White Paper

Integrated Marketing Management

Using Multi-Touch Attribution for Deeper Insight into the Customer Journey

> Attribution is the practice of allocating partial value to different touch points within the customer journey which have influenced a sale or another desired outcome.
>
> Econsultancy Marketing Attribution Management Buyer's Guide

TODAY, THE CUSTOMER JOURNEY TO CONVERSION IS MULTI-CHANNEL, MULTI-DEVICE AND MULTI-SCREEN, MAKING MULTI-TOUCH ATTRIBUTION THE DEFAULT METRIC FOR TRULY VALUABLE MARKETING INSIGHT AND PLANNING.

INTRODUCTION

Every day, marketers are forced to make critical decisions on where to spend their hard-won marketing dollars, but without the necessary data, analytics or tools that are now crucial for efficient and effective decision-making.

One of the key aspects of the dramatic change in marketing over the last decade has been a major transformation in how customers interact with brands and products. Consumers have adopted new technologies, such as social media and mobile apps, to a degree that has shifted the playing field away from the marketer's control. This has happened so quickly and completely, we sometimes forget that "app" was an unknown term just five years ago.

The explosion of digital channels is creating a widening gap between classic single-click attribution and the reality that marketers face when planning cross-channel campaigns with multiple touch points across many digital screens. This Aprimo White Paper will demonstrate some of the ways marketers can transform attribution and better manage marketing spend, improve planning and enhance the customer journey.

WHAT IS ATTRIBUTION AND WHY IS IT SO IMPORTANT?

When marketers look at attribution, it is both a look back and a baseline for driving planning, budgeting and implementing new campaigns and strategies.

This critical but overlooked building block of marketing plans is used to:

> Assign revenue credit to channels & campaigns
> Plan an optimum marketing mix for future campaigns
> Decide on investments for marketing programs

In short, attribution is nothing less than the foundation of optimized marketing performance.

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Digital Marketing Attribution is provided through a partnership of Teradata Aster and Aprimo.

In some cases, eliminating 30% of search remarketing costs with no loss of sales can be accomplished with attribution and saturation analytics. One Ad Agency was able to reduce spend on non-performing remarketing placements by analyzing the saturation point for campaigns at a customer level.

MULTI-TOUCH VS. SINGLE-TOUCH
There are two types of attribution:

> Single-Touch Attribution, which is often based on the First Touch or Last Click in the customer journey. Single-Touch has been the norm for marketers. It is simple, often readily available and a good guideline in a short customer journey.
> Multi-Touch Attribution, which looks at all the known touch points in the customer journey. Multi-Touch has been viewed as a Holy Grail of attribution. Unfortunately it has historically been too costly, complex and out of the reach of most marketers. But that is changing due to new marketing technologies, Big Data analytics and the importance of truly understanding customers across screens, channels and engagements.

SINGLE-TOUCH IGNORES A TROVE OF MARKETING TREASURE
Single-Touch Attribution is a practice from a simpler time, when the customer journey could be tracked to a phone call, store visit or direct mail piece. But that makes it a metric in decline, because today's customer journey is multi-touch, multi-channel, multi-device and multi-screen.

The new reality is one where consumers traverse search, mobile, social, tags, email, in-store and online like Magellan navigating the oceans. A single-click analysis ignores the richest troves of marketing treasures since it does not reflect the realities of today's customer journey. Because of this disconnect, it is insufficient to support accurate planning of future campaigns.

MULTI-TOUCH: THE NEW NORM IN ATTRIBUTION ANALYTICS
Multi-Touch Attribution provides flexibility in valuing many interactions, leverages sophisticated algorithms for deeper insight and fully utilizes the prized data from weblogs, search, social and mobile engagements. Most importantly, it provides a more accurate reflection of the customer journey and can be used for planning.

An attribution application in today's fluid marketing landscape must be both comprehensive and efficient:

> Comprehensive so that it includes the growing number of touch points that occur during the customer journey.
> Efficient in that it quickly incorporates data, analytics and insights into operational business processes that transform go-to-market strategies and tactics.

These factors now make Multi-Touch Attribution the default metric for truly valuable marketing insight.

MULTI-TOUCH ATTRIBUTION BUSINESS DRIVERS
Today, the ability exists to capture customer interactions at a granular level, across channels, devices and screens. In a market this vibrant, modern marketers must leverage Multi-Touch Attribution into bottom-line results that:

> Reduce non-productive spend
> Shift spend to higher ROI opportunities
> Optimize multi-channel campaigns
> Measure the impact of social interactions

Savvy marketers know that each impression indirectly affects other channels. Display ads and email have an indirect lift on search. Mobile search is often linked to immediate in-store purchases. Only with granular Multi-Touch Attribution can these patterns be illuminated, visualized and understood.

The potential return on investment for implementing sophisticated attribution modeling can be enormous. Marketers typically can improve Return on Ad Spend (ROAS) or Return on Marketing Investment (ROMI) by 3% to 10%. In a time when doing more with less is the rule, millions of marketing investment dollars could be repurposed.

FIVE BUSINESS VALUE REASONS FOR MULTI-TOUCH ATTRIBUTION

1. IDENTIFY TRUE UNPRODUCTIVE SPEND
Eliminating marketing efforts that do not deliver business results is an immediate impact of better attribution. Knowing, not guessing, that a particular activity is non-productive makes it easier to cut that campaign, program or bid with confidence that the implications of that change are understood.

2. AVOID CUTTING PRODUCTIVE SPEND
Doing more with less is a way of life for marketers. But using last click attribution can create the false impression that non-converting touch points have less value. For instance, cutting out ad spend that indirectly delivers search-driven visits could have devastating, unintended consequences. Only by truly understanding the complex interplay between channels can marketers intelligently optimize marketing spend.

3. SKATE AHEAD OF THE PUCK
In hockey, you have to skate to where the puck in going, not where it is. Better attribution includes sophisticated modeling capabilities to balance high expense activities, identify customer level campaign saturation and predict the optimal mix of marketing spend. Knowing when a channel is saturated or when there is a buying opportunity maximizes the return on marketing mix.

4. LEVEL THE PLAYING FIELD
Content sites have growing access to increasingly granular analytics on consumer behavior, such as second-by-second analysis of commercial viewing, real-time click-stream that drives on-demand inventory pricing. Marketers must advance their attribution analytics to exploit their own competitive advantage when buying placements.

5. EXPONENTIAL ROI IMPACTS
By eliminating unproductive spend to fully exploit the most productive opportunities, marketers see dramatic, game-changing gains in Return on Marketing Investment.

NEW TOOLS FOR NEW TIMES
Marketers faced with rapid-fire campaign decisions that optimize ROI in a multi-touch ecosystem need a better way to measure attribution. But a new way of measurement is just the first step. Any new attribution capabilities must integrate seamlessly into marketing operations and campaign management.

The next generation attribution tools will be defined by advanced features such as:

> Fast, flexible multi-dimensional models that analyze all of your touch points at the most granular level.
> Direct integration with marketing technologies such as MRM and CRM to rapidly monetize new insight.
> Leveraging of enterprise data to attribute revenue and profits, not just conversions.
> New data management tools that allow for rapid iteration, testing and learning.

EMPLOY MULTIPLE TECHNIQUES TO ACHIEVE DEEPER ATTRIBUTION ANALYTICS

As the science of marketing catches up to its art, algorithms and insight are becoming key marketing differentiators. New technology allows marketers to employ multiple techniques to get deeper attribution analytics. Move beyond last-click and first-click metrics with these key best practices for Multi-Touch Attribution:

Uniform

Give every touch through the customer journey equal value: for example, ten touches could mean each touch gets 10% of the credit for that sale.

Weighted

Give different values to different touch points. Weighting can be driven by order, quality of the engagement and other criteria.

Exponential

Successful customer journeys tend to build over time. The value of successive touches increases as the customer gets closer to conversion.

Adding these modeling capabilities can close the gap between attribution models and the reality of managing campaigns in today's world. The challenge will be keeping up as the volume of marketing decisions continues to accelerate:

> In 2016, Forrester estimates that there will be trillions of potential ad placement opportunities for marketers.
> It is impossible to effectively manage millions of keyword placements with a spreadsheet.
> It is impractical to make accurate, real-time buys across billions of placement opportunities without upgrading marketing management technology.

INTEGRATING WITH IMM: THE MULTI-TOUCH ATTRIBUTION MARKETING CYCLE

Integrating Multi-Touch Attribution into Marketing Management is necessary to create a virtuous, data driven marketing cycle, a continuous loop of planning, executing and measuring.

**When campaigns are planned, marketing activities are identified and budgets are assigned.**
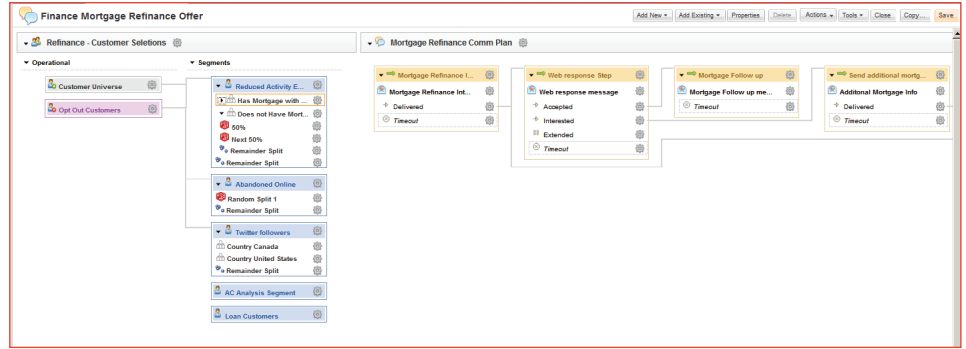
After organizing customers into segments, marketers consider how to contact them with multiple steps, offers and channels.
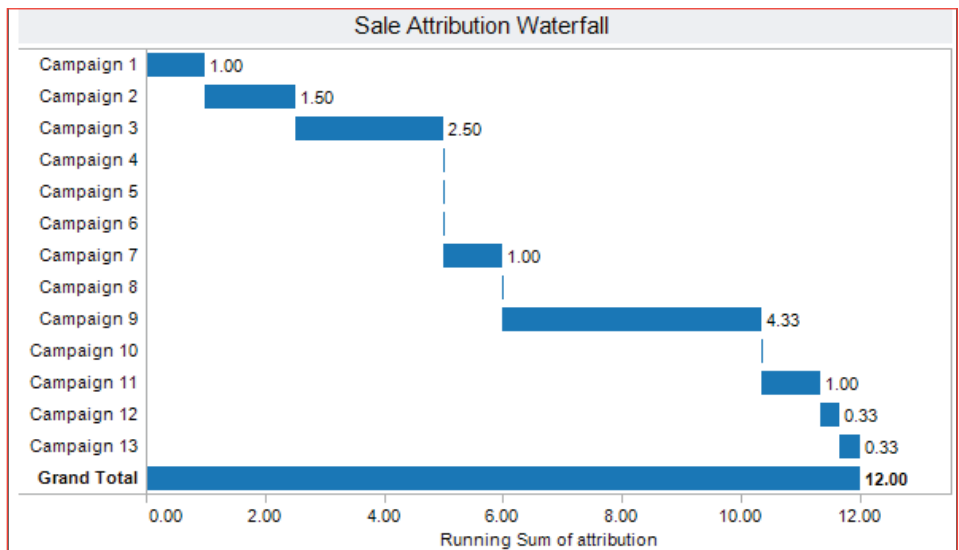

Customer paths through the plan are dependent on how they respond to messages and offers.
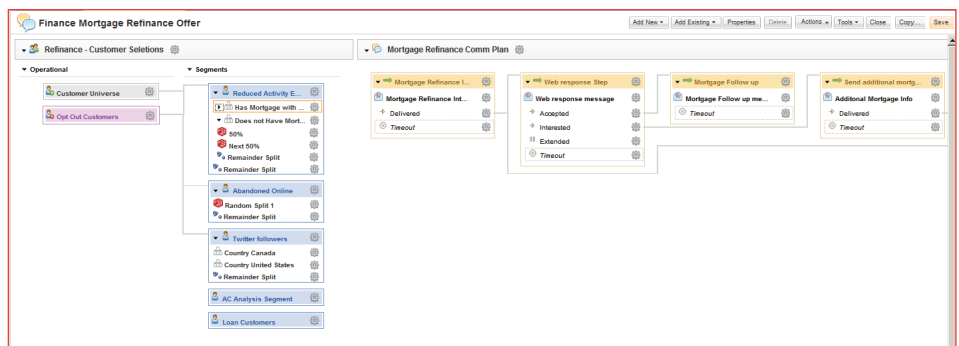

Customer interactions are then evaluated across channels and time.
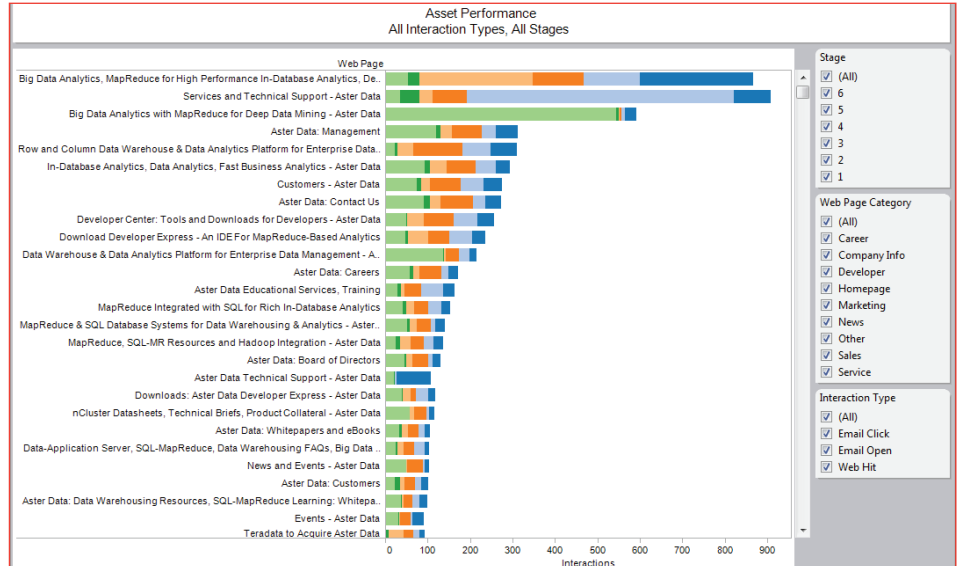
The marketer must look at where the customer is in the journey at each key touch point.


Different touches can then be analyzed for impact to sales.

Marketing insights can now operationalized for continuous improvement with the creation of follow-up campaigns.

| Title		Attribution	Forecast Cost	POs	Actual Cost	Variance
Spring Event			0.00	0.00	0.00	US$0.00
Spring Opening			0.00	0.00	0.00	US$0.00
Spring Sales Event			0.00	0.00	0.00	US$0.00
Retirement Plan Follow up		18,939.00	18,000.00		16,700.00	US$2,239.00
Bank Grand Opening - Location 104 Mailing		21,418.00	18,500.00		17,800.00	US$3,618.00
Bank Grand Opening - Location 109 Mailing		21,418.00	18,500.00		18,000.00	US$3,418.00
Low Interest Bank Card Follow up		32,515.00	32,000.00		32,000.00	US$515.00
Small Business Video Mailing		32,515.00	32,000.00		30,500.00	US$2,015.00
Life Savings Mailing		35,600.00	34,500.00		34,300.00	US$1,300.00
August Prospectus Newsletter		43,278.00	41,378.00		41,200.00	US$2,078.00
Bank Portfolio Mailing		45,500.00	45,000.00		43,500.00	US$2,000.00

Marketing spend can be altered.
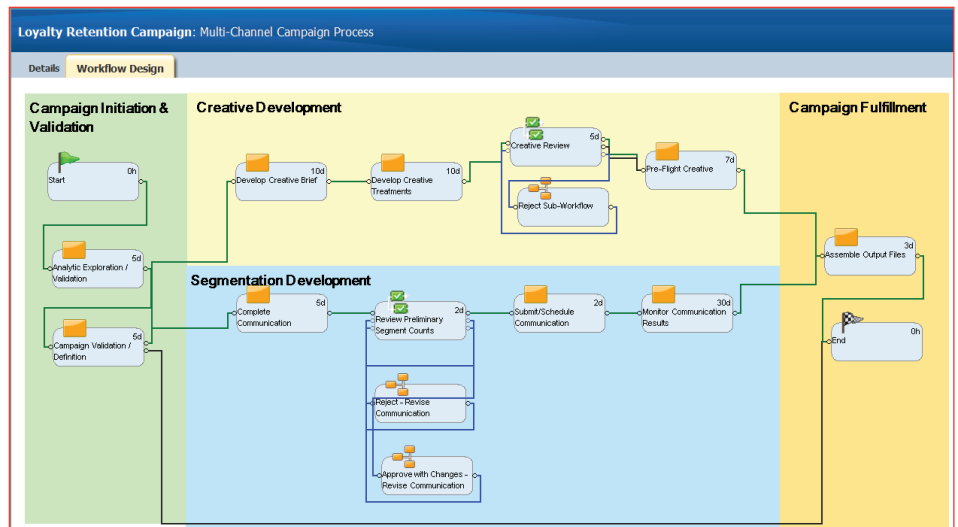
Processes may be revised.

Targets may be updated.

Finally, marketers repeat this data-driven process of planning, execution and measurement to optimize spend based on the multi-channel results.

ADVANCING MARKETING ANALYTICS WITH BIG DATA

Beyond application integration, improving Big Data analytics capabilities is another foundational step to elevate to Multi-Touch Attribution analytics.
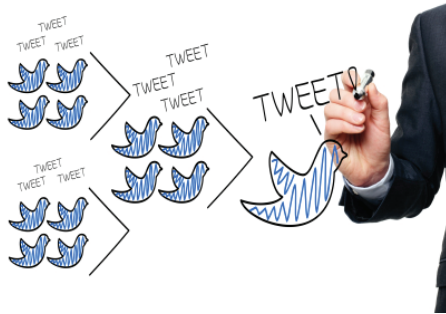
Digital marketing creates numerous large datasets. These often exist outside the firewall on Google, Facebook, Microsoft or web analytics platforms. There are four key points in advancing marketing analytics with Big Data:

1. **HARNESSING THE DATA:** Employing tools that integrate internal databases (EDW) to third-party and cloud sources is critical. Also essential: leveraging API's, ETL, SQL-MapReduce and other technologies that allow for the ingestion of large datasets, quickly and easily. In the near term, table stakes for improving attribution will be simplifying the sourcing of critical correlation data.

2. **DEALING WITH SCALE:** Big Data can be...big. Meaning larger datasets can cost money, extend the time it takes to complete analysis or make it impossible to effectively deliver useful analytics. New tools that powered the rise of search and social media—such as SQL-MapReduce—can now be applied to problems such as attribution.

3. **COMPLEXITY, VELOCITY & VARIABILITY:** Beyond big, large scale data can be variable and multi-structured. Some of the data you want to analyze may be beyond the expertise of a traditional IT team. Analyzing weblogs, social streams and unstructured files may not be easily mapped into current skill sets of marketing analysts. Raising the team's capabilities, as well as the technology, is now a competitive requirement.

4. **GO-TO-MARKET SPEED:** As shown earlier, to monetize you have to operationalize. Being able to tie attribution to spend, revenue, market-basket, customer-value and profit analytics elevates marketing investment from art to science.

ATTRIBUTION IS POISED TO BECOME AN EVEN BIGGER CHALLENGE

In 2011, there were an estimated 7.1 trillion online advertising impressions alone. This number is significant in several ways:

> First, it is a huge number. (For comparison, a trillion seconds is over 30,000 years.) 7 trillion impressions translate to about 28 impressions for every dollar of online sales in 2011.
> Consider what that figure leaves out: TV, Radio, Outdoor, Print, Direct Marketing and all other traditional media—not to mention word-of-mouth, social sharing and other viral impressions outside of normal measurement. Some estimates show overall impressions in the US to be more than about 65 trillion a year—or over 600 ads per day per person.

And that's only the beginning. Social, local and mobile will continue to exponentially expand and complicate attribution beyond the capabilities of most analytical tools. All of those devices, applications and locations will need targeted media in real-time. Any glance at the coming needs of marketing reveals improved attribution capabilities as a critical near-term business requirement.

Challenges aside, the rewards of analyzing newer and richer customer datasets are clear: a better understanding of the customer journey; a higher level of customer engagement; and a veritable gold rush for marketers.

CONCLUSION

Marketers must elevate their attribution analytics to compete in today's data-driven digital marketplace. Moving from Single-Touch Attribution to a granular, Multi-Touch Attribution solution will have profound impacts, including but not limited to:

> Higher ROI
> More budget alignment
> Increased accuracy of campaign performance
> Greater decision-making confidence

The business drivers of this change are significant:

> Data-driven competitive advantage over competitors and sell-side vendors
> Shorter, more complex, highly dynamic and interrelated advertising environment
> New, often untapped, reserves of marketing data
> More diverse customer journeys

Finally, companies that adopt the new technologies effectively can see large business impacts, including:

> Greater campaign ROI
> Improved customer experience
> Deeper customer insight

ABOUT APRIMO

Aprimo® is a leading provider of software and services that advance the productivity and performance of marketing organizations. We enable marketers to engage, lead and perform by empowering conversations on new engagement channels, enhancing internal collaboration, and improving marketing performance and accountability. Aprimo's modular and on demand Integrated Marketing Management (IMM) solutions provide a global, integrated marketing platform that can be broadly adopted across an organization, letting companies balance creativity with a data-driven approach and simplify the complexity of a rapidly changing marketing environment.

Hundreds of thousands of customers trust Aprimo to revolutionize their marketing, including over one third of Fortune 100 companies and nearly one quarter of Global 100 companies. A Teradata company, Aprimo is headquartered in Indianapolis, IN, with offices worldwide. For more information, call 1.317.814.6465 or visit www.aprimo.com.

Teradata Corporation (NYSE: TDC), Aprimo's parent company, is the world's leading analytic data solutions company, focused on integrated data warehousing, big data analytics, and business applications. Teradata's innovative products and services deliver data integration and business insight to empower organizations to make the best decisions possible and achieve competitive advantage. Teradata acquired Aprimo in January 2011. For more information, visit www.Teradata.com.

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