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## Getting to Why in Multichannel Marketing Attribution

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## ABOUT THE AUTHOR

Dave Billbrough has more than 10 years of experience with online marketing and analysis, and is passionate about helping marketers leverage analytics to optimize their customer experience. He is currently a Solutions Architect for SAS, helping businesses transform Web analytics data into useful customer insights.

Prior to joining SAS, he managed marketing and analytics initiatives for banks such as Wells Fargo, BB&T, E\*Trade and Navy Federal Credit Union.

## The Opportunity: Using Data to Optimize Marketing Outcomes

As digital channels continue to become the primary communication point for more and more consumers, the success of brands will depend upon their ability to translate data generated from digital customer activity into consumer insight. Those companies that can gather detailed data from the Web and other sources, analyze it to generate insights, and swiftly act upon those insights will have huge competitive advantages.

Think about your own business. In the past, you probably used marketing channels and tactics to just deliver messages. But today, they have to reach consumers earlier and more often within purchase processes, facilitate authentic conversations between brands and consumers (and on each consumer's terms, no less), and provide highly targeted offers at just the right time. And if the timing or messaging is off, then customers will move on. If it's just right, then customers will buy, engage, and even advocate for your products and brands.

But as explored in this article, the guidelines for what to say, when to say it and via what medium are shrouded within your data - as are answers to why a campaign succeeded or failed, and what will work better in the future. The ability to identify proper business goals, isolate the most pertinent data and accurately derive insights from it to drive higher sales will be what separates the winners from the losers. The winners will systematically use their data to foster profitable relationships with their target markets - right down to individual customers.

## The Reality: Most Companies Aren't There Yet

Is your company ready to analyze its customer data, interpret it and use the insights gained to improve marketing results and drive profitable growth?

The company I worked for prior to coming to SAS certainly wasn't. And my work with hundreds of customers as a Customer Intelligence Solutions Architect showed me that most companies aren't there yet. They are still struggling to decipher all of the messages and interactions generated by their sales processes - let alone their many online channels. But the fact is, the data generated by each customer's Web and mobile visits to your online channels can yield highly valuable and useful business insights.

Getting to these insights often requires new types of thinking about data, as well as new analytical tools that deliver more than just traditional reports and key performance indicators. It's no longer enough to just read traffic reports and look at dashboards, and it's no longer enough to maximize for the next click. Your digital channels must be properly quantified, analyzed and optimized (in that order) to realize your business goals.

This article explores the role of advanced analytical tools in understanding marketing effectiveness and optimizing strategies and tactics to maximize business results.

## A Real-World Scenario: 'So Tell Me - Why Did We Miss Our Sales Forecast?'

To lay the groundwork for understanding why advanced analytics is so critical to effective multichannel marketing, let's use my personal experiences in multichannel attribution. Several years ago, when I was at a previous employer, I was in a meeting discussing the results of a marketing campaign and the associated Web analytics reports. Several marketing campaigns were running concurrently, but our sales results were not as high as we had anticipated. Our online media had seemingly performed well, but the sales results were not as impressive as we had anticipated, so a series of meetings were called to discuss possible causes. The decision makers who'd funded the budget for the campaign wanted to know *why* the campaigns had not generated the type of sales lift that they were counting on.

After processing through the rhetorical nature of the question, it dawned on me that we really didn't have any idea *why* we had not met our sales forecast. As I looked through slide after slide of charts, graphs, tables and every other imaginable extract from our dashboards and reporting tools, I realized how poorly equipped we were to answer the one question that really mattered: *Why* did we miss our sales forecast?

Despite having multiple "analytica" tools at my disposal, I was poorly equipped to answer questions concerning which factor might be underlying a drop in sales. We had a solid grasp of answers to questions about how many visitors we had, what pages they viewed, for how long, and at what time of day, where they came from, and more. And we could see how each customer met various criteria we were using to identify customer segments. But we didn't know *why* traffic was up as conversions went down.

Each customer in our funnel had likely been exposed to multiple marketing activities, but we couldn't discern which ones were driving sales and which ones were not. And the fact is, it's extremely difficult to develop an effective response plan for poor results that surface unexpectedly when you lack an overall understanding about why those results occurred in the first place.

Our lack of understanding was not rooted in a lack of effort. In fact, we spent a considerable amount of time looking at all of the typical questions that traditional Web analytics had equipped us to answer. Traditional funnel reports that told us how many users made it through each stage of the funnel were examined. We looked at reports on exit rates and bounce rates and more. We even took a look at the actual server logs to see if maybe some of the sessions were from robots or Web crawlers that had made it through the filters we had set to keep such things out of our reports.

But the decision makers only wanted an answer to one question: *why?* And we couldn't give them a good answer using the data and reporting tools at our disposal. Any conclusions we were to draw after reading the reports were still basically just our opinions – no better and no worse. Even with the expertise and wisdom that came with all our combined years of marketing and Web analytics experience, proposals regarding what contributed to our situation were highly speculative and subject to bias. One person thought that it was due to a slight change to the product line, and another was concerned about a slight change to the funnel. Yet another thought it was a new pay-per-click ad creative and the type of traffic it was bringing in. But nothing could be proven conclusively.

With a background in more traditional analysis, I was used to running statistical tests that would prove a hypothesis beyond a reasonable doubt. However, in my new role with Web analytics, all I had were reports that told me how many users or sessions met a particular condition. The sheer number of activities that were ongoing at any particular time made it a daunting task to even come up with a master schedule of items that might have affected our campaign, let alone understand all of them.

Testing was a problem too – even if I had known about all the activities, I did not have the bandwidth to design proper experiments to determine how effective my marketing was. Even in cases where multivariate tests were involved, the scope did not include identifying underlying behaviors or motivations – just which treatment on a page would lead to the highest click-through rate. Combine this lack of comprehensive data with a lack of proper testing tools, and you get a recipe for disaster.

## Deconstructing This Common Story: How Did We Get Here?

Does my situation sound familiar? Most marketing departments face similar problems. They have multiple groups driving multiple, concurrent marketing activities, with different groups undertaking initiatives in different channels – all competing for the same consumer's attention. And despite all of the data and Web analytics reporting available to marketing, they can't answer the question "why?" regarding outcomes.

What's going on? Put simply, their analytical capabilities – and in some cases, their data collection methods – haven't kept pace with the evolution of the marketplace. Let's take a closer look at what's contributing to these issues.

### The Limitations of Traditional Web Analytics

In the early 2000s, online activities were generally analyzed as an independent channel, so it was easy to see how marketing activities drove conversion results. Plus, marketing tactics were limited. You could either buy banner space where your customers might be browsing, or you could buy search ads that triggered when a consumer searched for a keyword that related to your business. Websites were simple, conversion funnels were uncomplicated, and the biggest challenge for many online retailers was convincing someone to make a purchase online rather than in a traditional store.

But *how* consumers interact and shop has changed dramatically in recent years. Compared to 10 and even five years ago, now they:

- Use multiple digital channels and analog channels to research products and make purchase decisions.
- Are consulting more information sources than ever before and interacting with brands on their own terms.
- Demand a marketing and sales model that resembles a two-way conversation – not a one-way "push" of general marketing messages.

These conversations increasingly start on mobile and social channels – not just company websites, which dominated years ago. And while they empower consumers to engage whenever and wherever they want, they also empower you as a marketer to:

- Follow them anywhere they go on the Web with a banner ad asking them to come back to your site.
- Set up advanced search campaigns with algorithmic bidding systems that automatically introduce new keywords and text

ads into your search campaigns anywhere the system detects an opportunity for your business.

- Collect enormous amounts of data about conversation and consumer sentiment surrounding your brand – for example, by digitally archiving it and making it publicly searchable.

How can marketers make sense of all these new types of digital interactions? How do you know whether it was the banner ad or the search ad that convinced the consumer to do business with you? How do you know if customers want you to email them, text message them, or tweet at them? Equally important, how can you understand the relationship between online and offline marketing activities (insights that would have helped me answer the question “why?” posed by my company’s management team).

Consumers may be increasingly interacting with brands digitally, but today, we all still live and breathe in an analog world. If you buy a television commercial block, you will likely see an increased click-through rate for your banners as consumers become more familiar with your brand. Analyzing either activity independent of the other would shortchange the synergy created within the customer experience by a well-crafted marketing plan. If your company chooses to sponsor a local charitable event, you can then sit back and watch your search engine activity rise as curious customers look into the company getting involved in their neighborhood. Neither your public relations staff nor your search campaign managers fully understand the role they play in your business if they are not analyzing the link between these activities.

This blend between digital/online and analog/offline complicates what used to be a simple conversion funnel in the early 2000s. No longer do we believe that a single activity is solely responsible for a conversion. Today, it’s almost expected that multiple activities work together to convince consumers. And this is what makes it difficult to figure out which activity plays the biggest role in convincing a given consumer to make a purchase.

Given this lack of insight, how can you determine:

- After customers have already seen a search ad, how much is it worth to show them a banner?
- If a consumer lives in a market where television spots are running, how much banner activity is needed?
- Just exactly how much is a like or a retweet worth?

To answer these “why” oriented questions, you need to measure analog and digital activities both individually and synergistically, which requires more than just traditional Web analytics and reporting. For example, traditional Web analytics can’t help you answer even simple attribution questions. For instance, for online conversions, do you just go with the simplest method and award the conversion to the last marketing treatment the customer was exposed to? Doing this risks leaving out some of the other activities that may have been crucial earlier on in a consumer’s purchase consideration process. Do you divide up the conversion and award an equal portion to each method? You could have likely taken some activities out entirely, and others were likely critical – but which ones?

To address these issues, you could deploy a digital attribution tool. But they have limitations as well. Most notably, they force you to take an overly simplistic view of a customer relationship with no visibility into the scoring model and validation process the tool uses. This means that most digital attribution tools do not give you proper flexibility to tailor them for your particular industry, business model and marketing philosophy.

Nor can traditional Web analytics help you understand customers who choose to interact with your brand across multiple channels. These customers are arguably more engaged than those who have chosen to engage via just the Web. Without sophisticated analytics, how can you properly weight and interpret customer behavior? For example:

- Maybe a click from a customer who has seen a television spot and a banner ad is worth more than a click from a customer who has seen either advertisement by itself.
- Perhaps someone who searched online after receiving a postcard is worth more to a pay-per-click campaign than someone who didn’t.

But how do you measure that synergy using traditional Web analytics? How do you account for omnichannel customers when your analysis and key performance indicators are channel-specific? Put simply, you can’t.

### Prebuilt, Third-Party Algorithmic Methods Limit Visibility and Control

Many marketing departments use third-party software – but most don't give marketers visibility into internal scoring and validation. By offloading the mathematic and analytic components, marketing loses control over how the testing and scoring is set up. As campaigns, data structures and business environments change, marketers have less insight into the factors driving the scoring for attribution models.

## The Limitations of Summarized, Siloed Channel Data

Integrating more advanced types of analytics into decision making and planning processes won't provide accurate answers to "why" questions either – not if most of your data comes to you summarized (and in many cases, siloed by channel). Advanced analytics requires detailed data from multiple channels. Without detailed data about each paid click, you can't quantify the benefit of your marketing investment – nor grasp the full picture of how your media is performing and how your target market and current customers want to consume it.

### Summarized Data Issues

To understand the limitations of summarized data, let's just look at traditional Web traffic data. It can give you a clear picture of:

- How many users are on the site at any given moment.
- What the peak traffic is like (for example, so IT can know how many servers to have up at any given time).
- Which sections of the site are most popular.
- Which pages tend to make users want to exit.

The list goes on. But as a marketer, you can't use this summarized data to understand and be certain about what drives all customer behavior. As I learned the hard way, it does not allow you to conduct a thorough analysis of the activity on the site. To do any real analysis on Web traffic, marketers have to first extract the detailed, raw data (assuming it has been collected), prepare it for analysis, and then import it into another tool for analysis. For marketing and IT departments without the right software, this is a slow and costly process.

### Siloed Channel Data and Management Issues

At the same time, data hierarchy issues – the result of having data stored in different formats on different systems – can curtail advanced marketing analysis by making it difficult to match data on individuals with other customer and marketing data maintained by a company.

Why? Because, for example, CRM and other analysis tools may store data in a customer-level summary view, but Web analytics tools may look at page views, sessions and users. At first glance, you might assume that "users" and "customers" are the same thing, but they are not. A user was one unique device that could have more than one session. However, a customer could have (and usually does have) multiple devices. So when you attempt to match Web records to offline customer data, you may find that multiple "users" often match to the same customer record within your CRM, causing several different types of data integrity issues when trying to do omnichannel analytics.

Yet this kind of matching capability is essential to understanding why campaigns succeed or fail, as well as why different customers respond to certain offers and not others. Today's customers are exposed to multiple outbound campaigns (both analog and digital), multiple traditional campaigns (TV, radio, billboard, in-store), multiple on-site advertisements and treatments, and can convert on multiple channels (online, in-store and via phone). Without accurate matching, how could you know which activities are actually successful just by looking at Web reports that only show how many users made it through the website to the online application? And how could you evaluate the type of role a new corporate website, for instance, played in a customer's decision process if you only had basic summary data that covered only one piece of the puzzle?

## Answering 'Why?' Using Advanced Analytics

So what's possible when marketers have the right analytical tools and access to the right marketing and customer-level data across channels? Let's look at a simple example.

Imagine that the owner of a traditional brick-and-mortar business wants to understand why her customers make a purchase, or do not make a purchase, and has tasked each employee with making observations that could be used to support a conclusion or take a specific action with regard to the company's marketing.

You are tasked with standing in front of the store and tracking customers as they arrive. The tools at your disposal are a laptop with simple spreadsheet and graphing software. As the customers come in, you are to record the time of visit, mode of transportation, number of shoppers within each party, where they parked and what section of the store they went into. As the cars leave, you can append the record with the time they left (in order to calculate time in store) and whether they were carrying newly purchased goods to their car (a proxy for a conversion). You may even greet the customer and ask if they have seen your company's billboard or seen your commercial and notate the response.

At the end of the day, you are instructed to summarize the data in your spreadsheet to provide insights that will drive better sales - but your tools do not possess any mathematical capacity beyond simple arithmetic.

But how can you generate useful business insights? You haven't yet analyzed the incoming customers and associated business - you've just counted the number of cars, tracked the number who had seen your billboards and commercials, and noted the amount of time spent in the store. Even if you took meticulous notes on whether customers carried a package with them as they left the store, you are still limited in the insights you can provide because you essentially have a collection of observations.

These limitations parallel the limitations of traditional Web analytics, in that it can't help you know what is driving the success or failure of your business. These types of analytics simply summarize counts of page views, counts of sessions, average session time, bounce rates or other similar measures.

To provide your boss with useful business insight, you would need to systematically and objectively test the mitigating or supporting factors of different hypotheses. For example, to understand what is driving the success or failure of the business, you would need to observe the traffic and the activities that were ongoing in your business, form a hypothesis about what is and is not driving your success, and set up an experiment to conduct analysis and form a conclusion. This would require use of advanced analytics that goes beyond the simple collection and summary of observed customer data. The new process would be:

- Collect data.
- Analyze it.
- Summarize findings.

As part of your analysis, you could hypothesize which combination of traffic origin, type of car, time spent in the store, and other factors affected the sales success rate and set up a statistical test to prove - or disprove - your theory. Maybe your analysis would:

- Find a correlation between a particular type of car and particular type of sale.
- Find that customers who were greeted personally after parking were more likely to make a purchase.
- Find that sales were made or not made based mostly on price and very little that we could do in the parking lot affected it.

These are valuable, useful customer insights that answer "why" types of questions - the same types of questions that I was being asked to answer by executives at my prior employer.

## Key Takeaways

The purpose of this paper is not to discourage you from collecting and summarizing your Web data. It's to encourage you to learn from my past mistakes and proactively add an analysis step that allows you to answer the "why?" questions about your marketing activities and results. Marketers need to stop using old methods that didn't solve these problems five and 10 years ago - and still don't solve them now. More data and more analysis is the key to understanding the interactions between your marketing activities, your marketplace and your delivery channels.

The need to do this quickly and accurately will only increase because of the following trends:

- **Multiple concurrent marketing activities will likely continue to be ongoing at any given moment for most companies.** With individual efforts, it is easy to test whether a specific initiative is driving success. With multiple efforts ongoing, it is far more difficult to determine success simply through observation. What you need instead is to develop a solid testing plan that will allow you to measure the interaction and synergy that your brand achieves by targeting omnichannel consumers via multiple marketing methods.
- **Customers will increasingly be engaging in multichannel purchase consideration processes.** Scenarios where customers go online to compare products they will buy later in a brick and mortar store, or use a mobile device to find better prices while shopping in a traditional retail store, will become more and more common as consumers become savvier. This makes it ever more important to employ proper analytical methods within your marketing and delivery channels that are capable of discerning customer-level activity.
- **As marketing budgets come under increased scrutiny, marketers will need to do more with less and have fewer misses.** Allocating significant budgetary funds to efforts that have not been proven successful is a luxury that many marketers simply do not have. This will make it more important to develop test plans that help marketers understand what is working and what isn't.

## Learn More

As a Solutions Architect at SAS, I know firsthand just how effective today's analytical solutions can be in helping businesses realize the benefits of strategic, analytically driven multichannel marketing.

To learn more about how SAS solutions can help your business, please review the following resources:

### SAS white papers:

- *A Marketer's Guide to Analytics*: [go.sas.com/8j6cbh](https://go.sas.com/8j6cbh)
- *Argyle Conversations - Building a Marketing Analytics Framework*: [go.sas.com/hmm1a5](https://go.sas.com/hmm1a5)

### Information about SAS® Customer Intelligence solutions:

[sas.com/en\\_us/software/customer-intelligence.html](https://sas.com/en_us/software/customer-intelligence.html)

### Thought leadership on marketing (from SAS Marketing Insights):

[sas.com/en\\_us/insights/marketing.html](https://sas.com/en_us/insights/marketing.html)

### Fresh perspectives from marketing practitioners (on the SAS Customer Analytics blog):

[blogs.sas.com/content/customeranalytics/](https://blogs.sas.com/content/customeranalytics/)

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