

Innovate To Become Attribution Masters

by Tina Moffett, September 2, 2014

KEY TAKEAWAYS

Attribution Measurement Can Drive Deeper Insights Into Complex Customer Relationships

CI pros want attribution models to provide more complex analysis across all tactics, including how traditional, nonaddressable media and brand sentiment affects customer purchase decisions. Cross-channel attribution must evolve from providing lagging performance metrics to providing instant insights on dynamic data along the customer purchase path.

CI Pros Must Redefine Success Metrics, Expand Measurement, And Use Technologies That Enable Insights

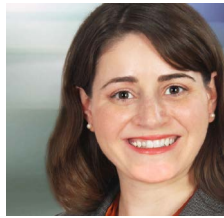
Firms must adopt the technologies, systems, and processes that help them win, serve, and retain customers -- and measure the impact of interactions. Expanding measurement's breadth and embracing the right business technologies will help CI pros measure with greater precision and develop deeper consumer and marketing performance insights.

Attribution Measurement Will Evolve

Forrester has identified the key attribution competencies that must evolve to help CI professionals drive deeper marketing and consumer insights. Some competency areas are in their infancy, but all of them are crucial to providing deeper insights into customer behavior and marketing and media performance.

Customer Insights Teams Must Invest To Take Attribution To The Next Level

The advancement of attribution -- from simple measurement to strategic differentiator -- requires resources, deeper analysis, more complete data, and customer experience exploration. CI teams must invest in these areas to take attribution from a marketing measurement approach to a complex analysis that provides insights into customers' decisions.



Innovate To Become Attribution Masters

Continuous Improvement: The Cross-Channel Attribution Playbook

by [Tina Moffett](#)

with [Mary Pilecki](#) and Olivia French

WHY READ THIS REPORT

Cross-channel attribution advances traditional marketing performance measurement approaches by connecting and accurately measuring different interaction points across marketing tactics, channels, and devices. But customer insights (CI) professionals must innovate; they must evolve their current attribution approach to measure the complexity of a fractured customer purchase path in a perpetually connected world. This report, part of the cross-channel attribution playbook, provides insights on how CI pros must advance their attribution measurement capabilities to drive deeper insights into consumers and cross-channel effects.

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Forrester interviewed a number of vendor and user companies, including Convertro, Marketing Evolution, and Webtrends.

Related Research Documents

[Measure The Impact Of Cross-Channel Attribution](#)

June 4, 2014

[The Power Of Customer Context](#)

April 14, 2014

[Are You Ready For Cross-Channel Attribution?](#)

November 28, 2012

TRANSFORM ATTRIBUTION MEASUREMENT TO GAIN DEEPER INSIGHTS

The majority of firms that embrace attribution measurement experience a greater depth of marketing and media performance insight. For example, CI pros at a large eCommerce company used attributed metrics and insights to determine the true performance of its affiliate marketing program. Based on their cross-campaign analysis, they determined that affiliate marketing programs weren't driving substantial web-based conversions. As a result, the firm reallocated a large portion of its affiliate marketing budget to display, which provided a boost in reach and conversions. Now, CI pros want attribution models to provide more complex insights across all tactics, including how traditional, nonaddressable media and brand sentiment affect a customer's decision to purchase. To achieve this, attribution measurement must evolve by incorporating more data from a world driven by perpetually connected customers.

Changing Business Demands Will Force Measurement Progression

A growing number of customers are always addressable; they personally use at least three Internet-connected devices and accesses the Web multiple times a day from different locations.¹ This activity allows CI pros to connect with customers instantaneously. But the always addressable customer also means that measurement, and specifically cross-channel attribution, must evolve from providing lagging performance metrics to providing instant insights on dynamic data along the customer purchase path. Cross-channel attribution must evolve because:

- **C-level executives want deeper insights.** C-level executives understand that customer journeys are extremely complex; customers use different channels — mobile, Web, and in-person — to communicate with the brand. As a result, execs demand a measurement approach that reflects the complexity of the consumer-driven world by including analyses such as cross-channel effects, the influence of customer perceptions on conversion, and the importance of cross-device usage. These difficult consumer and marketing performance analyses force CI pros to evolve their attribution models beyond a simple reallocation of marketing and media credit.
- **CI leaders want an integrated measurement approach.** CI pros are inundated with reports containing metrics across digital, mobile, and offline channels and tactics. These reports may have misaligned metrics or may double-count conversion credits across multiple channels and campaigns. And while CI pros are trying to address the BT agenda, a plethora of the measurement and analytics technologies available in enterprise marketing solutions do not provide a cross-channel view of performance.² CI leaders are fed up; they want one source of truth to help them understand the real performance of their marketing and media.
- **Contextual marketing requires instant insights.** Traditional campaigns fail to deliver competitive advantage anymore. Firms must change their focus from acquisition to interaction management in order to boost meaningful customer engagements.³ The context of interactions demands that CI pros use a measurement approach that provides instant insights to guide customers to the next

best interaction. Bespoke measurement approaches provide a snapshot in time, a response to a specific campaign, and a tally of impressions. CI pros must use attribution as a stepping stone to the management of fluid customer interaction data, so they know which interactions are relevant.

Attribution Models Will Evolve Across Key Capability Areas

Forrester has identified the key attribution competencies that must evolve significantly to help CI leaders drive deeper marketing and consumer insights. Some competency areas are still in their infancy, but all of them are crucial to providing deeper insights into customer behavior and marketing and media performance (see Figure 1). To get to the next level in attribution measurement, CI pros must:

- **Incorporate more customer affinity and sentiment data.** Attribution models succeed at measuring behaviors — for example, when a customer opens an email, clicks on the offer, and makes the purchase. Attribution models fail to incorporate customer motivations, affinities, and sentiment — *why* customers opened the email and why they actually made the purchase. Attribution models must move beyond measuring actions to measure motivations and customer affinities, helping brands understand if their marketing and media influenced a decision to purchase or if the customer just needed the product or service at that moment in time. A financial services company told us that it is now considering how unprompted social chatter influences a customer's decision to open an account; this will help it respond more effectively to customer requests with the right message, tone, and product.
- **Measure customer interactions, not campaigns.** Contextual marketing changes the role of the campaign and how we measure marketing and media success. It focuses on how brands can interact, in real time, based on the performance of its marketing and media, while considering if the interaction is relevant to the customer. An attribution model can assign value to those discrete interactions across the customer journey.⁴ It will provide recommendations on the appropriate sequencing, timing, frequency, messaging, and offers across different customer segments. Analyzing metrics across the interaction path could help CI pros trigger the right interactions at the right moment in time.⁵ “Attribution can help [you] look at different interactions across different customer groups to better understand journey behaviors,” said Michael Wilson, Senior Director, Product Strategy, at Webtrends. “Attribution can help answer key questions, such as: What if I brought customers in at a different interaction point? What if I pulled customers into the journey a little earlier?”
- **Enable real-time data integration and insights.** Right now, attribution models can integrate digital data relatively quickly via APIs and log files, usually within hours and sometimes in seconds. However, data from other channels and conversion points, such as media and offline purchases, takes longer to integrate into attribution models. Rex Briggs, CEO of Marketing Evolution, believes that, “real-time enablement across all channels — traditional and digital — is necessary to trigger customer interaction.” Traditional feeds of media can be ascertained in 24 hours, but clients are demanding data even faster.

- **Integrate marketing mix and attribution models.** Marketing mix models provide a top-down, channel-based view of performance, while attribution models provide a bottom-up view of tactical marketing campaigns and media performance. Attribution and marketing mix models are increasingly integrating insights to provide a holistic marketing and media measurement and optimization approach. For example, The Nielsen Company (Nielsen) imports the results of cross-channel attribution models into existing marketing mix models.⁶ Using two advanced measurement approaches together bridges the gap between top-level marketing performance and tactical performance.
- **Create a holistic marketing and media measurement and optimization model.** As an alternative to integrating attribution insights into the marketing mix model, CI pros can integrate nonaddressable data, such as TV or radio data, directly into an attribution model to achieve this holistic measurement and optimization approach. But the movement to include all marketing and media data in one attribution model is still in its infancy, as nonaddressable data isn't found at a user level. Attribution vendors like Convertro incorporate some post-TV-spot airing data to understand when and where a spot aired and how much was spent at the most granular level — usually the date/time, day part, network, program, creative, length, and designated market areas.

Figure 1 Attribution Models Will Upgrade Their Core Capabilities

	Current capability	Innovation upgrade	Value	Timing
Customer affinity data	Limited	Direct connection with more qualitative data (e.g., integration with more social listening platforms and earned data) to measure non-marketing and media contributed value	Enhanced customer data integration and insights	Medium term
Customer interaction measurement	Limited	Measure discrete customer interactions, connecting with interaction management tools	Identification of the best interaction strategies, based on low-cost, high-value channels	Long term
Real-time data integration	Partial	Serve data instantaneously to measurement systems	Up-to-date insights	Medium term
Marketing mix and attribution alignment	Partial	Complete integration of metrics from attribution into marketing mix models	Model collaboration and integration	Short term
Holistic measurement and optimization	Nonexistent	One complete model providing a holistic measurement and optimization approach and tool	One source of performance truth	Long term

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Source: Forrester Research, Inc.

INVEST IN THE RIGHT COMPETENCIES TO ADVANCE ATTRIBUTION

The advancement of attribution competencies requires significant investment in your CI team's core capabilities to develop, execute, and support more in-depth measurement and analytics (see Figure 2). To further develop these new attribution proficiencies, you must have:

- **Data scientists.** In order to elevate measurement, your CI team must invest in the right people to manage, mine, and own the data. The chief data officer of a leading media agency believes, “We need people who understand firms’ problems and can help solve them in a platform-neutral way.” These data scientists bring the level of analytics and insights rigor needed to capture cross-channel effects; they can also provide creative ways to integrate offline media and conversion points into attribution models.
- **Data onboarding technologies.** Investing in data management platforms or other data onboarding technologies, like Acxiom’s Audience Operating System, allows you to onboard deeper data, such as offline marketing activity, customer attributes, and offline purchases. This enables you to connect disparate data and further enhance your cross-channel attribution models and insights.
- **ROI analysis.** Performance-driven CI leaders build return-on-investment (ROI) models highlighting the benefits, costs, and risks of an attribution model, which helps prove the value of a holistic measurement approach.⁷ A financial services company told us that it has had significant success with its attribution measurement approach. Why? “We show the CFO the tangible benefits of a full measurement approach. We translate marketing and media results into marketing dollars and revenue generated. Because of this, the CFO demands that attribution is integrated into the marketing strategy workflow.” Proving the case for attribution through an ROI analysis allows you to test more innovative ideas while demonstrating the incremental value that your campaigns provide.
- **Customer journey mapping.** In order to use attribution for customer path analysis, you must first map out your perception of the customer journey. “Creating a customer journey map helps marketers understand typical behaviors across various touchpoints,” said Webtrends’ Michael Wilson. The journey map will help you visualize the ecosystem of the entire journey beyond just marketing interactions, showing how satisfaction, customer needs, attitudes, and moments of truth affect the decision to interact with a brand.⁸ As a result, customer journey mapping will help you analyze marketing and media performance through a customer lens, evaluating how each interaction, sequence, and frequency along the customer journey interconnects.

Figure 2 Invest In The Right Competencies To Support Attribution Capability Upgrades

Capability upgrade	Required competencies			
	Data scientist	Data onboarding technologies	ROI analysis	Customer journey mapping
Customer affinity data	Essential	Essential	Recommended	Recommended
Customer interaction measurement	Essential	Recommended	Recommended	Essential
Real-time data integration	Recommended	Recommended	Essential	Recommended
Marketing mix and attribution alignment	Essential	Recommended	Recommended	Recommended
Holistic measurement and optimization	Essential	Essential	Recommended	Recommended

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Source: Forrester Research, Inc.

RECOMMENDATIONS

TAKE A STAGED APPROACH TO ADVANCE YOUR ATTRIBUTION MEASUREMENT

Attribution is a tremendous undertaking and requires significant resources, data, metrics, and technology alignment. Customer insights professionals: Take the “crawl, walk, run” approach when you want to further advance your measurement.

- **Determine your measurement maturity.** You must first figure out your current measurement maturity and determine the key areas of development — whether it’s incorporating more cross-channel metrics and analysis or assigning more resources to measurement and insights. Doing this will help you identify your measurement and insights strengths as well as your shortcomings across data, metrics, people, and processes.⁹ Once you have identified your measurement stage, build a plan to move forward and develop more mature metrics, data integration, and insights sharing.
- **Create a data plan.** Attribution models can easily trace the digital purchase path to online conversion by tracking cookies. However, CI pros want to include offline nonaddressable data and the offline conversion of sales to measure cross-device impact. Before you jump into this ocean, first include all addressable channels, such as direct mail data and email response data, in your attribution model. From there, measure online to offline sales, and then start to include other nonaddressable channels. Use probability assumptions to infer whether a customer viewed nonaddressable ads, such as those on TV. Alternatively, leverage marketing mix models in conjunction with attribution models to close the measurement gap between addressable and nonaddressable channels

- **Build in real-time data.** A best practice for building robust insights is to include as much real-time data as possible.¹⁰ Attribution models can leverage some real-time data, specifically data from search engines, ad servers, and demand-side platforms. However, data from other channels, such as email or TV, involve a time lag. Use technologies that provide data proxies to track time-lagged data, such as TV. Companies like iSpot.tv provide real-time traditional TV advertising performance metrics — such as spend, dates and times aired, and network — all of which you can use in attribution models to measure traditional and digital campaign effectiveness.
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SUPPLEMENTAL MATERIAL

Companies Interviewed For This Report

Convertro

Webtrends

Marketing Evolution

ENDNOTES

- ¹ For more information about always addressable customers and the era of pervasive interactivity, see the September 26, 2012, “[The Always Addressable Customer](#)” report.
- ² Enterprise marketing solutions provide analytics tools to help CI pros measure the efficiency and effectiveness of their campaigns. To learn more about marketing technologies, see the July 29, 2014, “[Top Technologies For Your BT Agenda](#)” report.
- ³ Campaigns are far less effective at winning and retaining customers. Firms must transition to real-time interactions with individual customers. Contextual marketing engines create sticky, highly engaging environments for customer interaction and yield proprietary data that cannot be replicated by traditional marketing methods or third-party data sources. To learn more about customer context, see the April 14, 2014, “[The Power Of Customer Context](#)” report.
- ⁴ To read more about contextual marketing engines and what they mean for analytics and reporting, see the April 14, 2014, “[The Power Of Customer Context](#)” report.
- ⁵ Forrester’s TechRadar™ of customer analytics methods identifies and analyzes the current and future prospects of a broad range of statistical methods and predictive analytics techniques. To learn more, see the February 25, 2014, “[TechRadar™: Customer Analytics Methods, Q1 2014](#)” report.
- ⁶ Source: “What’s Next: The Best of Both Worlds — Integrating Online Data Into Marketing Mix Models,” Nielsen, April 4, 2014 (<http://www.nielsen.com/us/en/insights/reports/2014/whats-next-the-best-of-both-worlds-integrating-online-data-into-marketing-mix-models.html>).

- ⁷ Establishing the business case for cross-channel attribution provides CI pros with the tangible benefits, costs, and risks of a more advanced measurement approach. To learn more about building the attribution business case, see the June 4, 2014, “[Measure The Impact Of Cross-Channel Attribution](#)” report.
- ⁸ A customer journey map is a foundational document that forms the backbone of CX programs; it’s a common thread that runs through nearly every activity that CX professionals perform. To learn more about the customer journey map, see the May 21, 2014, “[Journey Mapping Best Practices](#)” report.
- ⁹ Attribution is an extremely complex measurement approach that requires firms to align all their capabilities. Firms must determine their measurement maturity to successfully implement a cross-channel attribution strategy. To learn more about how firms can assess their maturity, see the November 28, 2012, “[Are You Ready For Cross-Channel Attribution?](#)” report.
- ¹⁰ To learn more about data integration into attribution and marketing mix models, see the July 8, 2014, “[Mix Optimization Takes Over Planning](#)” report.

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