THE BLENDED ATTRIBUTION PLAYBOOK

Measuring the impact of your online marketing campaigns

INTRODUCTION

Nothing is more top of mind for marketers than attribution. It's a complex topic, and there are lots of questions. Should you measure only the first click, or the last click? Should you also measure views? Should you combine view measurement with click measurement? How long should you wait to give credit to user activity?

In this whitepaper, we examine the history of attribution models and dive deep into AdRoll platform data, third-party research, and advertiser survey data to make the case for marketers to adopt a blended attribution model, one that combines both ad views and clicks.

Attribution is critical to marketing success because nothing has a bigger influence on evaluating results than how you measure the impact of your advertising. And in the digital paradigm, almost everything is measurable. When we surveyed our customers, we heard this point loud and clear. Of the 1,050 marketers we spoke to, 84% believe attribution is critical or very important to marketing success.

That number alone is not terribly surprising, as attribution is an increasingly talked-about subject in the programmatic ad industry. What caught us off guard was that just one year before, only 35% of advertisers answered that attribution was critical or very important to marketing success.

Attribution isn't a fad traceable to industry think pieces; it's a crucial element of how marketers spend their budgets. In performance marketing, getting attribution wrong makes it impossible to allocate your marketing budget to the most impactful channels and strategies. This guide will help you understand the value that adopting a blended attribution model can add to your display advertising campaigns.

A (VERY) BRIEF HISTORY OF ATTRIBUTION FOR DISPLAY

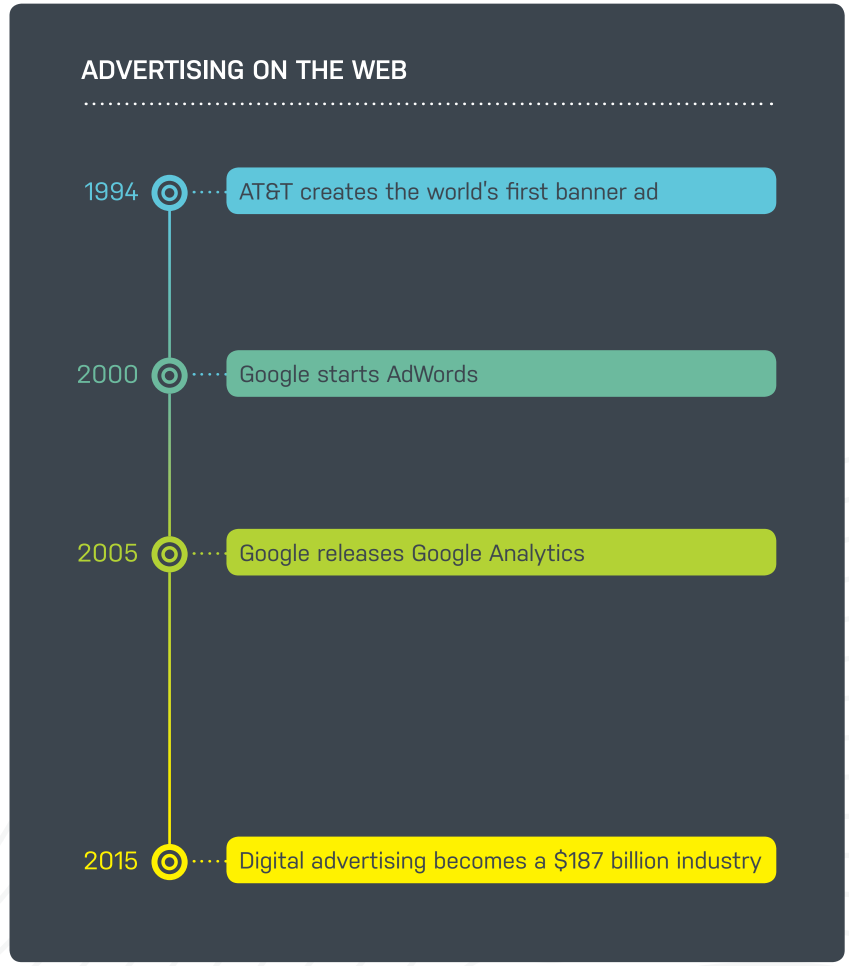
AT&T created one of the world's first banner advertisements in 1994.

Perhaps because display advertising was so new, many people clicked AT&T's ad in numbers that would shock even the most savvy digital marketers today. The ad had a click-through rate (CTR) of 44%, which is 40x better than the average banner ad today.

In 2000, Google popularized search engine marketing (SEM) with Google AdWords. Advertising was sold on a pay-per-click (PPC) model, which assured advertisers they wouldn't pay a dime if no one clicked their ads. Despite its immediate success, AdWords' analytics were incomplete by today's standards. Users clearly saw how many ads had been bought, but couldn't tell how often visitors from those ads made purchases.

Five years later, Google bought the search analytics startup Urchin and released Google Analytics. Google Analytics married Google's ad platform with reporting that clearly showed advertisers how ad visitors behaved on their site. Since publishers were paid by the click, AdWords attributed each purchase bought by the advertiser to the last click that the consumer made before purchasing—called last-click attribution.

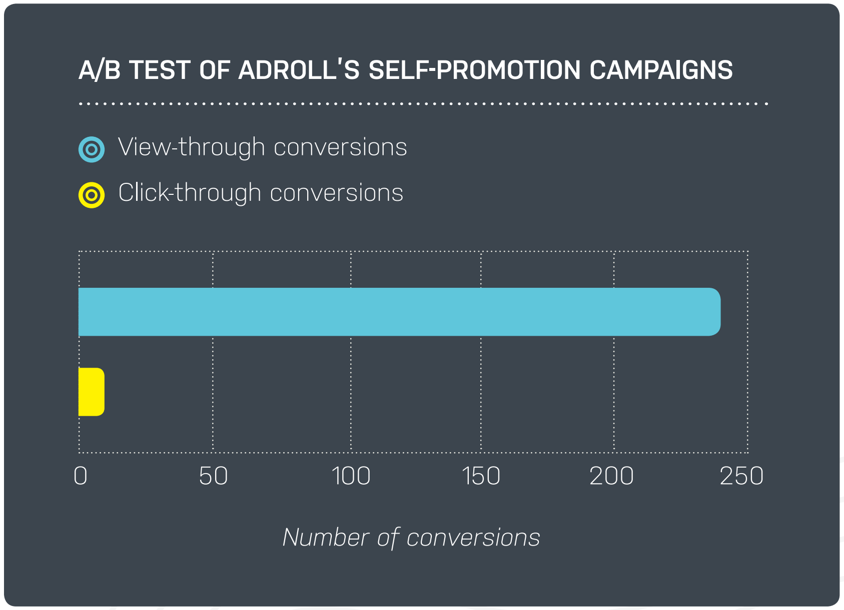
Digital advertising and marketing has matured in the 15 years since AdWords launched. Today, it's a technologically advanced, $187 billion industry. And while the development of real-time, machine-learning-fueled bidding algorithms has fulfilled the promise of display advertising to serve ads to the right customer at the right time, many marketers still rely on an aging approach to attribution.



WHY LAST-CLICK MEASUREMENT DOESN'T TELL THE WHOLE STORY

Last-click only measures a portion of your audience—those who click. It discounts altogether the much larger audience of internet users who make a habit of never clicking on advertising. While it may be popular, last-click measurement is problematic for a number of reasons:

- **A small portion of people click on ads:** Only 16% of users click on ads, and half of those—8%—account for 85% of all clicks on display ads. This means that this pool of what the industry calls "natural born clickers" is the only audience you track.
- **Last-click incentivizes finding users who would buy without advertising:** Last-click attribution models are fundamentally incentivized to find users already likely to purchase—a practice marketers refer to as "funnel jumping." Ideally, advertising should influence users to consider purchasing a product or service they wouldn't otherwise have been exposed to.
- **Credit is not accurately assigned across publishers:** Last-click gives all the credit to the final click and ignores any other marketing that occurred before the purchase. This means any previous messaging users were exposed to, in addition to any content they consumed that discussed your brand, isn't appropriately valued.

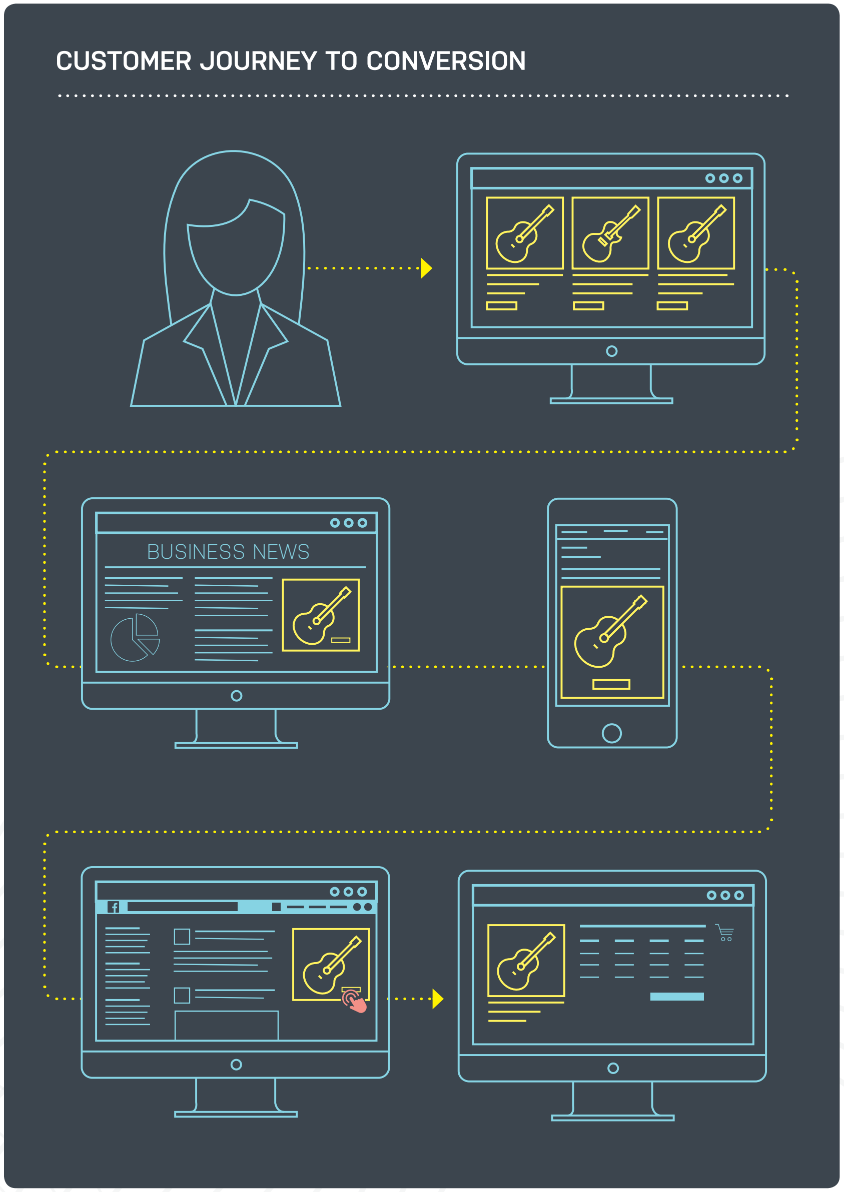


BLENDED ATTRIBUTION: MEASURING BOTH VIEWS AND CLICKS

A simple alternative to last-click attribution is blended attribution. This incorporates customer touchpoints, including both views and clicks of ads, before the purchase. This metric retains the simplicity and immediacy of click-based attribution while accounting for the cumulative effect of views.

Google, Facebook, and Yahoo! have released studies showing that viewing an ad clearly and measurably influences purchasing decisions. Google's programmatic advertising guide explains why advertisers might want to use a custom attribution model:

> Invest in custom cross-channel attribution models to understand all digital touchpoints, not just the touchpoints that produced the last click, and how they relate to conversions. Test different custom models to find the model that provides the most accurate view of the touchpoints that are doing the most to influence audiences to take action.

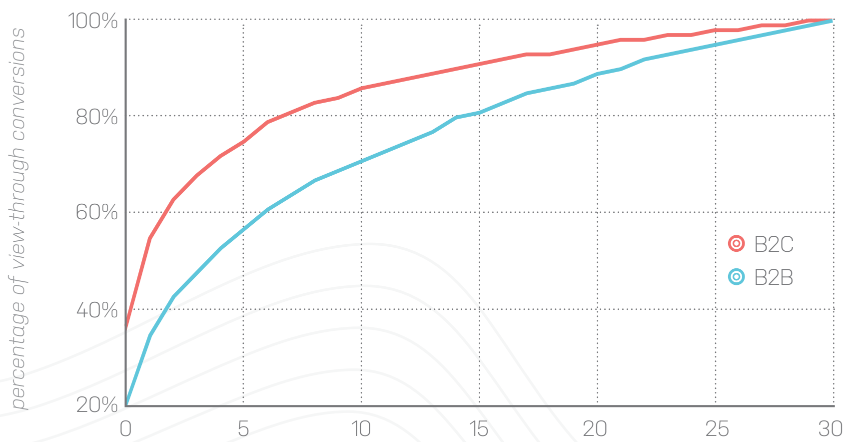


ASSIGNING THE CORRECT VALUE TO VIEW-THROUGH

One of the key variables to consider when attributing conversions (for both views and clicks) is the lookback window. This window is the amount of time that an advertiser allows to pass after a customer touchpoint occurs. If there is a touchpoint after the window has closed, that channel no longer receives credit.

If you haven't run a test, how do you accurately assign credit to views and clicks in a way that's not arbitrary? To answer this question, we dove deep into AdRoll's platform data and surveyed advertisers across a slew of industries to develop guidelines and best practices.

Purchase cycles vary dramatically by industry. We found, for example, that business-to-business (B2B) conversions moved at a much slower rate than business-to-consumer (B2C) brands and retail.



Because of the varied consumer behavior among industries, we recommend that marketers take the length of buy cycle into account when assigning credit. We used this conversion data, and survey data from our pool of advertisers, to come up with a recommended lookback window.

SUGGESTED LOOKBACK WINDOWS

DAYS	INDUSTRY
1–3	Apparel and Beauty
1–7	B2B Technology
1–7	Healthcare
1–7	Media and Entertainment
1–10	Auto
1–14	Home
1–14	Education
1–14	Travel *(1-day for aggregators, 14-day for individual hotels)*
1–14	Consumer Packaged Goods
1–15	Finance

CONCLUSION

Blended attribution takes into account what advertisers have always known: that viewing ads influences consumer behavior. By combining views and clicks, we reveal a more nuanced, and ultimately more accurate, picture of how advertising affects users.

This helps marketers allocate their budget and take into account all the effort that goes into both media planning and creative development. Instead of overvaluing—or in the worst cases even rewarding—funnel jumpers who take all the credit for being the last touchpoint before a sale happens, advertisers can assign credit more accurately.

ABOUT ADROLL

AdRoll is the largest independent retargeting and prospecting platform with over 25,000 clients worldwide. It specializes in performance marketing for several verticals including e-commerce, b2b, finance, travel, education, and media, and analyzes data on over 1 billion anonymous user profiles across desktop, mobile, and tablet devices through its proprietary technology. Partnering with top media and tech companies including Google, Facebook, Twitter, Instagram, and Apple, along with millions of websites and mobile apps, the company is home to the world's largest opt-in advertiser data co-op. AdRoll's goal is to map the world's intent data and put it to work for every advertiser on the planet.

AdRoll is headquartered in San Francisco, with offices in New York, Tokyo, London, Dublin, and Sydney. It is backed by Foundation Capital, IVP, Accel Partners, Merus Capital, Peter Thiel, and other leading investors. Learn more at www.adroll.com.