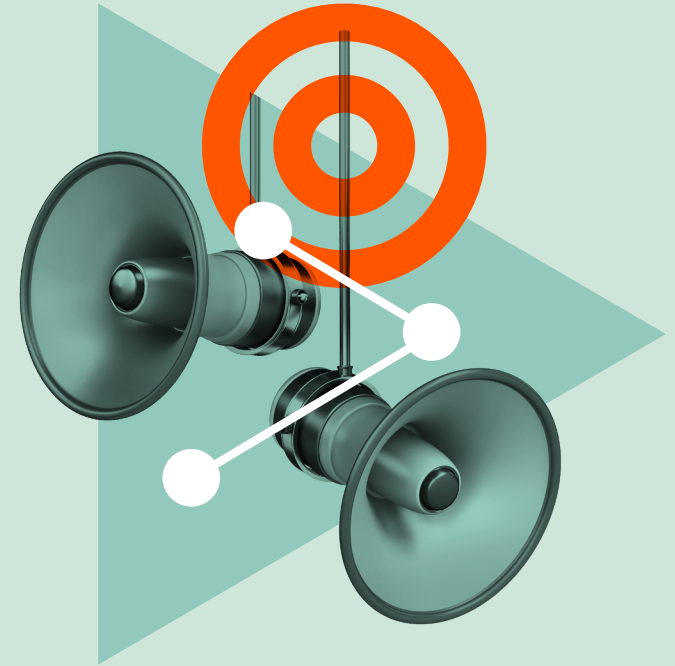


A Startup's Guide To Attribution





Hello there!

Startup marketers want to make data-driven decisions about how their programs are performing. They want to show the value in terms of contribution to the sales pipeline and deals influenced. Thankfully, when it comes to digital marketing, there's a lot of data out there. Too much in fact - so how do you understand the impact of each element of the promotional marketing mix? In a word: attribution.

But attribution is complex - and unless you have it set up correctly, you run the risk of making the wrong decisions or not being able to correct programs that are underperforming. That's why we've put together this primer on attribution. Whether you're a startup founder or an early-stage marketer, a firm understanding of attribution will help you get better ROI from your marketing.

We hope this helps - and good luck out there!



What is Attribution?

In the context of digital marketing, attribution is the process of using mathematical techniques to assign credit to the various touchpoints in the conversion path. Attribution modeling analyzes every interaction in the customer journey in order to determine which channels and assets influenced the customer's path to conversion. For marketers in a B2B context, attribution will credit a lead to the marketing channel that led to the conversion.



Understanding a customer's journey to conversion is nearly as important as the conversion itself.

The purpose of attribution is to quantify the influence that marketing actions make on an end-goal so that you can better understand the steps your customers take, identify which channels are the most effective, and determine where to allocate resources to maximize ROI. Understanding a customer's journey to conversion is nearly as important as the conversion itself. Well, that is if you want to repeat the process at lower costs.



Developing the Framework

Attribution is complex and warrants a broad framework to keep things organized. Identify a goal then build out a system to track and evaluate performance. In our example of a B2B startup, we'll focus on leads and look at a simple framework to illustrate. A framework is simply a consistent set of metrics you'll collect and report on to make decisions.

We'll define a 'lead' as someone who's successfully completed a conversion event, such as filling in a form to download a guide from the website. They are added to a Customer Relationship Management system (CRM), like HubSpot. Our framework follows the marketing funnel and includes metrics from online and offline channels. Here's a typical framework:

- | | |
|--|--|
| <ul style="list-style-type: none">• Impressions• Clicks• Click-through rate (CTR)• Cost per click (CPC)• Website traffic (users)• New website traffic (new users) | <ul style="list-style-type: none">• Leads• Conversion Rate (CVR)• Cost• Cost per lead (CPL) or Cost per acquisition (CPA) |
|--|--|



Choosing the Right Models

Once you've outlined your framework, select the attribution model that makes the most sense for your business. An attribution model dictates how you'll score the importance of each activity. Some marketing programs are 'conversion-oriented' so more likely to generate leads, whereas others are for brand awareness. The attribution model helps ascribe value to activities that may influence the buyer's journey even if they don't actually convert the prospect.

The most common attribution models include:

- **First Touch** - the first vehicle a user touched that led to a conversion
- **Last Touch** - the last vehicle a user touched that led to a conversion
- **Last non-direct touch** - the last non "direct" vehicle a user touched that led to conversion. Direct being a user typing the url directly into their web browser
- **First non-direct touch** - the first non "direct" vehicle a user touched that led to conversion. Direct being a user typing the url directly into their web browser
- **Linear** - all vehicles touched that led to conversion get equal credit for the conversion



Choosing the Right Models

- **Time decay** – Similar to linear in that all channels that led to a conversion get credit, but the amount of credit is adjusted by timing. A touch two weeks before conversion receives less credit than a touch that happened the day before conversion
- **Position-based** – Marketing vehicles get varying degrees of credit for the conversion based on where in the funnel the touch happened. First and last touches generally get more credit than those in between
- **Custom** – An advanced model, defined by your team specifically for your business

Each model offers a unique window into the efficacy of your marketing program, which is why the model needs to reflect the business. It's also a reflection of which elements of marketing your team believes should be emphasized.

After you've selected a model, you can decide which marketing attribution software is ideal for your project. All analytics platforms have proprietary tools and methods of recording conversions and attributing them to sources (i.e. marketing channels).



Choosing the Right Models

Attribution software solutions often feature built-in analytics, reports, and dashboards. An example dashboard for a given month might look like:

Channel	Impressions	Clicks	CTR	CPC	Users	New Users	Leads	CVR Rate	Cost	CPL
Unpaid - Total	0	0	#DIV/0!	#DIV/0!	2,161	1,238	30	2.42%	\$0	\$0
Direct	0	0	-	-	1,108	745	26	3.49%	\$0	\$0
Email	0	0	-	-	506	33	1	3.03%	\$0	\$0
Organic Social	0	0	-	-	297	225	2	0.89%	\$0	\$0
Referral	0	0	-	-	50	48	1	2.08%	\$0	\$0
Other	0	0	-	-	200	187	0	0.00%	\$0	#DIV/0!
Paid - Total	1,576,874	20,719	1.31%	\$1.63	18,106	15,205	473	3.11%	\$33,868	\$71.60
SEO*	270,584	11,256	4.16%	\$0.36	10,233	8,124	202	2.49%	\$4,000	\$20
SEM Brand	9,155	1,135	12.40%	\$0.35	1,032	879	44	5.01%	\$397	\$9
SEM Non-Brand	103,651	5,908	5.70%	\$2.11	5,371	5,182	121	2.34%	\$12,466	\$103
Display	1,109,000	1,220	0.11%	\$0.30	1,109	989	1	0.10%	\$366	\$366
Display Remarketing	18,386	386	2.10%	\$7.53	351	22	15	4.27%	\$2,907	\$194
Video	66,098	813	1.23%	\$2.13	10	9	0	0.00%	\$1,732	#DIV/0!
PR*	0	0	0.00%	\$0.00	0	0	0	#DIV/0!	\$5,000	#DIV/0!
Events	0	0	0.00%	\$0.00	0	0	73	#DIV/0!	\$5,000	\$68
SDR	0	0	0.00%	\$0.00	0	0	17	#DIV/0!	\$2,000	\$118
Grand Total	1,576,874	20,719	1.31%	\$1.63	20,267	16,443	503	3.06%	\$33,868	\$67.33

*Agency Fee

Notes:

- Marketing actions are executed digitally and terrestrially. Not everything can be tracked and there will be gaps.
- Each marketing channel has its own optimization framework. A high-level look should include metrics that apply to the most possible tactics.
- Don't be surprised if data has large variances at the start. It will improve over time.
- It's important to understand the nuance of each marketing channel - its purpose, how it contributes to a complete marketing funnel, how it influences other channels. Some marketing channels must be evaluated in relation to overall strategy rather than pure numbers.
- For many companies "SEO" is categorized as "unpaid." However, since there's often outside help (agencies or freelancers) we prefer to place it under "paid" to account for necessary fees and to calculate a more correct cost per lead.



Choosing the Right Models

The dashboard contains the number of leads generated by each marketing channel. In this table, "Referral" traffic brought one lead, "SEO" brought 202 leads, "SEM Non-Brand" brought 121 leads, etc. Spending is also tracked in attribution models, so each marketing channel has a "cost per" number that illustrates the overall cost efficiency relative to the goal.

Congratulations! You've completed your first attribution exercise and answered the questions: which channels are generating leads, how many, and at what cost?





What does it all mean?

You've built a model - you're done, right? Not quite.

Both marketing channels (like Google Ads) and analytics platforms (Google Analytics, Omniture) have free attribution tools available; however, without action, the systems are not aligned or defined. To be useful, all the various touchpoints available to customers must be combined for an overall view of attribution, the fundamental goals of cross-functional teams must be established and aligned, and tools should be programmed to reflect those goals.

Attribution is a continual process of learning, iteration, analysis, and improvement, and will need to be constantly adapted. Buyer behaviors will change, marketing programs launched, new marketing tools implemented - they all need adding to the model. While attribution may clarify what is driving your customer's decision-making process, it's the marketing decisions that it drives that will improve your business's performance.



What does it all mean?

Should you prioritize certain channels?

You may find that some channels are very efficient and others are not. Should you put your entire investment into the most efficient channels and drop everything else? No.



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Each marketing channel serves a different purpose and functions at different levels of the funnel. Marketing actions support one another sometimes in hidden ways. The deeper realization of attribution is quantifying each channel's contribution to an action to understand the total effectiveness of a marketing program. As part of a complete marketing program, inefficiencies in one channel are balanced by hyper-efficiencies in others. They work in concert.

As a program develops, individual channel goals can be defined. Over time, you'll quantifiably evaluate each channel's impact and make decisions on where to invest. Endeavor to understand the purpose of each channel, monitor its performance, measure its impact, and understand how they work together. Soon, you'll uncover how seemingly unrelated things (PR and organic search; video and social; paid search and banners) do, in fact, work together.



What does it all mean?

Can your data be trusted?

Data sourcing is interesting because systems record behavior and actions differently. The result is cross-platform inconsistency and, even after platforms are integrated, validated and deemed 'accurate,' you'll find variance between expected and actual results. This is normal behavior. Systems record and share data in different ways - even visit to a web page will be recorded in different ways. Plus, there's a natural drop-off as users move down the funnel. Certain metrics are recorded in multiple systems so you need to choose which to use. Which you choose is less important than making sure you always use the same one. This consistency ensures you're always comparing apples to apples and simplifies troubleshooting when necessary.





Fine Tuning Attribution & Understanding Your Full Marketing Mix

Attribution Windows

Just as important as what led to conversion (touches) is the time *when* a conversion happens. In some cases, it's prudent to grant a marketing action credit (for conversion) three months after it happened--senior exec meetings at a trade show for instance. In other scenarios, looking beyond a 1-day window makes no sense--a Facebook ad for a flash sale for instance.

There's no 'right' window. It's dependent on the product, business model and your team's marketing program. If enough data is available, it's best to make a data-based decision when choosing an attribution window. Analysis can identify the typical conversion time for your process which influences how you view attribution windows. It's also worth exploring whether all channels use the same window or if each channel should be considered independently and have unique attribution windows. Some standard attribution windows are: 1-day; 3-day; 7-day; 30-day; and 90-day.



Fine Tuning Attribution & Understanding Your Full Marketing Mix

View-Through Conversions

Engagement is not the only way to influence a conversion, and there are cases where examining other methods of influence are important. In digital marketing, channels that get relatively little engagement, like video advertising, often have difficulty advocating for budget in a performance-driven world. As a way of illustrating their value, ad networks introduced the concept of 'view-through' conversions.

In this framework, value is assigned based on influence, not engagement. Consider the funny cat video you watched on YouTube this morning and the pre-roll video ad you were forced to watch beforehand. Did you click? Doubt it. But you saw the ad and it had some impact - positive or negative - on your decision to make a purchase with the vendor. If, later on, you returned to the website through a search engine and made a purchase (assuming systems are integrated), YouTube will identify the view, the purchase, and then allocate some credit to the ad as a 'view-through conversion.'

Cross-Device

Cross-device attribution attempts to capture and quantify the multi-device reality we all live in. Often folks have multiple personal and professional devices and don't limit browsing habits to a single one. Browsing behavior is captured in sessions on individual devices. Cookies allow systems to attribute actions across multiple sessions (visits to a website) on a single device in a single browser. Cross-device attribution attempts to stitch everything together.



Fine Tuning Attribution & Understanding Your Full Marketing Mix

Cross-device attribution attempts to create a single user profile across all devices and browsers to understand the complete customer journey. Backend configuration is required, and any solution assumes identifying information is not being blocked, e.g. cookies, device IDs, logged-in accounts, etc. This is part of an expert-level attribution model and evolving as regulations such as GDPR and CCPA govern data use. It is however, one of the greatest challenges in all digital marketing and attribution.





Upleveling Your Marketing With Attribution

Attribution is knowledge. It's information to help marketers and business leaders make decisions based on the actual relationship between investment and return. This guide uses the goal of leads and cost per lead for attribution. They could just as easily be total revenue, ROAS, ROI or any other preferred metric.



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When actual numbers are tracked on an ongoing basis, they provide a running snapshot of your marketing program, which can be used for future planning. Actual results can also be extrapolated to project expected results for any scenario, like adding new marketing channels or scaling your budget.



Putting It Together

The building blocks of attribution are:

- **Systems integration and data validation**
- **The funnel**
- **Crediting leads to the marketing channel that caused them**
- **Understanding how marketing channels interact and work together**
- **Understanding the purpose of each marketing channel - awareness vs action**
- **Finding the right model for your business: Touch & Window with bonus points for view-through and cross-device**
- **Deploying a model that takes all this into account**
- **Reporting at regular intervals**
- **Using the model and data to estimate future results and advocate for budget**

Once the framework is in place and you're confident conversions are correctly attributed, it's time to use the data for its intended purpose - making better decisions to optimize the marketing mix and lowering cost of acquisition. As you build new dashboards and gather more data, your accuracy in anticipating cost, modeling, and projecting future performance will improve - as will your marketing performance!

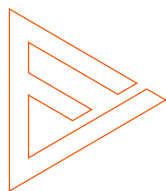


What's next?

Well - that's it. You're up to speed on attribution and are hopefully ready to take the next steps. In our experience, configuring the systems and building a trusted reporting dashboard are among the most important steps a startup can take in its marketing journey.

As the data flows, you'll have more questions and perhaps need to add more data sources to your framework. The challenge is to keep it accurate and actionable.

Of course, if you ever need help - we're just a trackable [click away](#).



About Firebrand

Firebrand is a startup marketing firm. We help tech startups crush their marketing goals. Our integrated public relations, demand generation, and digital marketing programs help startups outshine their competitors. Firebrand's experienced team brings domain expertise, marketing best-practice, operational efficiency, and the x-factor to implement winning campaigns.

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