

# Marketing Attribution: The What, Why, and How





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# Introduction

The marketing world isn't the same as before the Covid-19 pandemic. How people interact with a brand has now changed. One significant change has been people's digital interaction with brands and products. Digital interactions today occupy the driver's seat between brands and their audience. As you'd guess, these interactions are cross-platform and spread across devices.

Let us look at an example of how people buy products online. A person may have seen your product in search engine ads on a desktop and been reminded about it while scrolling through his Facebook feed on the smartphone. The person may have researched your product on YouTube before placing the order on your website. In this example, the person has been through at least three touchpoints in the buying journey before using the website for the final purchase.

The post-pandemic customer is tech-savvy and uses the Internet as the first source of information and the platform for the end transaction. Marketers must respond to this new phenomenon by keeping track of the customer's buying journey and spending their marketing resources on the most rewarding marketing mediums.

This is where marketing attribution comes in. It has become the need of the hour. From a 'nice-to-have' marketing tool, it is a 'must-have' in every marketer's kitty.

In this guide we will cover everything there is to know about marketing attribution.



# Benefits of Marketing Attribution

In today's multi-channel and cross-platform marketing world, marketing attribution isn't optional. To understand the part played by each touchpoint, it's imperative to understand attribution. Though marketing attribution is resource intensive, it offers an edge to your marketing activities. Let us look at some of the benefits it brings to the table -



## Campaign Optimization

Marketing attribution models offer insights into the impact of your campaign across channels. This data lets you identify the channels that provide maximum thrust to your campaign and those that need an overhaul. This data helps optimize the campaign budget and allocate the lion's share of the resources to the most rewarding channels.



## ROI-Driven Marketing

Advanced marketing attribution helps brands reach out to the right audience at the right time using the right channel. It improves the success of the campaign and results in a higher ROI.



## Campaign Personalization

Personalization is vital for the success of marketing campaigns in today's world. Organizations can run personalized campaigns with deep insights into customer behavior and aspirations.



## Campaign Evaluation

You use different creative elements in your marketing campaign. Not each of these has the same resonance with the customers. Marketing attribution helps identify the creative elements that strike a chord with the audience and those that fail.



# Types of Attribution Models

There are different types of attribution models and each has distinct methods of analyzing touchpoints and assigning credits based on their importance. We can divide these models into two categories – single-touch attribution models and multi-touch attribution models.

## Single-Touch Attribution Models

In this attribution model, marketers assign credit to only a single touch in the customer's buying journey. While this model is easiest to interpret and implement, it might be less credible than other attribution models. It is the most widely used model by marketers. Here are the three types of Single-Touch attribution models –



### First-Touch

The first-touch or the first-click attribution model assigns 100% credit to the first touchpoint in the customer's buying journey. This model helps in identifying the touchpoints that are important at the start of a customer's buying journey.

**Pros** – Simple and easy to implement, the first-touch model assigns all credit to the journey's beginning, as no conversion is possible without a start. It saves marketers from the tiring process of tracking all the steps leading to the conversion.

**Cons** – It completely ignores all other steps in the journey. Thus, this model can't be used to identify the importance of different touchpoints from an ROI perspective.



### Last Touch

This model is easy to implement as it focuses on the touchpoint that finally led to the conversion. As the name suggests, it is the opposite of the first-touch model. It assigns 100% credit to the last touch or the last click during the customer's buying journey.



**Pros** – It is easy to set up and helps track the journey's last touch (often the most important). It saves time and effort in studying the entire journey and the stages the customer has taken till the conversion stage.

**Cons** – Just like the first-touch model, this model doesn't capture the importance of different touchpoints in the buyer's journey.



### Last Touch Non-Direct

This marketing attribution model assigns 100% credit to the last touchpoint the customer interacts with by non-direct means. It is a rarely used model but has a significant advantage over the last-touch model. For example, if a person buys from your website, the attribution model steps back and assigns credit to the last non-direct touch.

**Pros** – Eliminating direct clicks helps marketers analyze the most critical touchpoint in the conversion. It is beneficial as it lets you study the impact of marketing channels that raise brand awareness.

**Cons** – Like other Single-Touch models, it might not capture the buyer's journey accurately. This model can't be used to analyze the campaign's true impact on different marketing channels.

## Multi-Touch Attribution Models

Multi-touch attribution models focus on multiple touchpoints in a customer's buying journey. Based on the methodology you adopt for the campaign, this model divides the credit among different touchpoints in the buying journey. The multiple touchpoint model is credible as it provides you with a more accurate picture of the interaction between the customer and your brand. Marketers use different multi-touch attribution models, and here are the most widely used ones –





## Linear Attribution

The linear attribution model divides the credit equally between all the touchpoints in a buyer's journey. It is a widely used model as it considers all the touchpoints the buyer has used till the final conversion. For instance, if a customer interacts with an email and a native ad, 50% credit is assigned to both touchpoints. The share of credit in this model falls with the increase in the number of touchpoints.

**Pros** – It is the simplest multi-touch attribution model to implement. It factors in all the touchpoints the buyer interacted with in the journey.

**Cons** – This model doesn't distinguish between the roles played by different touchpoints. Hence, it might be difficult to track the real impact of different channels in a multi-channel marketing campaign.



## U-Shaped Attribution

The U-Shaped model assigns 40% credit to the first and last conversion touchpoints and the rest between other touchpoints in the buying journey. Marketers using this model focus on the buyer's first interaction with the brand and the last that led to the conversion. It helps identify the first and final touchpoints, often the most important ones in a conversion.

**Pros** – It is more sophisticated when compared to the linear model as it accounts for the fact that not every touchpoint has the same share of credit in the journey.

**Cons** – U-Shaped attribution model doesn't attribute valid credit to the middle touchpoints that may have the maximum impact during the customer's journey.



## Time-Decay Attribution

In this attribution model, the share of credit increases as the customer is closer to conversion. Marketers who focus on the bottom of the funnel prefer this model as it assigns maximum credit at that stage. This model is useful when there are fewer-



touchpoints at the top of the funnel. However, it doesn't give importance to awareness-based touchpoints at the top of the funnel, the downside of this model. Businesses with long sales cycles usually prefer it as it helps identify the final trigger for conversion.

**Pros** – It factors all the touchpoints leading up to the conversion. It offers maximum credit to the touchpoint that triggered the conversion and lets marketers optimize touchpoints that generate the most number of sales.

**Cons** – This model fails to recognize the importance of early touchpoints in the buyer's journey, such as the brand awareness stage. Thus, it doesn't assign credit to the beginning of the journey that may have had the maximum impact on the final conversion.



## W-Shaped Attribution

This attribution model assigns 30% of the credit to the first, last, and opportunity creation touchpoints in the buyer's journey. The rest of the touchpoints in a buyer's journey share the remaining 10% credit.

**Pros** – This model assigns credit to the touchpoints in the middle of the journey. It is in contrast to other models that fail to analyze the importance of touchpoints at this stage.

**Cons** – Identifying an "opportunity creation" stage in every journey isn't easy. Hence, this attribution model can lead to erroneous interpretation of the channels in the middle of the buying journey.



## Custom Attribution Model

Single-Touch and multi-touch attribution models aren't perfect. Each of the models we discussed above has its downsides. You can create your custom model when these standard models fail to track your customer's buying journey. A custom attribution model gives credit to touchpoints based on the rules you make.



**Pros** – Your custom attribution model can draw inspiration from the standard models we have seen above and tailor them to address your business process. Custom attribution models can combine two or more models.

**Cons** – Creating a custom attribution model is never easy and can be expensive. Mixing more than one attribution model can lead to the wrong interpretation of the different touchpoints.

## ● **Benefits of Marketing Attribution**

We have discussed the importance of marketing attribution models and also shared a brief on the types of models used. It brings us to the most critical question about choosing the "right attribution model" for your business.

The choice of attribution model is critical to effectively measure the impact of different touchpoints in your buyer's journey. It is easier said than done, as you already know all attribution models have their advantages and limitations. A wrong choice may deny you the opportunity to understand customer engagement in your multi-platform marketing campaign precisely. It will also limit your options for optimizing the campaign.

To choose the best attribution model for your business, you must accept that no attribution model is '100% foolproof.' Hence, you must find the best fit based on the number of channels, standard customer behavior, and the length of the buying cycle. Here are the most widely used attribution models based on business type.



### **Subscription Service**

The linear attribution model will be a good choice if you own a subscription-based business with recurring revenue. It helps keep track of ongoing customer-



engagement and treats every engagement equally. For example, if you have a music subscription business, you may generate new customers from social media, direct search, email, etc. every channel plays a vital role in driving revenue.



## Short Sales Cycle

If your business has a short sales cycle, such as in the case of eCommerce, the Single-Touch model would be the easiest one to implement. You can opt for the first-click or the last-click model to measure engagement with the customer. The U-Shaped model may also be helpful for such businesses as you get insights into the two most important stages in a customer's buying journey – awareness and lead conversion.



## Long Sales Cycle with Lead Gen

The Time Decay model will be the best choice if your sales cycle extends to months. It is an excellent choice for businesses where the buyer takes months to decide on the product or does thorough research on its pros and cons. It is also true for products where multiple stakeholders are involved, such as third-party vendors. You may implement the 90-day look back combined with a 30-day half-life for the different marketing channels used for marketing.

Position-based attribution models, such as the U-Shaped and W-Shaped models, can also be used.



# Conclusion

Marketing attribution has gained immense significance in the post-Covid world. Today's customers interact with brands at multiple levels and across different channels. It isn't easy to keep track of these interactions and derive meaning out of them. Marketing attribution models thus help study the impact of campaigns across various channels.

As we have seen in the previous chapters, every attribution model has pros and cons. Thus, no single model can be used to study the impact of different channels in multi-channel marketing and to optimize campaigns. No model would help you achieve 100% accuracy, nor should you aim for it. As a marketer, you must use a combination of models or create a custom model to get deep insights into your customers.

The greatest USP of marketing attribution is that it lets you make the right decisions. You can get inside the mind of your customers and understand their behavior. It is a booming landscape in the larger world of data science and has become integral to targeted and ROI-driven marketing. With data coming from disparate sources, campaigns, and channels, the importance of marketing attribution has grown significantly in the last couple of years.



# About DiGGrowth

While you focus on creating the best marketing campaigns for your organization, let DiGGrowth—a No-code Marketing Analytics Platform—help you with marketing attribution.

DiGGrowth uses machine learning to accurately understand how each marketing touchpoint contributes to a conversion, thereby helping you make fearless marketing decisions. Know more [here](#).



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