Getting to Why in Omnichannel Marketing Attribution

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THE POWER TO KNOW.

Contents

The state of affairs

The essence of marketing attribution is to divide up credit for sales and revenue among the various touchpoints preceding it. Pinpointing exactly which marketing channels – online or physical – are yielding maximum return on investment is vital for marketing organizations. It's a simple question, but the process of arriving at an answer is far from simple because the complexity of today's buying process nullifies simple attribution models based on traditional notions of the sales funnel.

In today's digitally saturated world, a typical customer journey is anything but linear. It may start in front of a smart TV, move to a smartphone, then switch to a tablet or even visit to a physical store – with multiple visits to search engines, browsing through product websites, followed by a social network site, for gleaning reviews about the product, and finally end with a purchase at a store.

Companies mostly struggle to decipher all the messages and interactions generated by their sales processes, not to mention their many online channels. But the fact is, the trail left by each customer's visits to your online channels, as well as other channels (e.g., contact centers and points of sale) requires a super sleuth to figure out whodunit. Just like a good mystery, there are subtle connections between clues that can turn the story on its head. And getting to these insights often requires a more lateral thinking style coupled with new analytical tools.

In short, your digital channels must be properly quantified, allocated, analyzed and optimized (in that order) to realize your business goals.

Digital channels are becoming the primary communication point for more and more consumers. The success of brands depends upon their ability to translate data generated from digital customer activity into consumer insight and action. Companies that can gather and isolate the most pertinent data from the web and other sources, analyze it to generate insights and swiftly act upon those insights will have huge competitive advantages. However, there are three barriers:

- **Missing data**. Touchpoints vary by the depth of footprint they leave in the data. Some touchpoints leave little or no trace. For example, a call center interaction may not be connected to a customer's digital record, or a physical store visit may go completely unnoticed. Some touchpoints take place on third-party properties, and some are not targeted toward specific individuals.

- **Uncertain data**. When data is collected across device or across touchpoints there is often uncertainty regarding the identity of the individual, or even whether any two records can be tied to the same person. The essence of attribution is the ability to link different portions of a customer's journey and this is impossible without a common identity.

- **Big data**. Like many analytic techniques, the input that enables attribution is well defined and relatively simple. But distilling this from raw sources is analogous to isolating the tracks of individual players from the impressions left on a muddy football field. Despite this challenge, marketing organizations are increasingly pressured to demonstrate business results. They must be able to answer the following questions in an easy, reliable and repeatable way:

> Your digital channels must be properly quantified, allocated, analyzed and optimized (in that order) to realize your business goals.

- Who should get the credit for revenue?
- How much credit should be attributed to each customer touchpoint across channels? On what basis?
- Which channels and touchpoints have the greatest influence on total sales?
- What content is having the greatest effect on KPIs?
- What's the conversion lag for different marketing channels? How do they affect each other?
- How does each marketing channel contribute to brand awareness without generating visible sales?
- How do offline events drive online activity?
- How should the investment be allocated across channels?

To overcome these barriers, marketing leaders must consider an approach that reflects the complexity of their customer interactions and the questions that this generates. The approach must take into account omnichannel analytics, the influence of customer perceptions on conversion, and the effects of cross-device usage.

The limitations of summarized, siloed channel data

Taking a more analytical approach to marketing attribution definitely gets you closer to figuring out the "why?" Unfortunately, though, many organizations struggle with the reality that most of the data comes in summaries (and in many cases, remains in channel silos). In contrast, advanced analytics requires detailed data from multiple channels to arrive at the best answers to your questions. To understand the limitations of summarized data, let's look at one channel – the web. Most organizations can get a pretty clear picture of:

- How many users are on the site at any given moment.
- What the peak traffic is like (so IT can know how many servers to have up at any given time).
- Which sections of the site are most popular.
- From which pages visitors most often exit.

The list goes on. But as a marketer, this summarized data is lacking if you want to better understand what drives all customer behavior. You want an attribution model that provides deeper customer insights across all tactics, including how traditional, nonaddressable media and brand sentiment affect a customer's decision to purchase and stay engaged.

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Key takeaways

Your end goal is to enable attribution at a detailed enough level that leads you to a better understanding of how to allocate marketing budgets over time and across channels. Your attribution approach must provide insights to marketing performance and also into customer behaviors and motivation. Marketers can use omnichannel channel attribution insights to uncover optimal customer purchase paths, best sequencing of contact strategies, ideal frequency between interactions, and more accurate metrics. To develop your attribution strategy, keep these tips in mind:

- **Have an end goal**. Consider your key strategic and tactical objectives and outline how you will use attribution to achieve them. For example, you may want to use attribution to optimally allocate marketing budgets or understand the customer purchase path. Once you've set the strategic goal, determine how you'll develop an attribution plan and the potential business impact.

- **Start small, then scale up**. Start with one or two digital channels to ensure data integrity, model validation and higher adoption of insights. Make sure you have the level of data that is needed to truly understand how your customers and prospects are interacting across those channels. Slowly recalibrate the model over time and test for data inaccuracies and missing insights.

- **Get buy-in before evolving to new metrics**. Before you dive into an omnichannel attribution approach, meet with campaign stakeholders to ensure they understand how their key metrics will be calculated and used. Discuss attribution approaches and review metrics for each channel and how they interrelate. Communicate how the insights will be used, such as reducing costs, investing in omnichannel marketing, justifying spending in various channels and identifying new customers to target.

With data proliferation and new advanced analytics, we are likely to see omnichannel attribution becoming a key component of not just marketing strategy, but of a company's overall business strategy.

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Learn more

Want to understand more around the different techniques of marketing attribution, and how you can get started in your journey toward more analytically driven marketing attribution techniques like algorithmic attribution? Download our white paper: Marketing attribution: Giving credit where credit is due.

Learn more about how SAS® Customer Intelligence 360 is helping customers create omnichannel customer experiences that are valued. For more information about all SAS Customer Intelligence offerings, visit sas.com/ci.