

RESEARCH BRIEF: Conversion Attribution

Topic Overview

Measurement is the lifeblood of the online marketing industry. To gain ground on its traditional counterparts, early evangelists touted the medium’s advanced capabilities in tracking and ROI transparency. For the first time, advertisers knew actually how many people saw their ads and were able to track many Key Performance Indicators (KPIs) to help provide insight into how effective were their media choices.

The most important metric we have is the Conversion; after all, what does click thru rate, ad cost, time of day, etc. matter when the end result is whether your conversions are either higher or lower than what makes your business profitable. Recently, the industry has become aware of certain flaws regarding the core methodology of conversion tracking.

The “last ad clicked” model of assigning the conversion has come under fire. For the last decade, the standard was to give 100% of the conversion credit to whichever source the last click came from before the user converted. Obviously, the last ad clicked holds some value to understanding what is helping to drive conversions.

Benefits of Conversion Attribution Beyond the “Last Ad Clicked”

When advertisers track all marketing interactions with users, the benefits become immediately obvious. To understand how users are engaging your company via advertising channels and how those channels work together to further your goals. In essence, you can begin to discover the proper Digital Media Mix that is required to make the most of your campaign budgets.

Conversion attribution also helps take the industry “beyond the click” as an end-all way to measure performance. In a recent campaign for a Fuor Digital client in the Financial Services industry, our Conversion Attribution measurement helped us to understand that the largest path-to-conversion (38% of all conversions) came from 10 banner views and not one click. This means 38% of our people who converted saw a banner ad 10 times, then entered the brand URL directly in the browser before they converted.

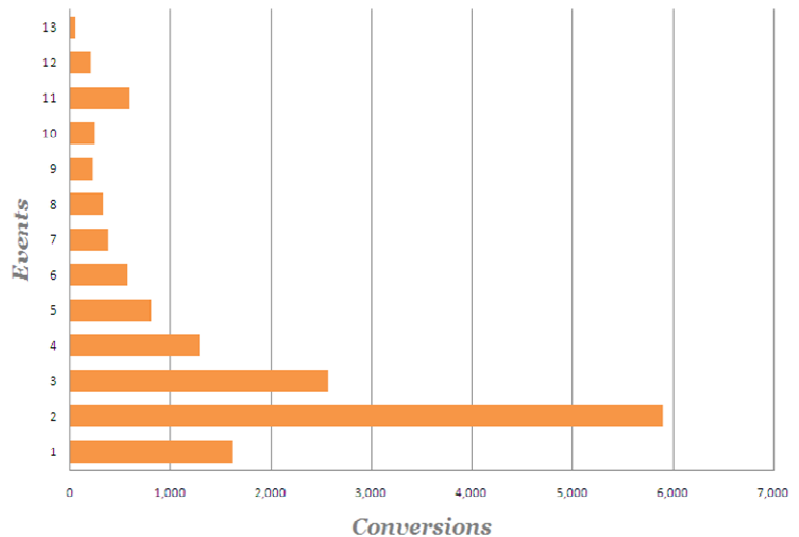
“Typically, between 93-95% of audience engagements with online advertising receive no credit at all when advertisers review campaign ROI.”
- Microsoft’s Atlas Institute

The Flaw of the Last Ad Clicked

It ignores some very important questions:

- Marketers reach targets across a variety of touch points, so why should the last ad be given complete credit?
- What factors beyond exposure (such as frequency) may lead to a conversion?
- Different ad media are employed at different points in the conversion funnel. Shouldn’t credit be properly attributed across those?
- How can marketers accurately reach their audience and plan campaigns if they are unaware of the impact of touch points that are upstream of the conversion?

- Atlas Institute thought paper [“Conversion Attribution”](#)



- Understand how many conversions required multiple interactions with a Frequency of Interactions Report (Fuor Digital 2008)

“Conversion” defined: when a prospective customer takes the marketer's intended action. If the prospect has visited a marketer's web site, the conversion action might be making an online purchase, or submitting a form to request additional information.—[Wikipedia](#)

Benefits of Conversion Attribution Beyond the “Last Ad Clicked”

Tracking all user interactions with your advertising can provide key insights into the habits of your customers and potential customers. For example, if your email efforts are appearing in the conversion path of a high ratio of users, then you may want to increase your delivery frequency. As well, you may find that it takes users more than 5-6 interactions over several weeks to finally convert and have been discontinuing marketing programs because you don't think they work instead of giving them the time to influence users.

Chances are inaccurate conversion tracking has had a major negative impact on proper optimization for years. In the previous example where the largest path to a conversion was 10 views and not a single click, without conversion attribution reporting the campaign would have been optimized out of those placements.

Name	Last			2nd			3rd			...10th	All Events		
	Clicks	Views	Total	Clicks	Views	Total	Clicks	Views	Total		Clicks	Views	Total
ABC	73.18%	13.77%	14.98%	15.99%	12.21%	12.29%	5.20%	11.24%	11.12%		15,263	735,636	750,899
Click Tactics	85.88%	70.65%	78.58%	9.27%	14.32%	11.69%	2.27%	4.93%	3.54%		35,564	32,783	68,347
Fetchback	69.21%	12.12%	13.81%	17.63%	12.22%	12.39%	6.60%	11.42%	11.28%		10,774	352,663	363,437
Google	79.01%	0.00%	79.01%	13.73%	0.00%	13.73%	4.27%	0.00%	4.27%		2,601	0	2,601
MSN	0.00%	0.00%	0.00%	50.00%	0.00%	50.00%	32.50%	0.00%	32.50%		40	0	40
XYZ	73.92%	61.17%	66.67%	14.72%	15.95%	15.42%	5.17%	6.93%	6.17%		20,727	37,900	66,627
Traffic Marketplace	88.43%	27.51%	28.45%	6.58%	15.87%	15.73%	2.38%	11.43%	11.29%		1,262	80,761	82,023
Valueclick Media	88.84%	24.71%	26.00%	7.59%	15.63%	15.47%	1.27%	11.39%	11.18%		1,739	84,669	86,408
Yahoo	19.05%	0.00%	19.05%	52.38%	0.00%	52.38%	23.81%	0.00%	23.81%		42	0	42
All Vendors	78.25%	17.63%	21.73%	13.00%	12.81%	12.83%	4.15%	11.03%	10.56%		96,012	1,324,412	1,420,424

See your conversions' last ad clicked, second to last, third to last, etc using a Total Events Leading Up To a Conversion Report (Mediaplex 2008)

What Influences Users to Purchase Online?

For years, digital marketers have been attempting to prove the value of marketing beyond the last click. Certainly, it's easy to conceptualize—"no matter what the last ad was, converting users were probably exposed to other online efforts, offline ads, word of mouth, etc, right?" But, how much was that particular home page takeover worth if it targeted users at the front end of the buying cycle and showed relatively few "last ad clicked" conversions?

In recent research of First-Time Purchasers surveyed, the list of top influencers differed greatly from the actual source the visitors came from. A very telling data point is that "Direct/Bookmark" visitors accounted for 66% of the "last ad clicked" conversions. This is very telling data that the source of the last click should not be the main variable for attributing conversion value.

First-Time Purchasers

Path to Site	
Direct/Bookmark	66%
Search engine	14%
Email link	9%
Other	5%
Online banner ad	3%
Deal/Coupon site	2%
Shopping site	1%

Greatest Influencer	
Word of mouth	30%
Other	18%
Direct mail/Catalogue	11%
Online review/Article	9%
Magazine/Newspaper	9%
Email link	5%
Search engine	5%
Deal/Coupon site	4%
TV ad	3%
Prior brand owner	3%
Online banner ad	3%

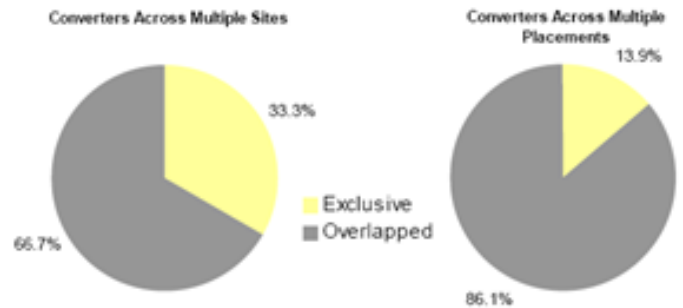
iPerceptions blog post: "[Findings on Conversion Attribution](#)" by Michael Whitehouse"(May 08)

Site Overlap Influences Conversions

“Over half of a campaign’s users see ads across multiple placements, and a third of users see ads across multiple publishers.”

“Two-thirds of converters view ads across multiple publishers and 86% saw a placement other than the last ad seen.”

- Fowler, Jed (2007) *“Overlap’s Impact on Reach, Frequency and Conversions.”* The Atlas Institute.



Search and Display Work Best Together

Yahoo found a **244% Lift in Online Purchases** when a user is exposed to both a Search and a Display ad (50% Display alone, 210% Search alone) vs. users who hadn’t been exposed to either.

They also found an **89% Lift in Offline Purchases** when a user is exposed to both a Search and a Display ad (9% Display alone, 42% Search alone) vs. users who hadn’t been.

- *“Close The Loop. Understanding the Synergy Between Search and Display Advertising”* (Yahoo! 2007)

Comscore found similar results in its December, 2008 *“How Online Advertising Works: Whither the Click?”* study. When it comes to making a purchase on the Advertiser site, Search + Display advertising provided a 173% lift in those making purchases.

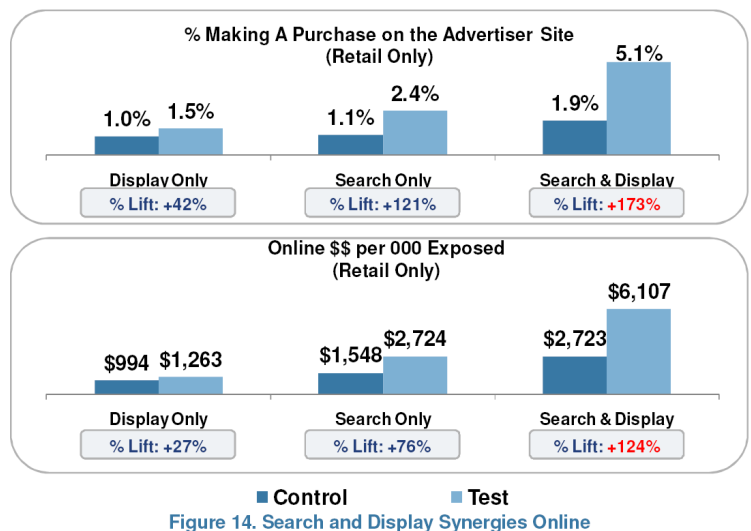


Figure 14. Search and Display Synergies Online

More Information

“SEM Pre-Click & Post-Click Double Feature: Conversion Attribution and Q&A with Analytics Guru Eric Peterson” : <http://tinyurl.com/4qj356>

- (Search Engine Land, Dec 08)

AttributionManagement.com: <http://www.attributionmanagement.com>

- Website devoted to the topic

Microsoft Atlas Institute : <http://tinyurl.com/3ucjd3>

- Engagement Mapping Resource

“Conversion Attribution” - <http://tinyurl.com/489xhp>

- Newspaper Association of America article

“Microsoft Takes Aim at Google’s Ad Supremacy” - <http://tinyurl.com/2yjer2>

- New York Times Technology article (Sept 2008)