaningful questions about a specific subset of paths within a channel grouping:

- Might Organic Search have an affect on Direct traffic?
- Is the conversion value, when Facebook is the first referral source, substantial enough to warrant additional testing with more budget?
Experiment

Case: Selectively Reduce PPC Spend?

Challenge
- Excellent rankings in Organic Search
- Pressure to reduce PPC spend on top terms (e.g. PPC terms ranking in the top 3 organic positions)
- General feeling that Organic is a self-sufficient channel
**Case: Hypothesis**

**Hypothesis:** By reducing PPC spend on top ranking organic terms, we will cut expenses without decreasing sales, thus, improving ROI.

- Define two similarly performing geographic groups and split into Test & Control
- Take a period where you’re ranking in top 3 organically (Note: minimum period length will depend on number of visits and conversions, but probably need at least 2-4 weeks of data)
- Exclude the Test Group location in AdWords
- Then, create two corresponding Conversion Segments in Google Analytics:
  - **Test Group** = Location A + No Paid Search
  - **Control Group** = Location B
- Finally, determine the difference in total value between both groups, adjusting for the amount spent on Paid Search.

**Case: Data & Conclusion**

If the difference in total Conversion Value* (\$112K) is greater than the cost of PPC (e.g. \$30K), then run the ads.
Key Takeaways

Attack Accuracy Issues First
- Try to quantify ($) the impact
- Create relevant Custom Channel Groupings, Conversion Segments & UTM tags
- Get high-level buy-in... eventually rollout a Tagging & Cross-Channel Marketing policy
- Pick (and love) one tool to start (GA, Omniture, etc.)

Take Action
- Last click is wrong... add back conversion values for 2 or 3 other models to standard reports w/ an asterisk (*)
- Use the data to generate questions and hypotheses you can test
- Learn how to test better, with experimental design and statistical significance

“It’s hard to beat a person who never gives up.” – Babe Ruth
Thank You

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THANK YOU

Questions?

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