

AdRoll



The State of Marketing Attribution 2017

Insights on meeting global attribution challenges

In association with





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1. Foreword by AdRoll



When surveying the levers that marketers can pull to improve their businesses, there is one lever that keeps squeaking and getting stuck year after year. Unfortunately, that lever is crucial to improving everything else in the marketing machine.

We're speaking, of course, about attribution. In the age of data, when we're dealing with hundreds, thousands or even millions of customers, it is crucial to know what's working and what isn't before making high-level decisions about our businesses. And, as our data systems evolve, this need for accurate measurement will only grow.

The good news is that marketers are finally recognising the need to evolve their attribution systems. The days of last-click vs first-click are slowly fading into the history of digital advertising, and a new day of custom attribution models is peeking over the horizon.

The insights we found were both encouraging and challenging. As a full-funnel advertising platform working with over 37,000 clients worldwide, we're always pushing ourselves to use the full strength of our internal data and improve our clients' bottom lines. But as we've found out, and as we're sure many other marketers have as well, with more complex models come more complex questions. Hopefully this report, *The State of Marketing Attribution 2017*, will help answer them for you as it did for us.

Shane Murphy

VP, Marketing
AdRoll



2. Executive Summary

This is Econsultancy's second State of Marketing Attribution report, published in association with AdRoll and based on an online survey of 987 practitioners in Europe, North America and Asia-Pacific. We expanded on last year's report, which focused solely on Europe, and made the report a global comparison. This report reviews the current adoption levels of marketing attribution, the confidence in its usage and the effectiveness of companies' attribution methods.

Current usage and confidence in attribution

The research shows that the use of attribution has risen since last year. The number of companies implementing attribution on 'all or most' of their marketing activities has risen from 31% in 2016 to 39% in 2017. Despite this increased popularity, there's still a lack of confidence in the marketplace surrounding its use. 70% of businesses struggle to act on attribution insights.

Types of attribution

Many are still using simplistic attribution models that are hindering their decision-making ability. Companies need to take a more holistic and nuanced approach. The contribution of all touchpoints must be understood and appreciated, rather than only crediting those at the start or end of the customer journey. Last-click and first-click are still the most popular attribution methods, but their usage has dwindled. Both brand and agency respondents report that they have begun to make the switch to custom attribution methods, which, by definition, are tailored appropriately to the requirements of a business.

Technology used for attribution

Companies are equally reliant on spreadsheets, vendor technology and custom-built models to carry out attribution, with each of these approaches cited by 43% of company survey respondents. Companies have become less confident in their technology's ability to support attribution-related requirements, despite the increased access to software. This shows that technology in itself is not an all-encompassing remedy.

Attribution challenges

59% of companies cite lack of knowledge as the main obstacle preventing usage. For those using attribution, 35% cite defining the online customer journey as the most significant barrier to more effective usage, overtaking data complexity. 77% of respondents agreed that they struggle to attract the right staff to take advantage of marketing attribution. Creating a culture of measurement and accuracy is the most-cited skill gap (rated as a top-three issue by 80% of brands and 71% of agencies).

Impact of attribution

Optimisation of the media mix is the number-one attribution goal for 2017. 36% of companies are reducing their digital channel budgets due to attribution. This is counter to the 32% that report an increased digital marketing spend. Agencies are much more likely to report increased spending, with 55% reporting that budgets have consequently gone up. For brands, display advertising spending saw a 41% increase, closely followed by paid search at 38%. Content marketing is the channel most likely to have had its budget decreased, with 39% of organisations making cuts.

3. Top 10 Actionable Attribution Tips



1. Start with a clear strategy and set of objectives

Be clear on your objectives from the start, and share them throughout the business, with key performance indicators (KPIs) applied when appropriate. Having a clear set of goals from the outset will help you to decide the nature of the data included in the attribution model, the type of model or models used and the most appropriate technology. Think of the key stakeholders and other teams that need to contribute, and ensure the strategy is communicated to and supported by all developing insightful attribution models.

2. Get internal buy-in for attribution

The impact can be far-reaching, affecting workflows, commissions and bonuses. Failure to get buy-in can lead to a failure to get insights actioned. Senior-level backing for attribution must be sought so that all departments are sold on the benefits, while also being clear on the business goals and methodology. This will help ensure that certain teams don't become disenfranchised and suddenly question the validity of models when they don't like the recommended outcomes.



3. Build a strong business case to make the necessary investment



Attribution modelling won't bring returns without action. A business-wide commitment and sufficient loosening of the company purse strings by the CFO are vital. That said, attribution modelling shouldn't be seen as a cost centre, but rather as a source of future revenues. In order to fund the necessary investments before, during and after the actual modelling process, a strong business case needs to be built that clearly spells out the return on investment. The business case is likely to focus initially on the savings that a business might make. But the aim should be to increase marketing investment—understanding that larger budgets will deliver more than sufficient payback.

4. Focus on defining the customer journey

This year's research shows that defining the online customer journey is the most significant barrier to using attribution effectively for brand respondents. Ensure that you take a holistic view of the touchpoints that contribute to the path to purchase. Although they are becoming less linear and funnel-like, it is still possible to build a picture of triggers and typical pathways. A combination of quantitative analysis of existing data and qualitative research—such as focus groups and customer interviews—can help you get closer to a bespoke customer-journey framework that's tailored to your business.



5. Focus on physical as well as digital touchpoints

It's an ugly word, but companies need to think 'phygital'. Attribution needs to encompass traditional marketing and physical-world touchpoints in order to maximise its effectiveness. Every company can benefit from a more connected approach.

6. Make sure that data sets are as clean and accurate as possible

Attribution models are often only as strong as the weakest link in the chain—making it crucial to ensure that data is as consistent and accurate as possible. Data from a growing range of tools and platforms must be cleansed and unified into a consistent format so that it can be plugged into a modelling system. Unifying data is a clear starting point for developing insightful attribution models.



7. Invest in technology that gives you the required flexibility

There is no shortage of tools on the market to assist in attribution endeavours. However, finding technology that caters to your particular needs can be difficult. Choose a platform that lends itself to continual optimisation—which allows for changes in patterns of behaviour and adjustments to your models—in order to test new hypotheses and continually refine your approach.

8. Try different models that align with your business goals

Algorithmic models for attribution rely on rich, solid data sets and tend to be used by those further up on the data maturity scale. But there's no reason why companies at all levels can't aim towards this. Try to remove biases through last-click/first-click models and see which channels really drive impact. Experimenting with different attribution models and methods allows you to determine what works best for your data and which processes will be most effective.



9. Use a test-and-learn approach

Companies can benefit from an 'agile' approach that is rooted in a commitment to test and learn. Consolidate your data first to understand which channels deliver results aligned with assigned budgets. After that, move into modelling the data, making small changes each time to move closer to your goal. Testing needs to occur before confidence can be put into any attribution model, which is where many companies can stumble with the implementation process. Testing against a forecasting tool can instil confidence that the correct balance is being achieved.

10. Focus on recruitment and training

When hiring the right people, companies must understand that successful marketing attribution is a combination of science and art. Recruiting the right mix of analytics skills, broader commercial awareness and softer skills helps facilitate cooperation across the organisation. It's equally important that existing staff are equipped with the right skill sets and knowledge. Vendors and agencies can support this, but the training regime ultimately needs to be controlled in-house to ensure that the tail isn't wagging the dog. Employees need to feel empowered when it comes to handling data, which, in turn, increases the effectiveness of attribution.



4. Uptake and Confidence in Attribution

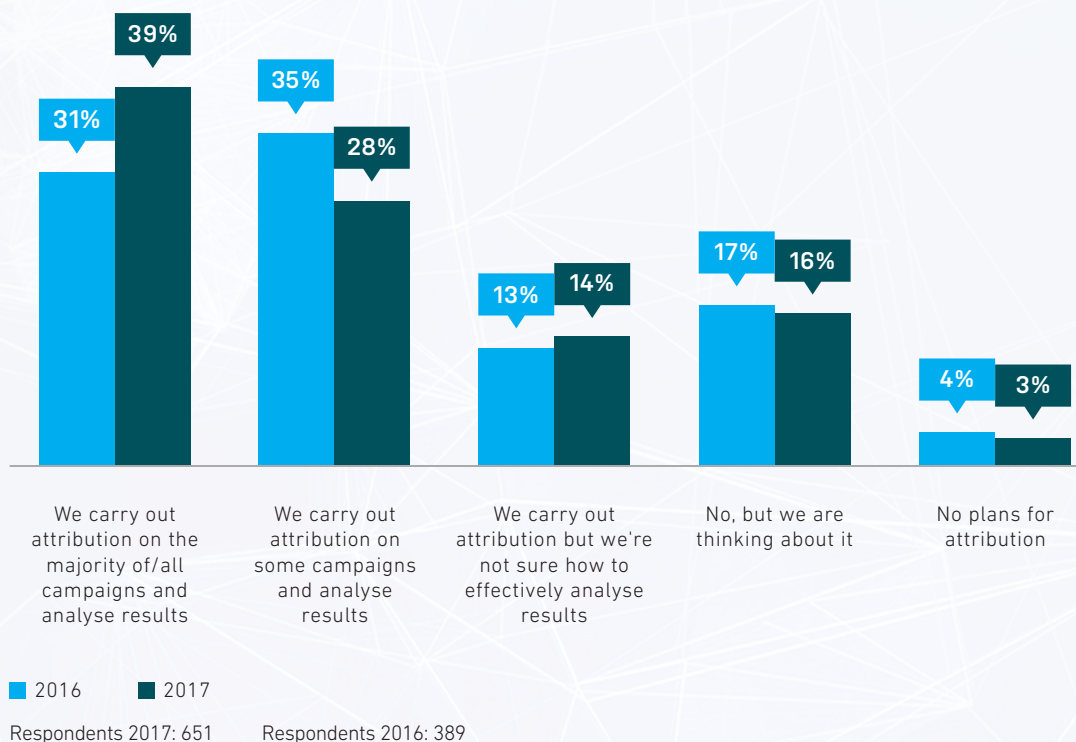
KEY POINTS

- 39% of companies, up from 31%, are implementing attribution on 'all or most' of their marketing activities.
- 51% of responding companies in North America are carrying out attribution on 'most or all' of their campaigns, making this the most advanced market.
- 70% of businesses are now struggling to act on the insights they gain from attribution.
- Survey respondents are generally confident that their agencies are impartial when carrying out attribution.

4.1. Uptake of attribution modelling

Company respondents

Figure 1: Do you carry out any type of marketing attribution modelling to measure the effectiveness of your marketing?





This simplistic take on attribution implies that companies are either carrying out multichannel marketing attribution successfully or wilfully ignoring its potential. The reality is far more nuanced. This is not a simple 'yes' or 'no' question, nor are companies doing it with the sole goal of optimising budgets, as we will see in the next section.

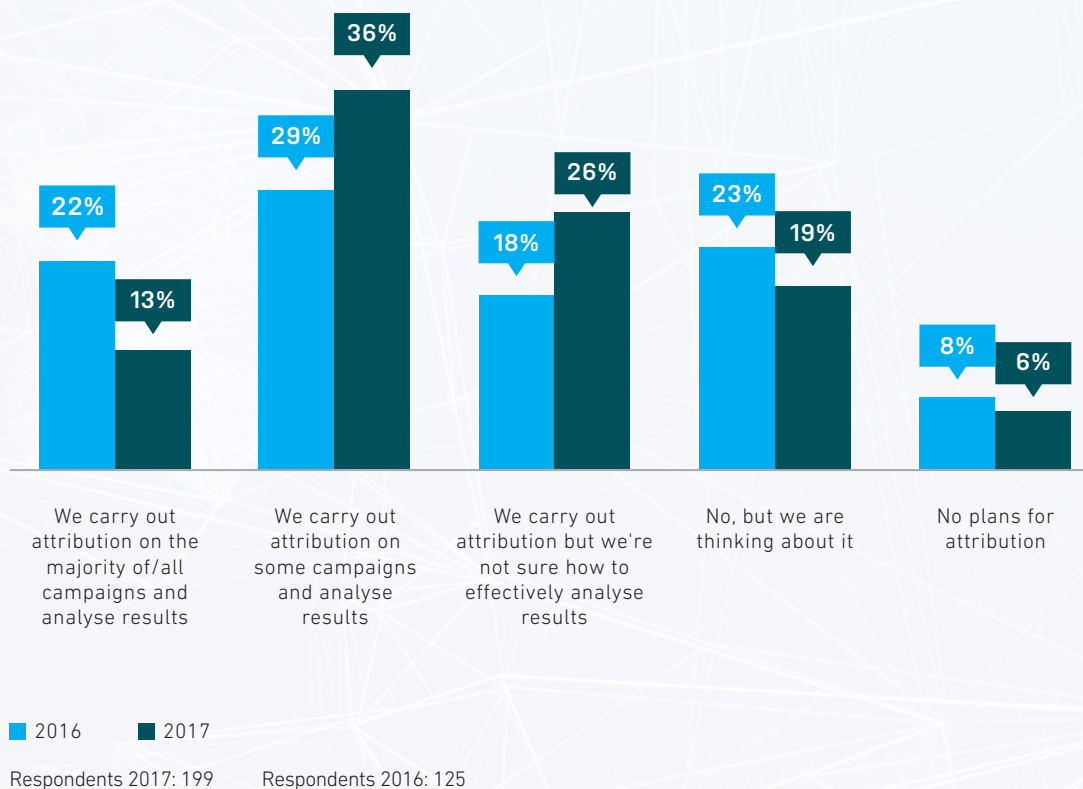
The number of companies carrying out attribution, in some capacity, has increased from 79% to 81%, and those who say they practise attribution on the majority of, or all, campaigns and analyse results has climbed significantly from 31% to 39%.

The agency data (Figure 2) also shows that more companies are carrying out marketing attribution (up from 69% to 75%), but far fewer clients are doing this across all or most of their campaigns, a drop from 22% to 13%.

There is also increased uncertainty about how to interpret the data. Agency respondents who say their clients typically carry out attribution but are not sure how to effectively analyse results have climbed from 18% to 26%.

Agency respondents

Figure 2: Do your clients typically carry out any type of marketing attribution modelling to measure the effectiveness of their marketing?



REGIONAL BREAKDOWN—Company respondents

Figure 3: Do you carry out any type of marketing attribution modelling to measure the effectiveness of your marketing?

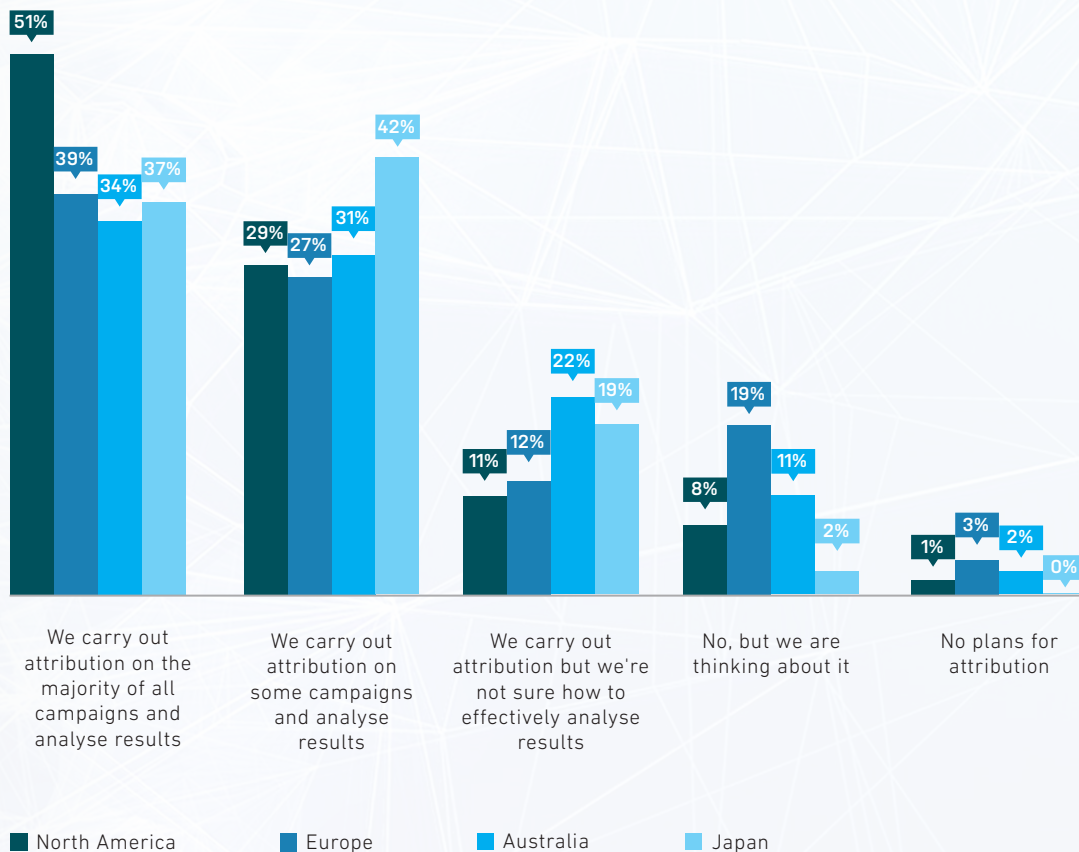


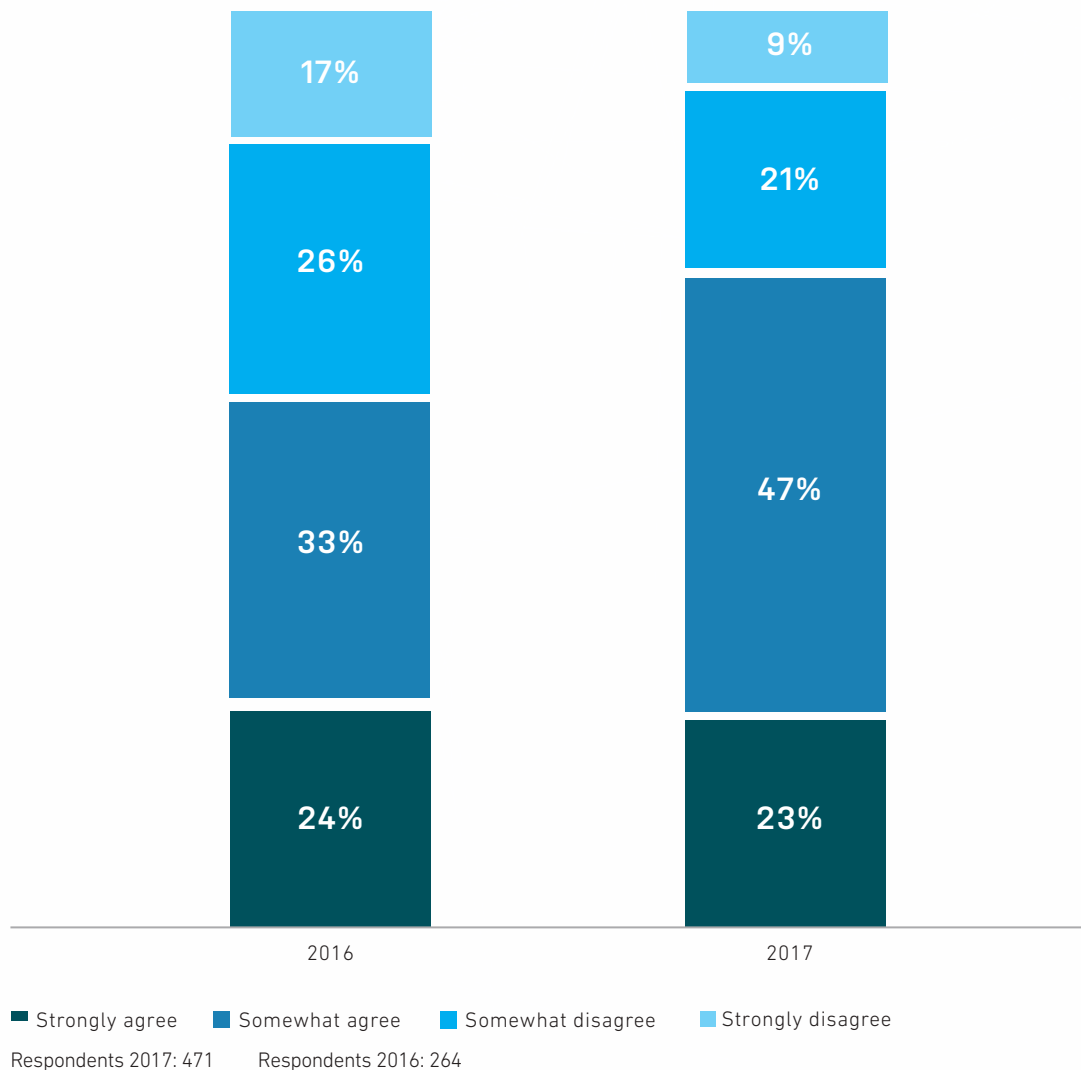
Figure 3 shows a regional comparison for company respondents, comparing uptake in North America, Europe, Australia and Japan. 51% of responding companies in America are using attribution on most or all of their campaigns, making this the most savvy market for this discipline. Respondents from Australia and Japan are most likely to express uncertainty around analysing results, while those in Europe are most likely to be thinking about attribution but not actually doing it.



4.2. Actioning attribution insights

Company respondents

Figure 4: 'We don't action the insights we get from attribution'—agree or disagree?

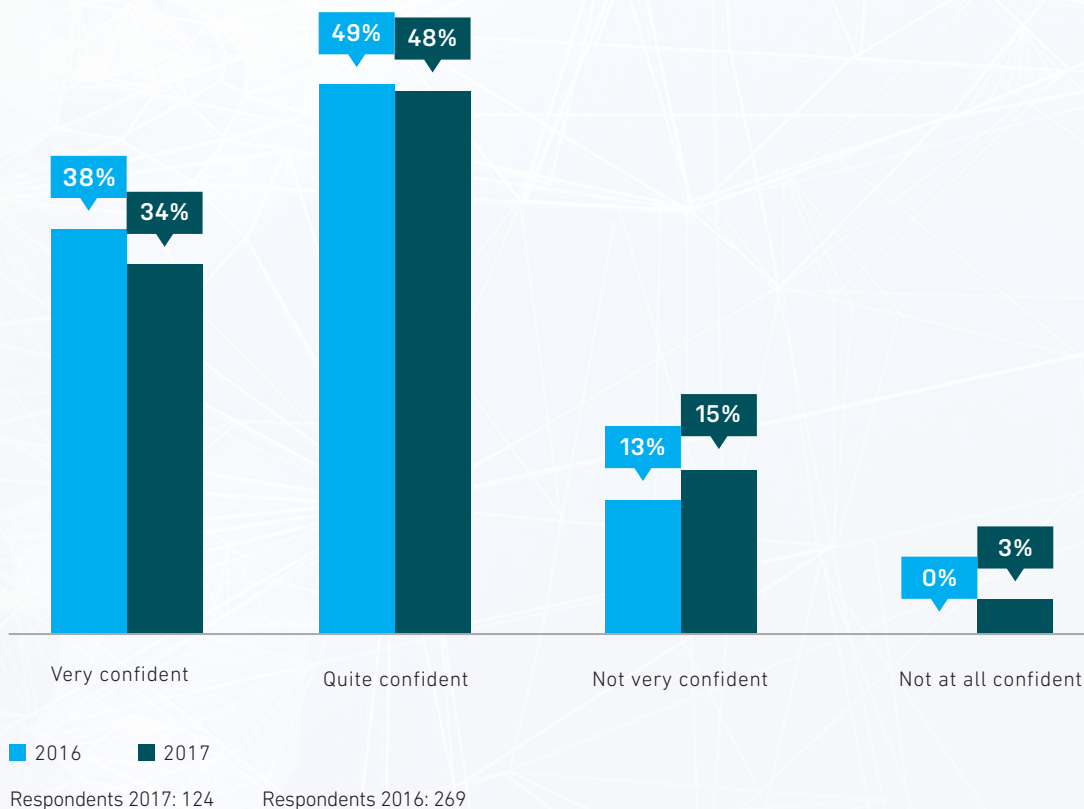


Companies are finding it increasingly difficult to act on the insights they gain from attribution. In 2016, 57% of businesses agreed with the statement 'We don't action the insights we get from attribution', but this year that figure has climbed to 70%. The proliferation of touchpoints and data—from an ever-increasing number of marketing tools—can make it hard for marketers and analysts to see the wood for the trees and make decisions confidently.

4.3. Confidence in agency impartiality

Company respondents

Figure 5: How confident are you that your agency is impartial when carrying out marketing attribution?



Agencies' use of attribution has been compared to students marking their own homework. They may consciously or unconsciously give more credit to their own channels and justify larger budgets for those channels accordingly—with the knowledge that they stand to gain greater commission from certain types of media spending.

While this might be a cynical assessment, it makes sense for attribution to be done as independently as possible, either from within the business or by a third party.

Despite this logic, survey respondents are generally confident that their agencies are impartial, with 34% saying they are 'very confident' (down from 38% last year) and a further 48% declaring themselves 'quite confident' (Figure 5).

5. Goals and Impact of Attribution

KEY POINTS

- Optimising the media mix is the number-one attribution goal for 2017, surpassing understanding the customer journey and sales cycle.
- Company respondents are more likely to report that they are decreasing rather than increasing their spending on digital channels due to attribution. However, agencies are much more likely to report increased spending, with the majority of supply-side respondents reporting that budgets have consequently gone up.
- Display advertising is the channel most likely to have had its budget increased, while content marketing is the area where budgets are most likely to have been cut.

5.1. Top goals for attribution

Company respondents

Figure 6: What are your main goals for marketing attribution?

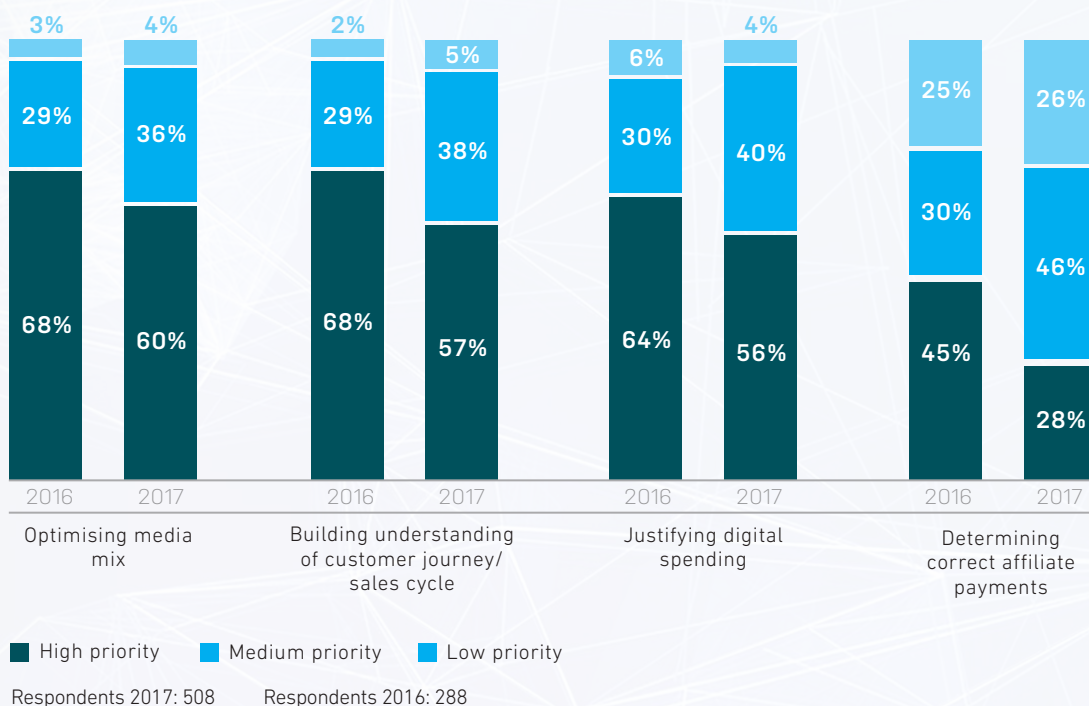


Figure 6 shows a range of goals, as well as the change in their priority levels in the last year. Optimising media mix is the top goal for 2017, with 60% describing this as a 'high priority', and a further 36% saying it is a 'medium priority'.

Media mix optimisation has edged ahead of building understanding of customer journey/sales cycle, which was the single biggest goal in 2016. Justifying digital spending is third in the pecking order, but as was the case last year, there is not much difference in the extent to which companies are prioritising these top three attribution goals.

While budget optimisation remains a key benefit, it's by no means the single aim of the exercise. Therefore, it's encouraging to see the survey data reflecting this. Companies getting the most out of attribution recognise its role in improving

customer interaction. A more data-driven approach to understanding the path to purchase can help marketers focus on providing more effective messaging and content at different touchpoints.

As was the case last year, determining correct affiliate payments is more of a subsidiary goal of attribution, with only 28% of respondents citing this as a top priority, down from 45%. While it's less of a mainstream goal for attribution, avoiding duplication of payments to affiliates and rewarding these partners effectively remains a good example of a channel-specific use case.

REGIONAL BREAKDOWN—Company respondents

Figure 7: Proportion of respondents describing goals as 'high priority'

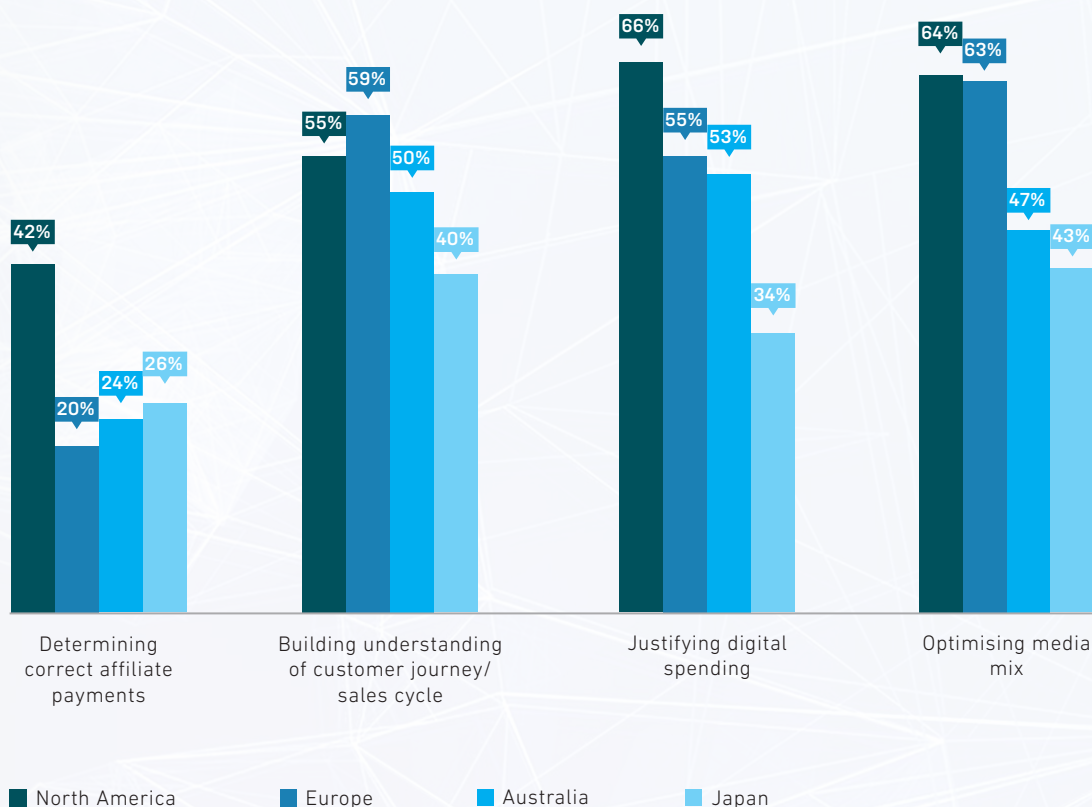


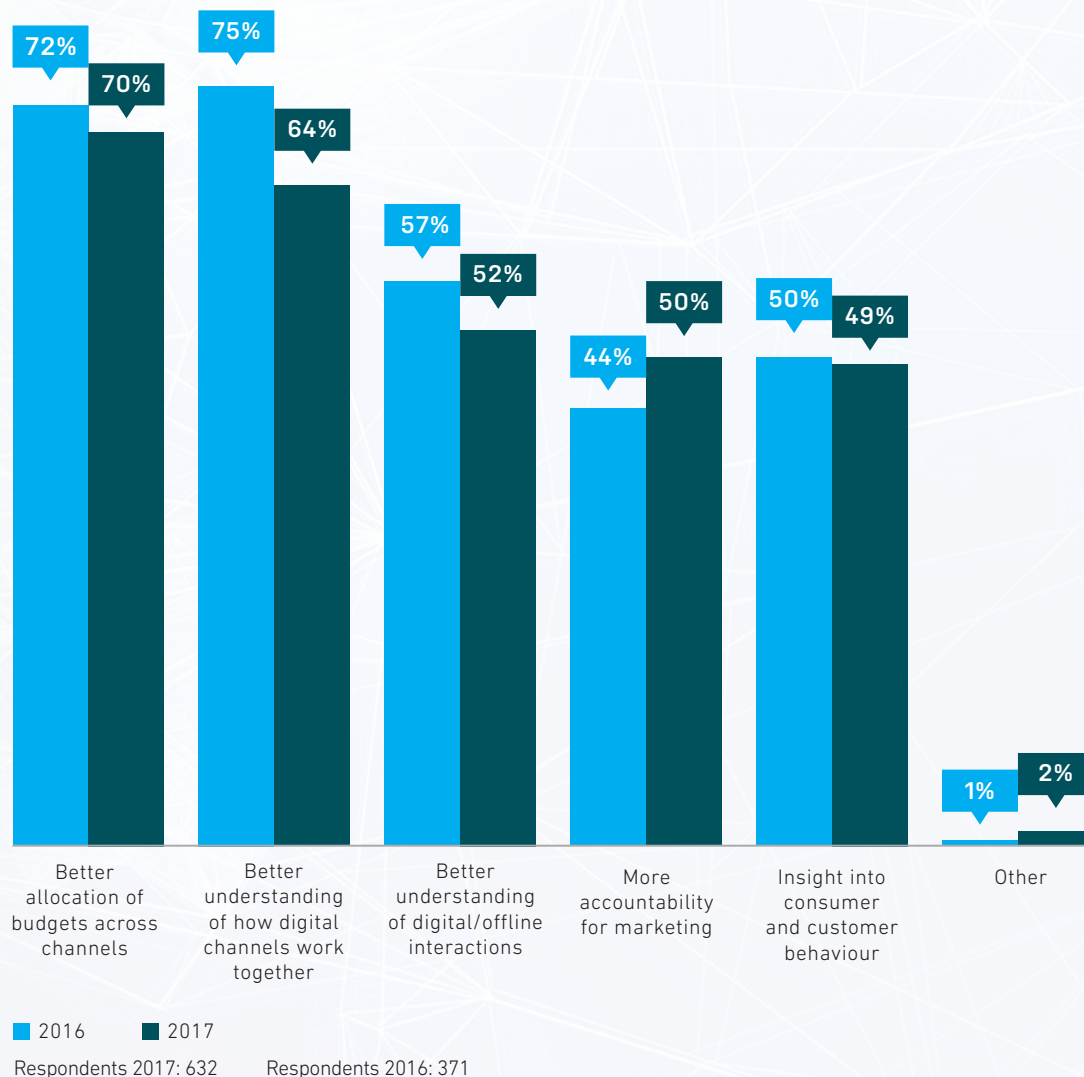
Figure 7 shows the regional variation of the prioritisation of attribution goals. North American companies are more likely to regard all goals as 'high priority', as opposed to European companies that prioritise an increased understanding of the customer journey and sales cycle.

Respondents in Australia and Japan are generally less likely than their European and American counterparts to describe these goals as 'high priority'.

5.2. Benefits of marketing attribution

Company respondents

Figure 8: What do you regard as the benefits of marketing attribution?



This study also looks at the main benefits of attribution (Figure 8). There is less appreciation this year for all benefits, apart from the way attribution provides more accountability for marketing, up from 44% to 50%.

It is clear that many companies fail to recognise the important role that marketing attribution can play in building a fuller picture of the relationships between different digital channels, as well as between online and offline activities.

Companies with a bricks-and-mortar presence need to gain a true understanding of how digital is driving their business, in terms of both e-commerce sales through their own transactional digital properties or third-party sites (such as Amazon), and (in the case of retailers and FMCG brands) the halo effect of digital activities on in-store sales.



REGIONAL BREAKDOWN—Company respondents

Figure 9: What do you regard as the benefits of marketing attribution?

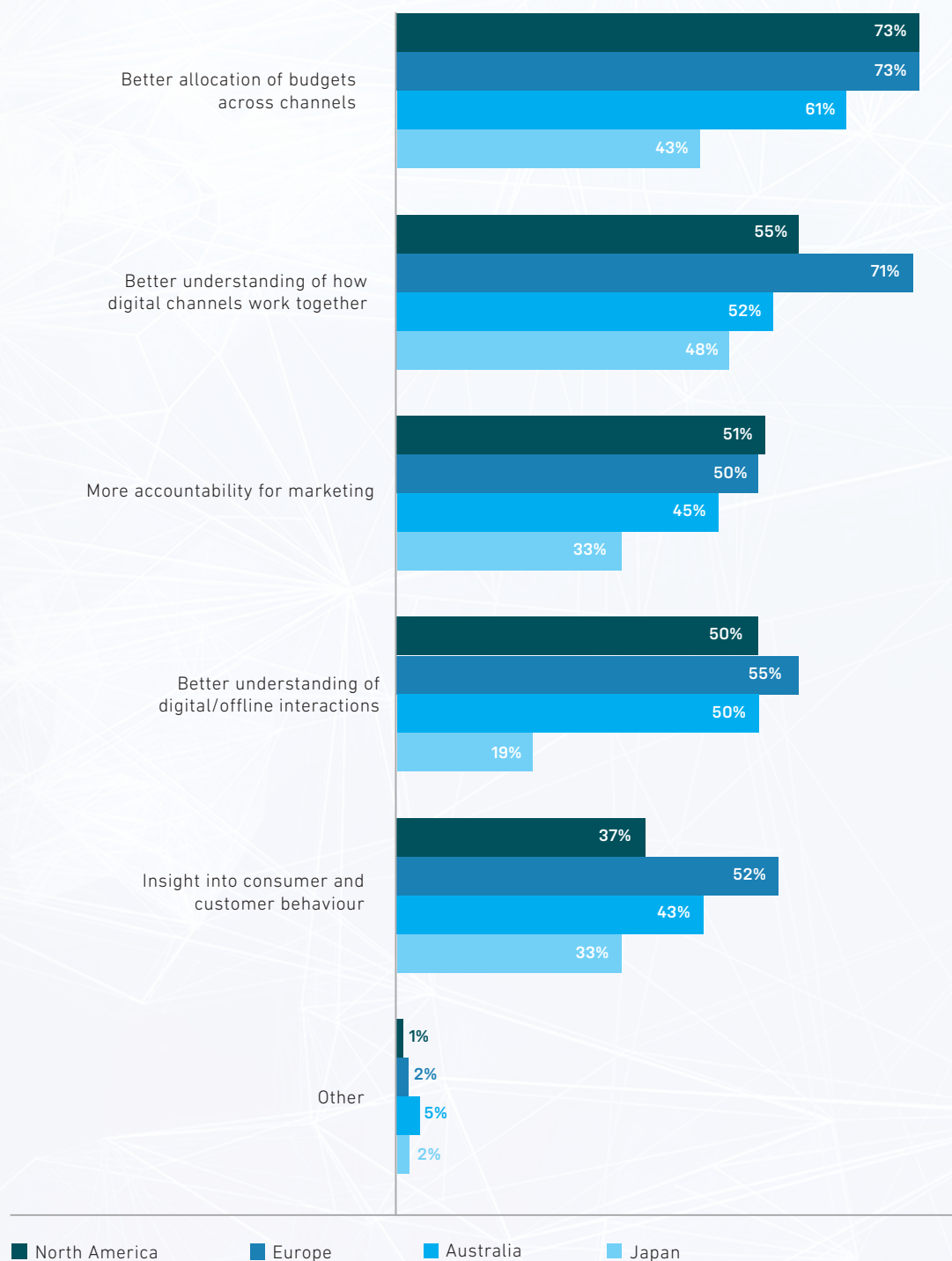


Figure 9 shows how each region values attribution's ability to help shape the interaction between digital channels and between the digital and physical worlds.



Company respondents

Figure 10: What has been the primary impact of attribution on your spending?

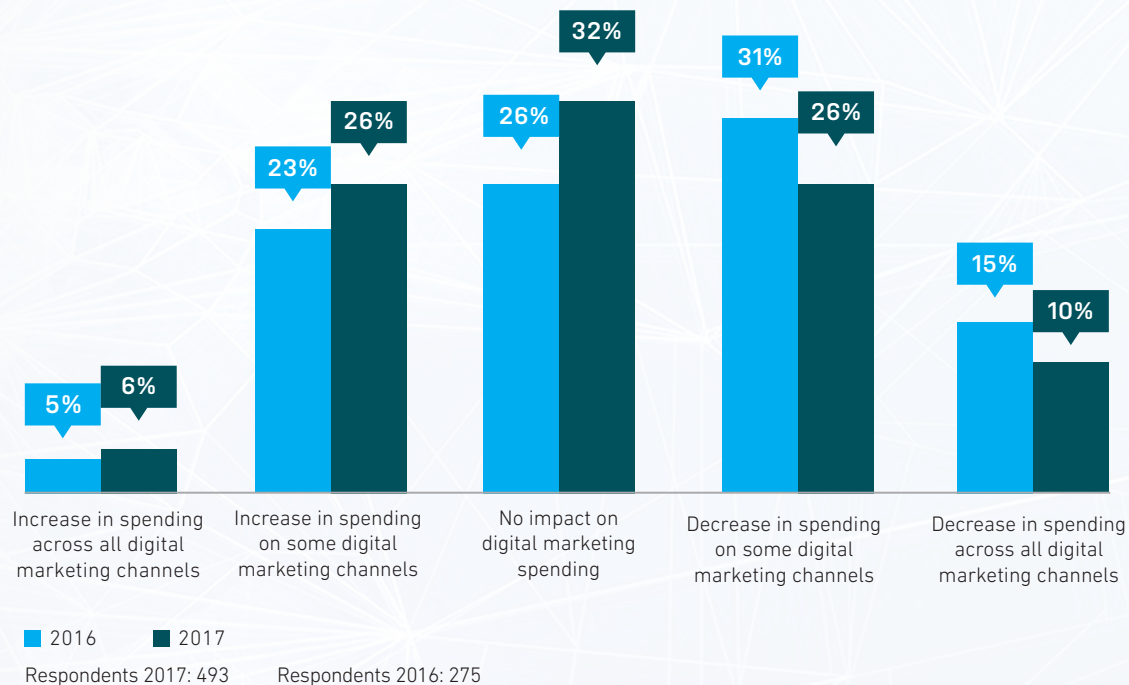


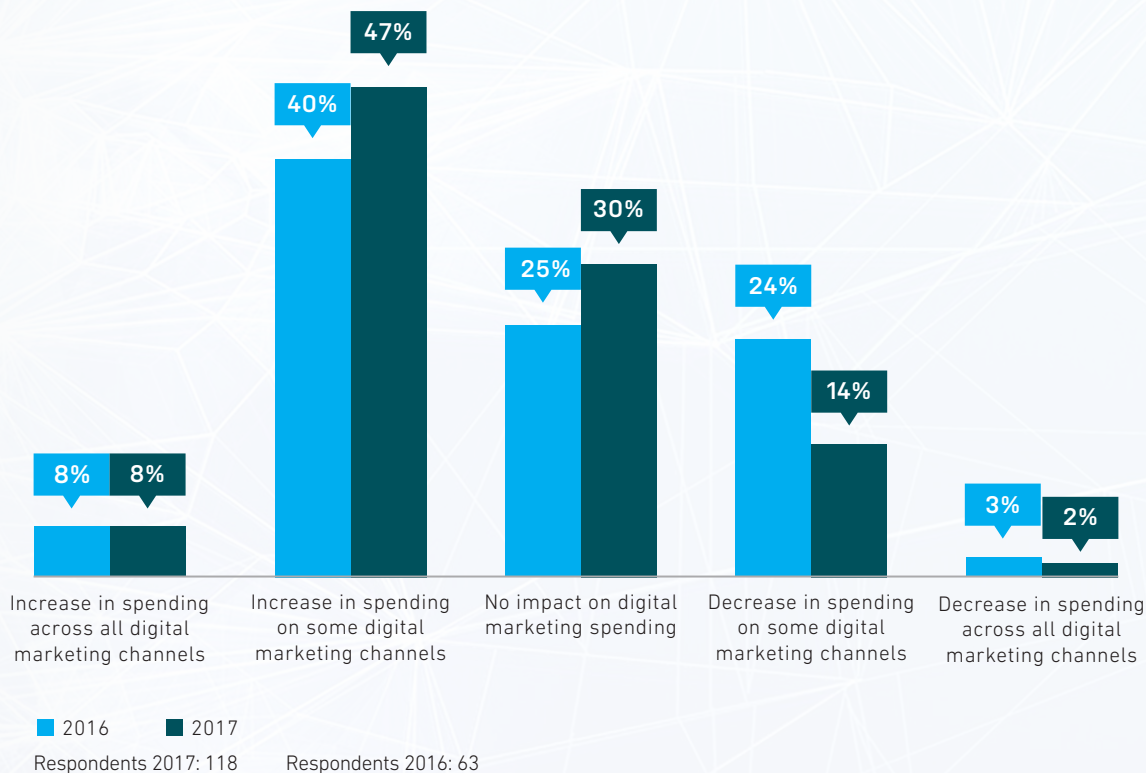
Figure 10 shows the impact on companies' digital marketing spend. 36% of companies say that attribution has led to a decrease in spending on some or all digital channels, down from 46% in 2016.

At the other end of the spectrum, 32% of companies this year report that attribution has led to an increase in spending across some or all digital marketing channels, up from 28% in 2016. The scales appear to be evening out—more companies are increasing investment in digital channels with confidence.

Supply-side research participants are more likely to report spending increases (Figure 11), suggesting that attribution is typically underscoring the value of digital channels. Those who observed an increase in spending have increased from 48% last year to 55% this year.

Agency respondents

Figure 11: Typically, what has been the primary impact of attribution on your clients' spending?



WHAT IS THE MOST SIGNIFICANT CHANGE YOU (OR YOUR CLIENTS) HAVE MADE AS A RESULT OF MARKETING ATTRIBUTION?

'We have been able to remove or reduce activity which we can see is not contributing at any point in the customer journey. This has significantly improved our digital marketing efficiency.'

'A better view of relative performance of each offline channel when online-driven business is included. This has resulted in decisions to spend more on some channels and less on others.'

'Reallocation of spend towards more profitable keywords/campaigns.'

'Shift in platform spending and content creation based on highest converting campaigns.'

'Shift in focus of marketing channels and deeper appreciation of touchpoints further up the conversion funnel.'

'We are still working through how attribution can be measured, what it means for our complex customer journey and how that translates into marketing spend on all aspects of our funnel (acquisition and conversion).'

'Better balance of effort and resources into the channels that can provide higher returns.'

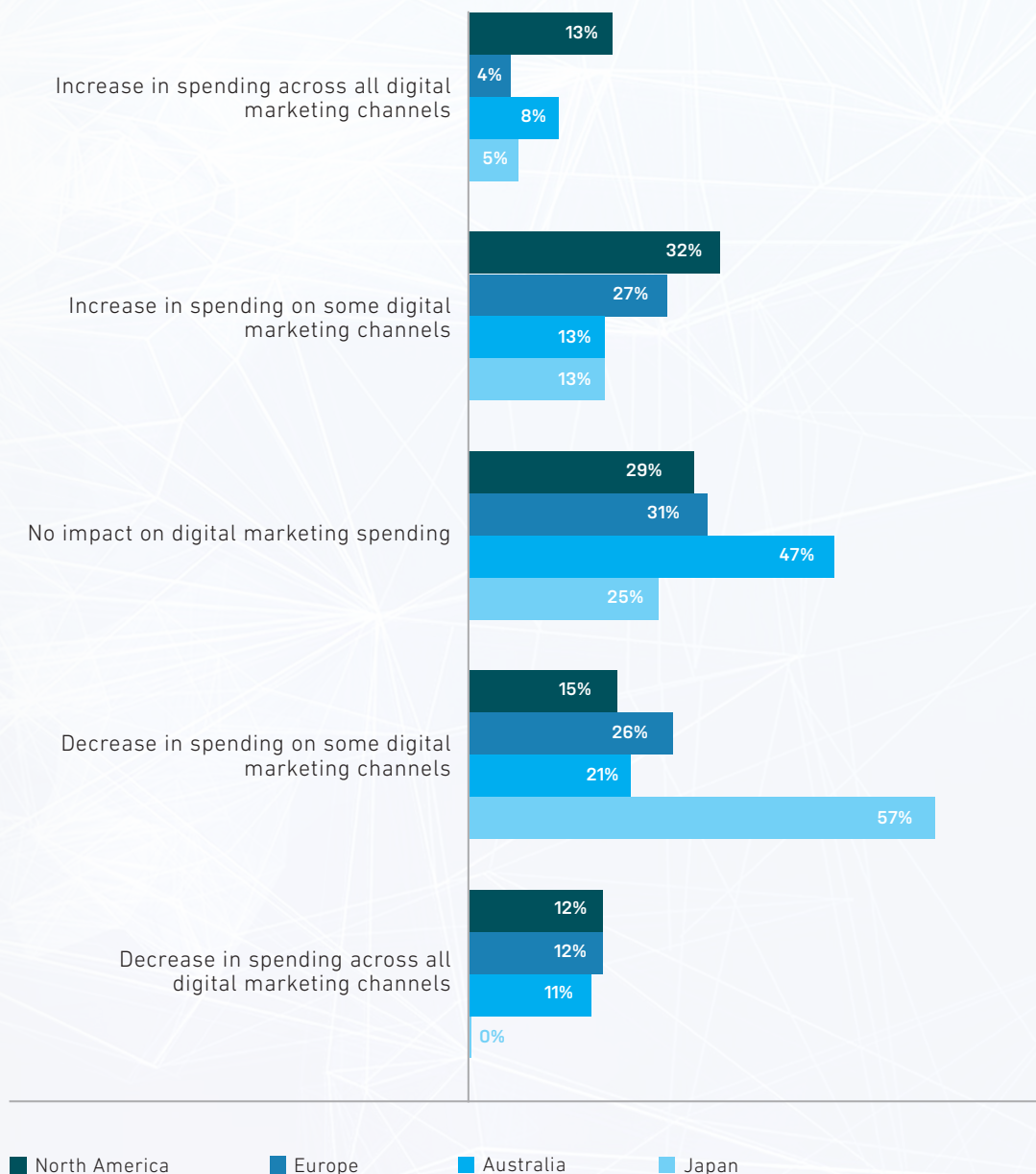
'The digital mix is changing month by month based on the attribution insights. The change is at channel level but also at publisher level inside each single channel. We're not seeing recurring patterns in budget allocations; it's always case by case.'

Survey respondents



REGIONAL BREAKDOWN—Company respondents

Figure 12: What has been the primary impact of attribution on your spending?



As can be seen in Figure 12, Australian marketers are most likely to say that there is no change in their digital marketing spending as a result of attribution, with 47% saying there has been no impact.

Notably, 57% of Japanese marketers said that they were decreasing spending on some digital marketing channels—that's more than marketers in North America, Europe and Australia.

5.3. Change in channel budgets

Company respondents

Figure 13: Which digital channels have seen an increase in budget as a result of attribution?

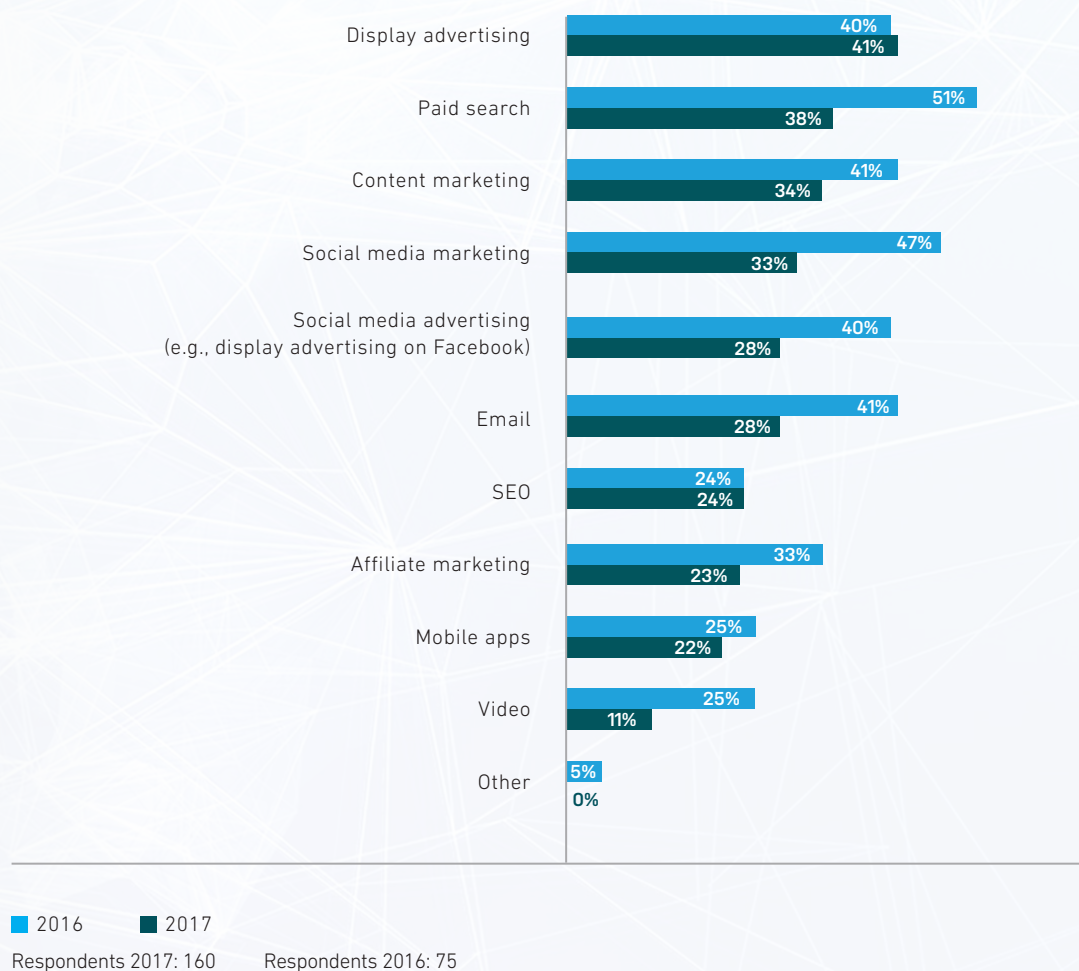


Figure 13 shows which digital channels have seen an increase in budget as a result of attribution. The most cited beneficiary is display advertising, with 41% of companies saying they have increased their budget in this area, followed closely by paid search (38%) and content marketing (34%). Video is the least cited, at 11% (and down from 25% a year ago).

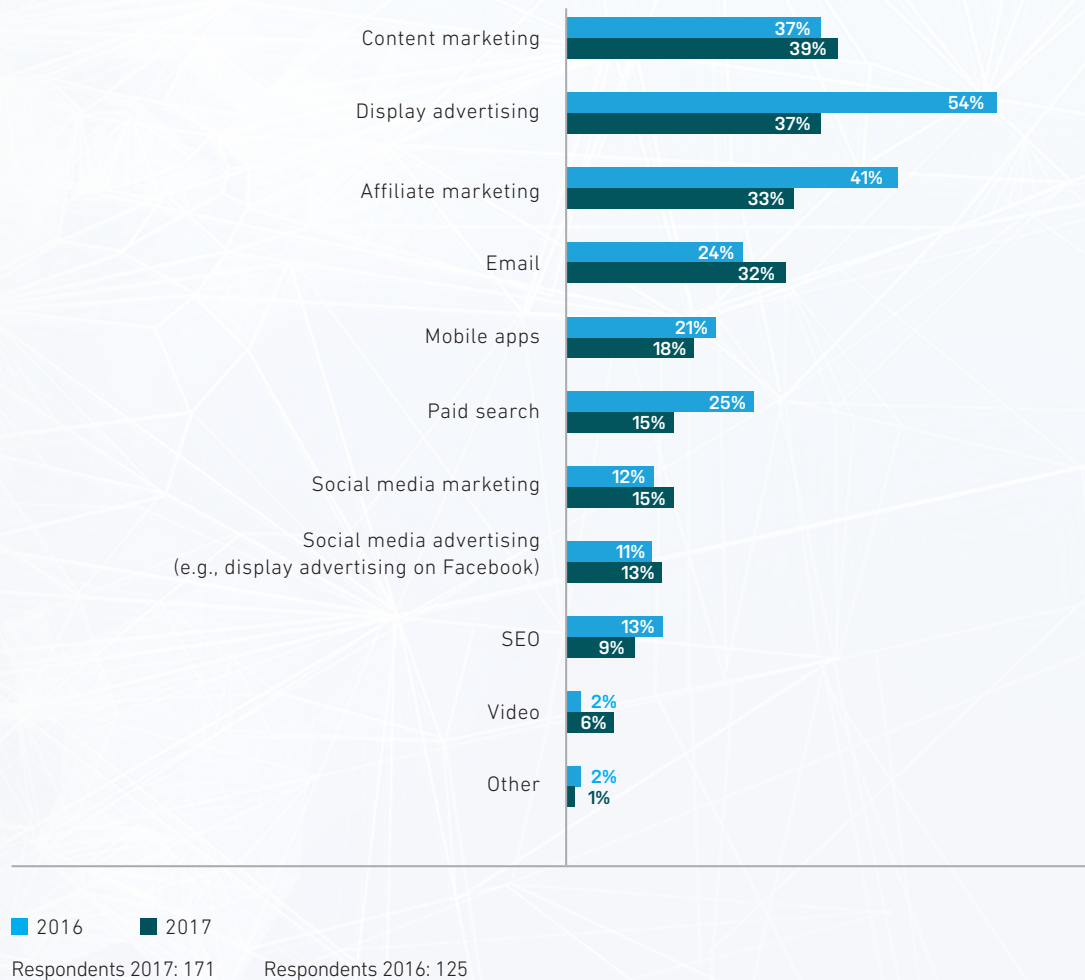
Although 34% have increased their content-marketing budgets, the channel is also most likely to have had its budget decreased (Figure 14).

Email budgets have also taken a hit, with 32% of companies reporting a drop in 2017, compared to 24% last year.



Company respondents

Figure 14: Which digital channels have seen a decrease in budget as a result of attribution?



6. Types of Attribution

KEY POINTS

- Last-click and first-click are still the most popular attribution methods, but usage for both has decreased since 2016.
- Both brand and agency respondents report an increase in the use of custom attribution methods.
- Custom attribution is seen as the most effective attribution method, deemed 'very effective' by 48% of those using it. Last-click and last-touch are the most poorly rated.
- 60% of companies surveyed are carrying out multichannel attribution that joins up their digital and offline activities—an increase of 43% from last year.

6.1. Use of specific methods

Company respondents

Figure 15: What specific methods do you use for marketing attribution?

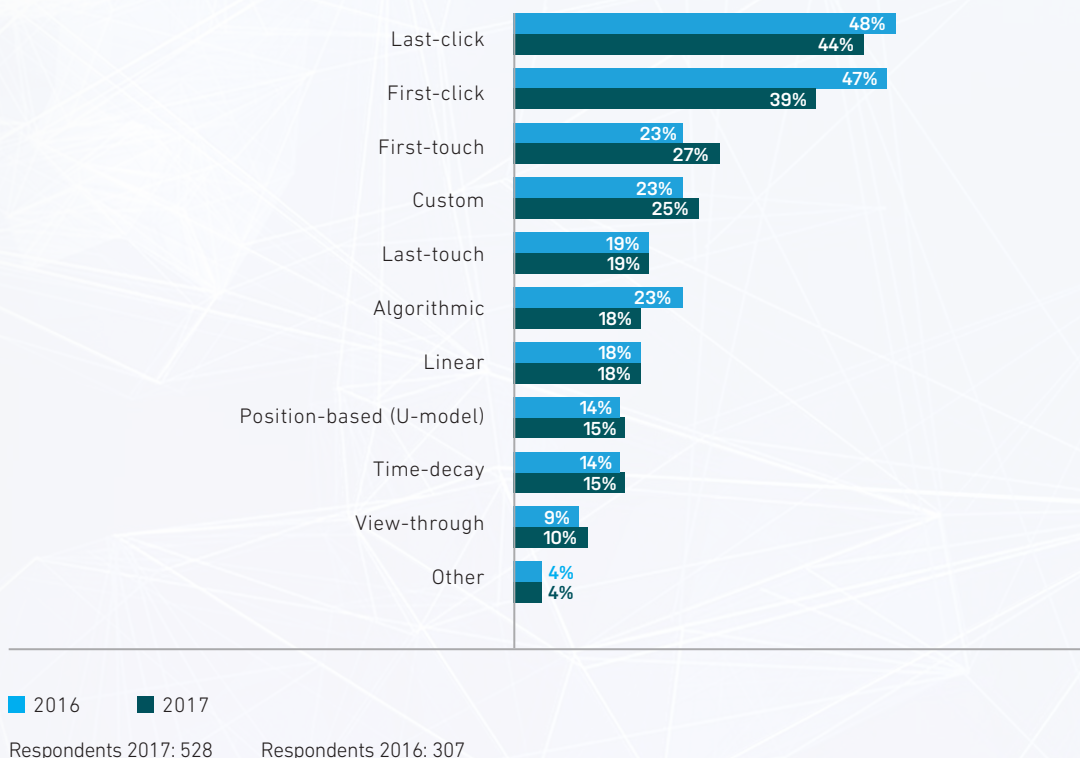




Figure 15 shows the types of attribution methods being used by companies surveyed. Despite its failure to allocate credit to touchpoints earlier on in the customer journey, last-click remains the most popular attribution method, used by 44% of responding companies (down from 48% in 2016).

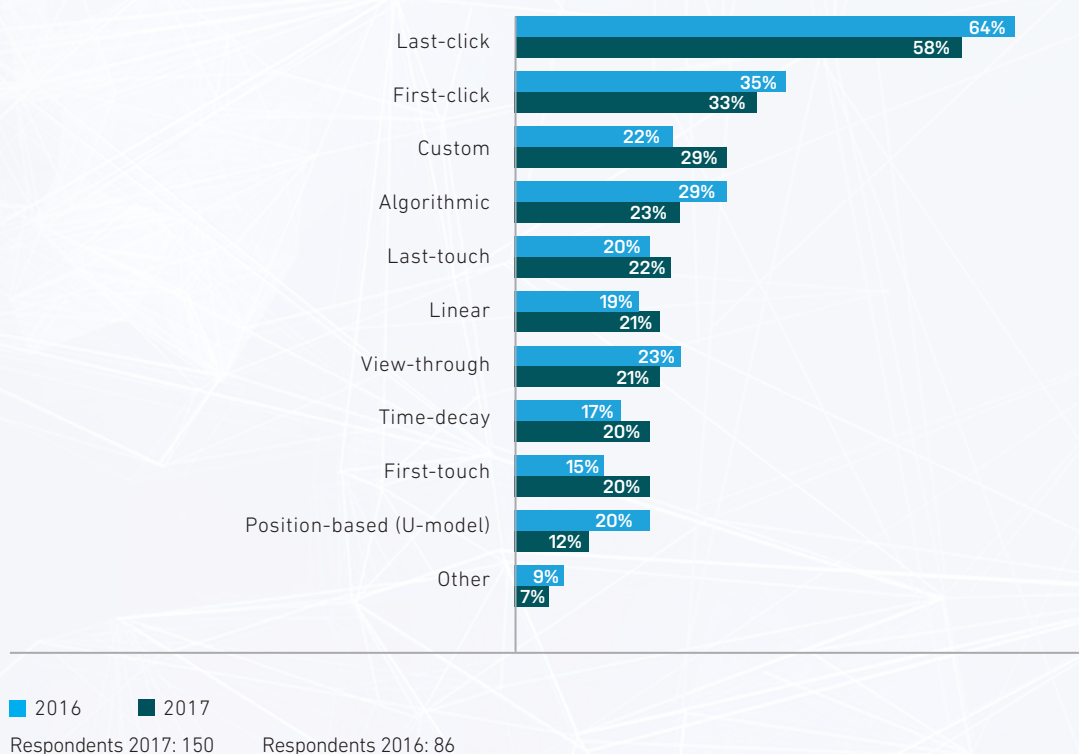
Similarly, first-click attribution, used by 39%, is still the second most commonly employed method, though there has been a sharp decrease in usage, from 47% in 2016. Among those heading in the opposite direction, first-touch, a not dissimilar approach to first-click, has seen a rise this year, from 23% to 27%, as has the use of custom attribution methods, from 23% to 25%. Like the last-click approach, first-click and first-touch are both deficient attribution methods when used in isolation because they ignore other touchpoints.

Custom attribution, however, is typically more sophisticated because it draws on one or more established methods, while also using weightings and data points that are most appropriate for a particular business. It is, therefore, encouraging to see a rise in its usage.

Figure 16 shows an even larger increase in the proportion of companies using custom attribution, from 22% to 29%. Surprisingly, the rise of custom attribution is not mirrored by increased usage of algorithmic attribution, another method which tends to be adopted by those who are further along the maturity curve. 18% of companies say they are using this method, down from 23% last year (Figure 15). This is consistent with the agency findings, which show a drop in algorithmic attribution usage from 29% to 23%.

Agency respondents

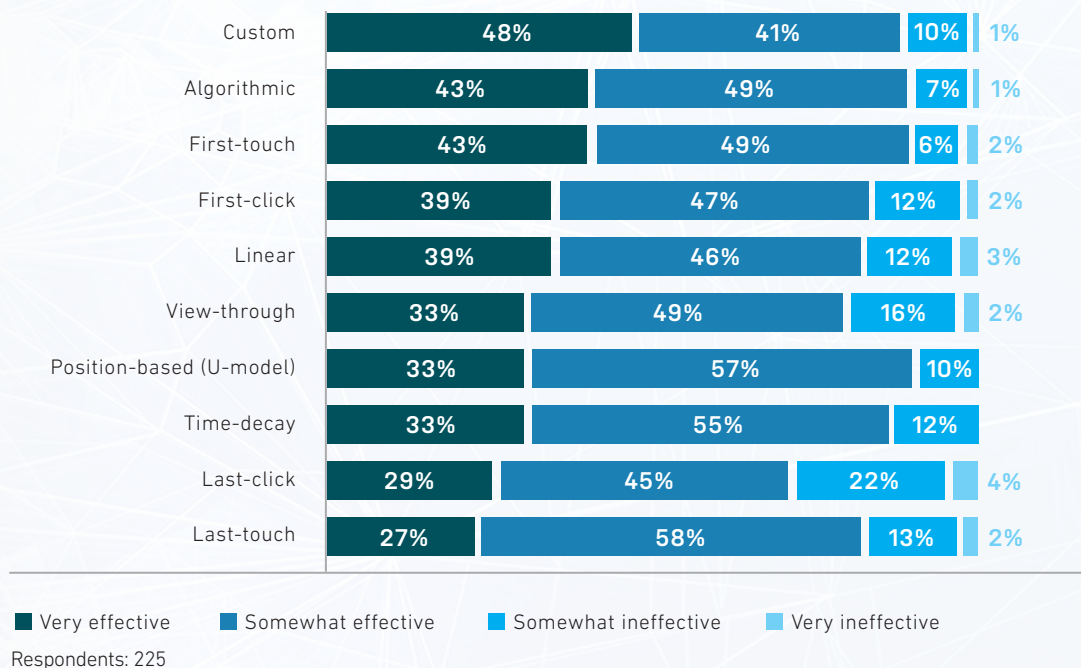
Figure 16: What specific methods do your clients use for marketing attribution?



6.2. Effectiveness of methods

Company respondents

Figure 17: How would you rate the effectiveness of these attribution methods?



Custom attribution is regarded as the most effective method (Figure 17), deemed 'very effective' by 48% of those using it. This shows that the extra effort companies put in to tailor their models is paying dividends. Algorithmic attribution is also highly rated, with 43% of companies saying that it is 'very effective', begging the question as to why its usage has decreased.

It is surprising to see first-touch and first-click attribution high up the pecking order for perceived effectiveness, even though there are obvious flaws in both. The approach is valued because of its

simplicity, even if it may not always achieve the best results. While first-touch and first-click are highly rated, last-click and last-touch are at the bottom of the pile. Businesses typically recognise the weakness of these methods, even though many continue to use them.

Companies need to take a more holistic and nuanced approach to attribution so that the role of all touchpoints is understood and appreciated, rather than creating an inherent bias towards engagement either at the start or end of the journey.

IS THERE ANY TYPE OF ATTRIBUTION OR APPROACH THAT HAS BEEN PARTICULARLY EFFECTIVE?

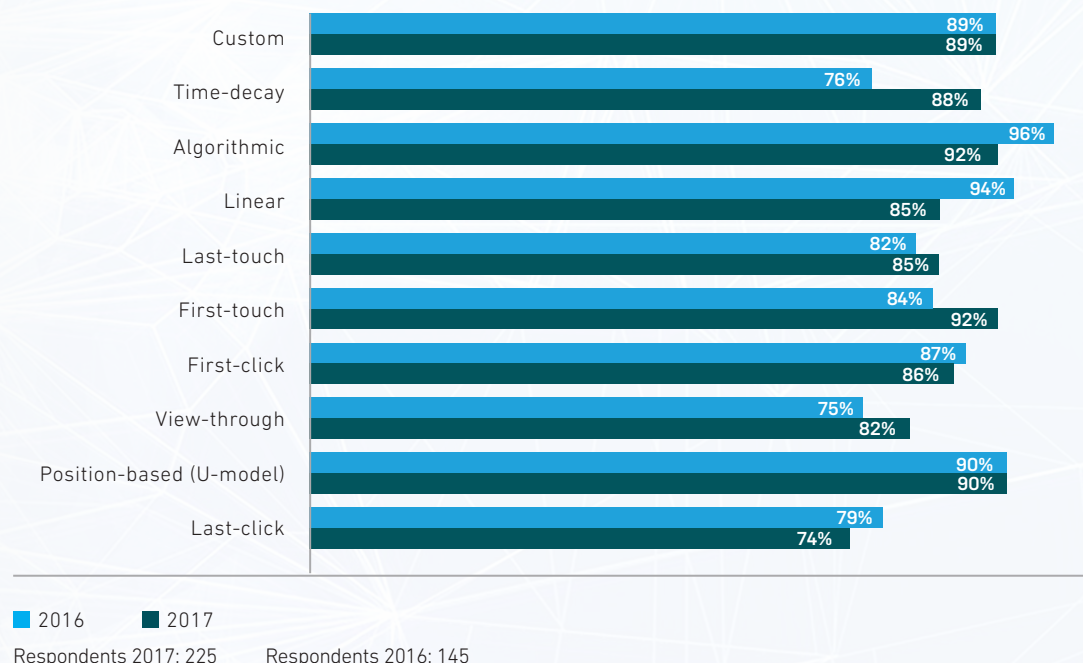
'Our custom approach is very effective in helping our business understand the value each medium has in driving on-site conversions and, by extension, the level of budget we can assign to different channels.'

'Simply having a single approach for all channels and one system of truth is a step ahead of having no attribution or multiple visions of attribution in a single organisation.'

Survey respondents

Company respondents

Figure 18: Proportion of company respondents rating these attribution methods as 'very' or 'somewhat' effective



Comparing the perceived value of these methods now to the perceived value a year ago, the biggest climbers are time decay (+12%), first-touch (+8%) and view-through (+7%). With the time-decay approach, the touchpoints closer to the time of sale or conversion get most of the credit. Because view-through gives credit to ad impressions that have been seen but not necessarily clicked, it is likely to give a much more accurate reflection of the true influence of display advertising.

The biggest drops came from linear (-9%) and last-click (-5%). Linear is widely regarded as the simplest of the multitouch attribution (MTA) models, apportioning credit evenly to each touchpoint in the buyer journey. The perceived gap in effectiveness between algorithmic/custom-based methods and other approaches is much more pronounced from the agency perspective (Figure 19). Algorithmic and custom-based methods, which are more holistic and typically based on a greater volume and quality of data, stand head and shoulders above the other approaches.

IS THERE ANY TYPE OF ATTRIBUTION OR APPROACH THAT HAS BEEN PARTICULARLY EFFECTIVE?

'It depends on the campaign goals. For non-brand paid search, first-touch or first-click is important in determining ability to drive new customers at decent return on advertising spend (ROAS). Google's new data-based algorithmic attribution seems to be doing fine also; however, it is early on in our implementation. Cross-device is still a big mystery'.

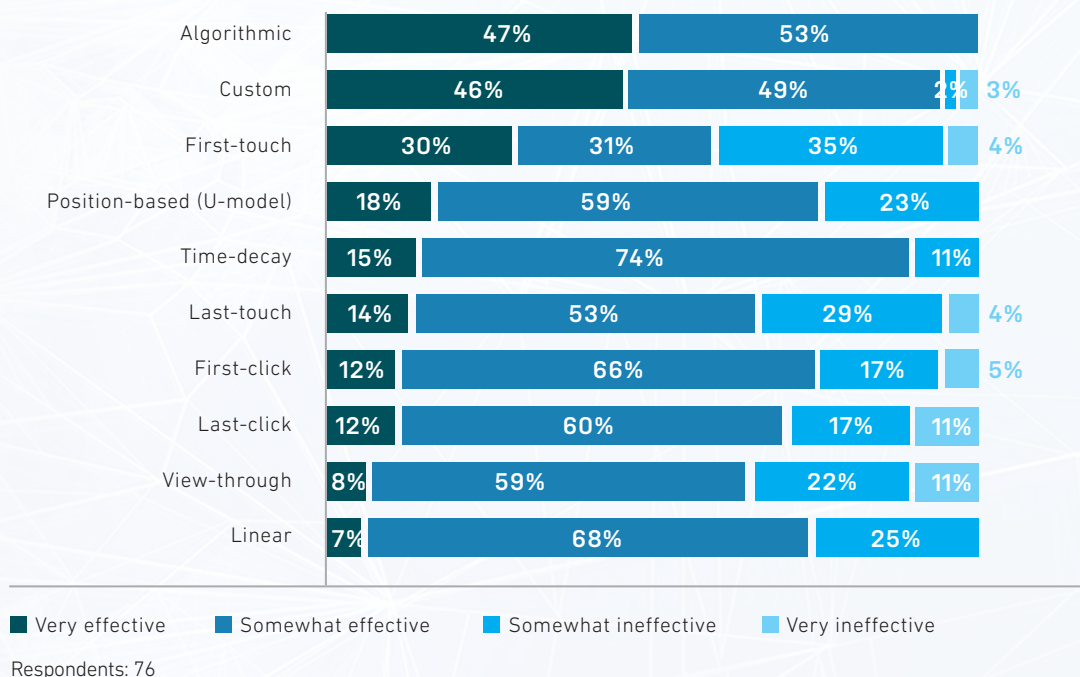
'Algorithmic feels like the right way, but it is early in our journey. They all give a view, but no single model gives the full picture'.

Survey respondents



Agency respondents

Figure 19: How would your clients typically rate the effectiveness of these attribution methods?



IS THERE ANY TYPE OF ATTRIBUTION OR APPROACH THAT HAS BEEN PARTICULARLY EFFECTIVE?

'Algorithm-based, but it's very difficult to get data for cross-channel customer journeys (physical and digital).'

'Combining first-click/-touch and last-click/-touch allows you to see the effectiveness of marketing activities for the first time.'

'Algorithmic—digital MTA—though there are limitations on channel/journey interaction where offline occurs. Additionally, MTA models do not allow for indirect effects, which in news and publishing is a significant factor (e.g., Trump, elections and Brexit).'

Survey respondents

6.3. Digital channels used

Figure 20: What digital channels are included as part of your (or your clients') marketing attribution?

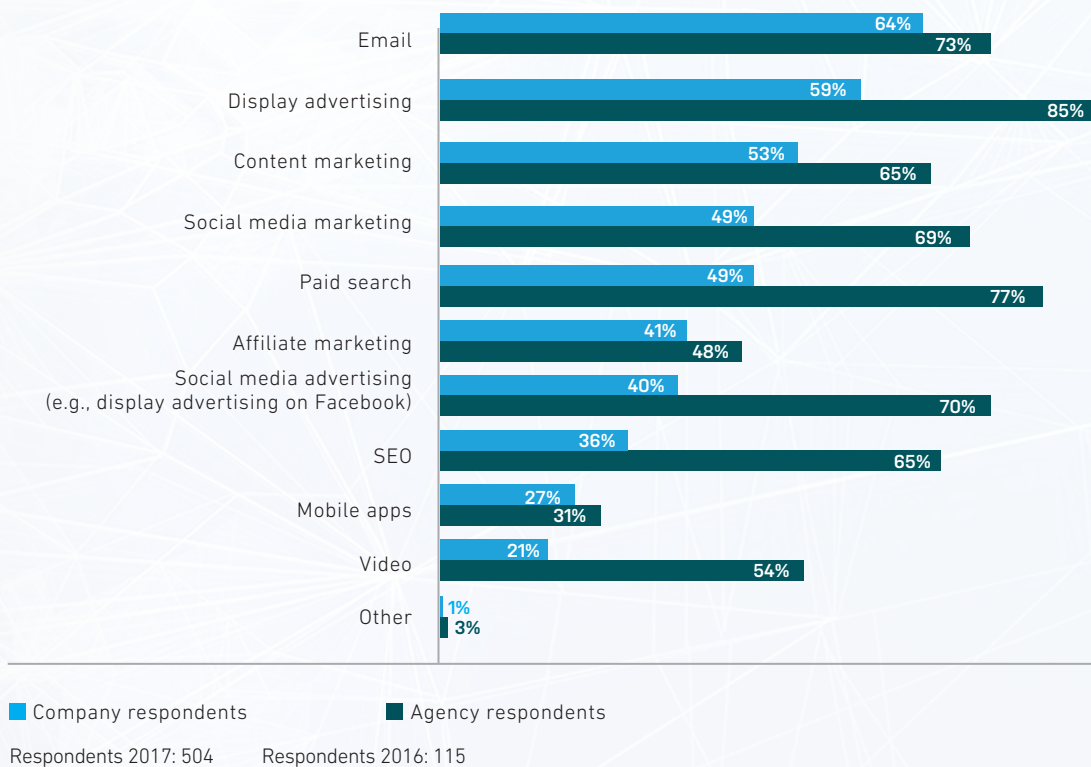


Figure 20 shows the extent to which various digital channels are included as part of attribution. Agencies are more likely to include digital channels. Display advertising is the most widely incorporated digital channel for agency respondents at 85%. For company respondents, email is the most widely used channel, coming in at 64%.

Agencies are more than twice as likely than companies to report inclusion of video (54% vs 21%). There's also a stark difference for social media advertising (e.g., display advertising on Facebook) and SEO.

69% of agencies said social media marketing was part of their clients' marketing attribution this year, compared to 51% last year. Meanwhile, 65% reported incorporation of content marketing activities, up from 54% last year.

The challenge of cross-device attribution is reflected by the low usage of mobile apps (27% for company respondents and 31% for their agency counterparts). The success of attribution models is increasingly dependent on the inclusion of mobile touchpoints, given the omnipresent role of smartphones in our lives.



REGIONAL BREAKDOWN—Company respondents

Figure 21: What digital channels are included as part of your (or your clients') marketing attribution?

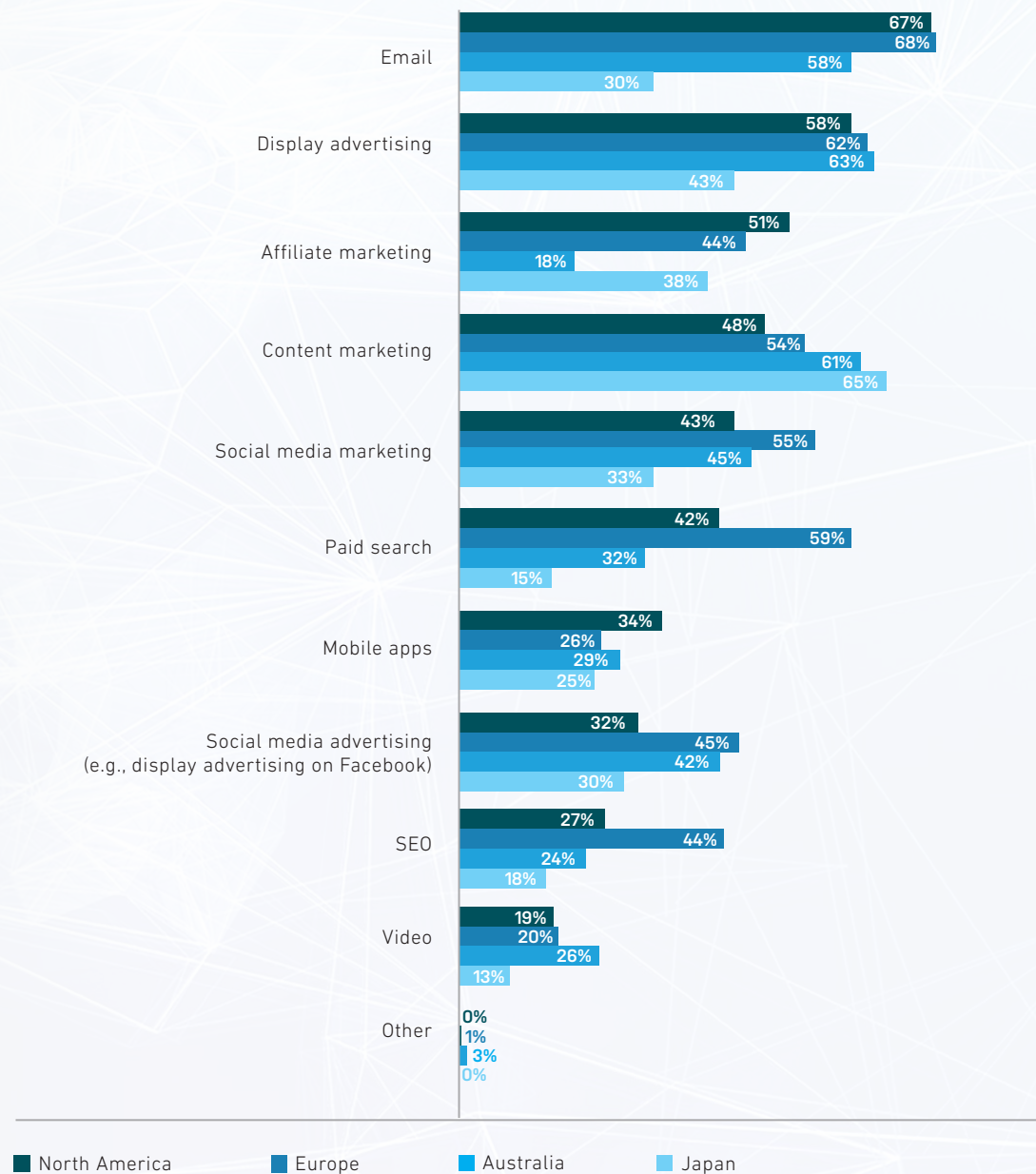


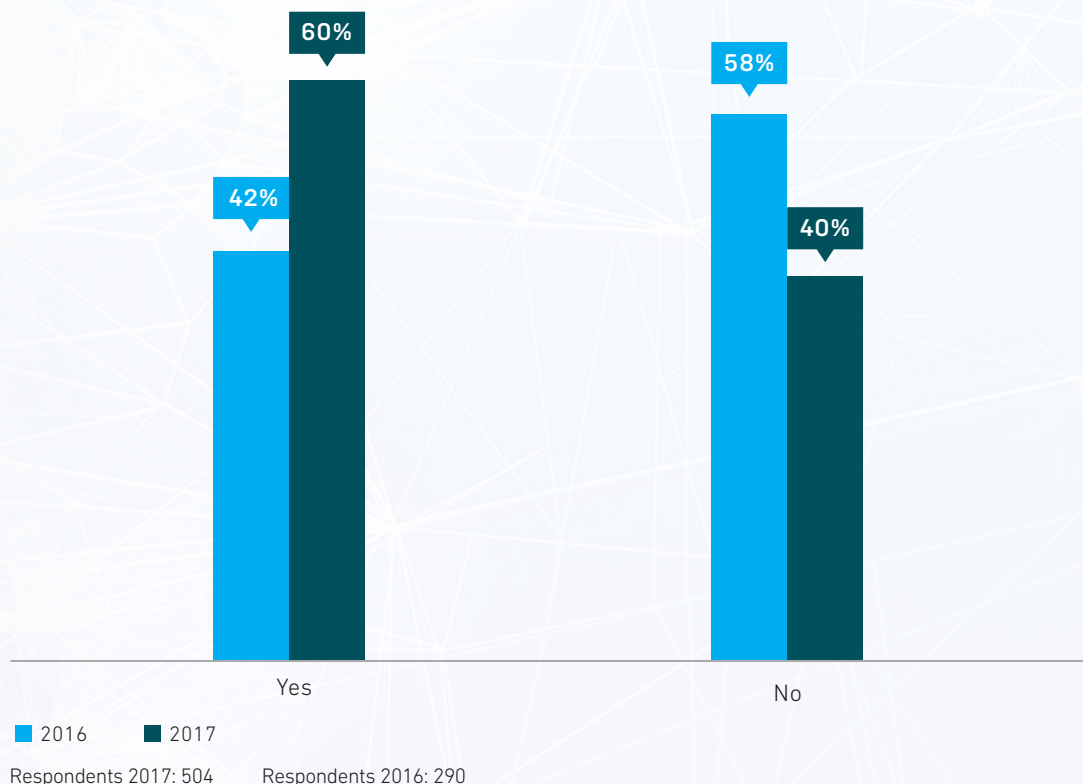
Figure 21 shows that 67% of North American and 68% of European marketers include email as part of their marketing attribution. However, marketers in Japan are far more likely to include content marketing (65%) as part of their marketing attribution. Email is less than half as popular in Japan (30%) as it is in North America and Europe.

Paid search and SEO are far more likely to be factors in Europe than they are in other regions. 59% in this region include paid search (17% more than in North America, the region next most likely to select it), and 44% of European respondents said they included SEO, also 17% more than North American respondents.

6.4. Multichannel attribution

Company respondents

Figure 22: Do you carry out any type of multichannel attribution (e.g., joining up online and offline)?



Attribution models incorporating only digital channels tell only half the story, given the obvious importance of offline touchpoints in hundreds of millions of transactions every day.

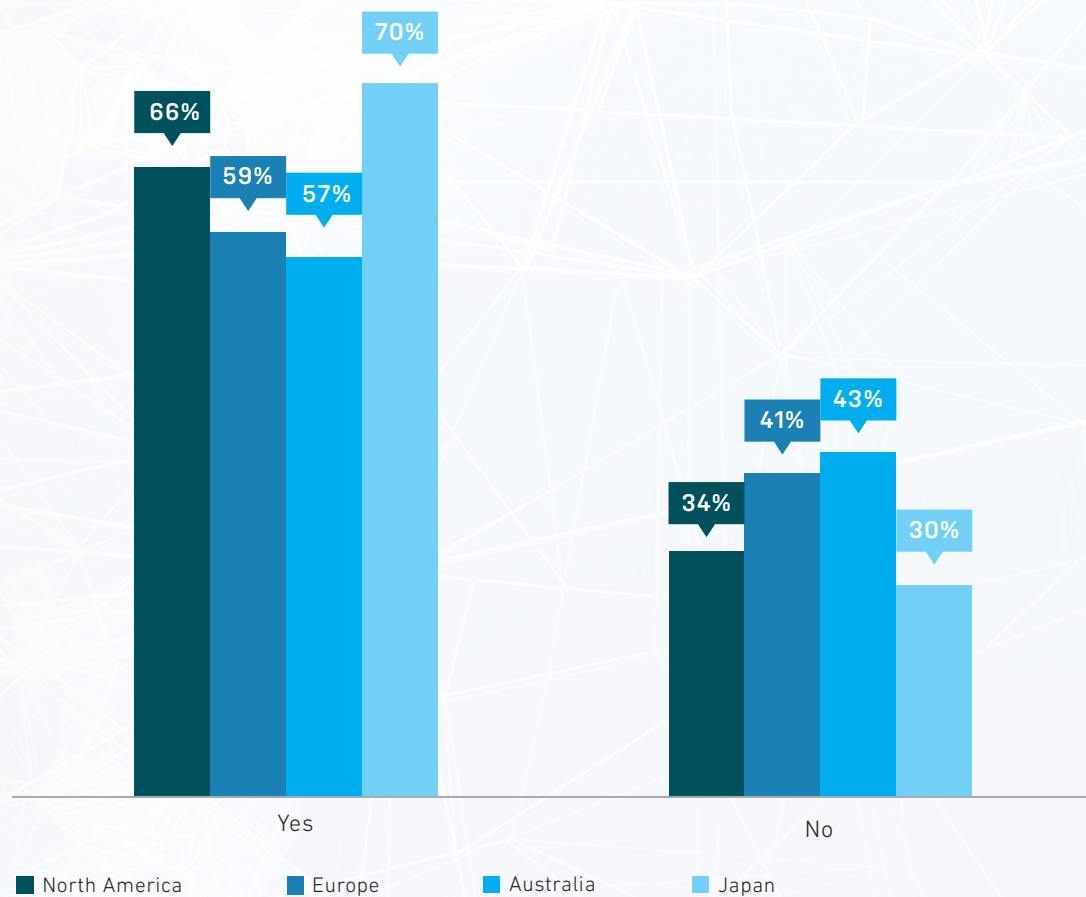
Customer journeys, which are becoming increasingly nonlinear, may follow the 'research online, purchase offline' route. Businesses have various tools for connecting the dots between events, including offering e-receipts or coupons. When the journey is reversed, and offline advertising such as TV or radio drives customers to visit online stores, marketers can look for an increase in direct website traffic and correlate this with the timing of an offline campaign. It's not a perfect science, but the data suggests that companies are getting better at it.

How much better? First, let's consider how many businesses are carrying out multichannel attribution that joins up online and offline. As Figure 22 shows, 42% said they were carrying out multichannel attribution last year, and the remaining 58% were not. This has now reversed, with 60% using multichannel attribution as opposed to only 40% who are not.



REGIONAL BREAKDOWN—Company respondents

Figure 23: Do your clients typically carry out any type of multichannel attribution (e.g., joining up online and offline)?



Looking at the global picture (Figure 23), marketers in Japan are most likely to carry out any type of multichannel attribution, with 70% saying they do, compared with 66% in North America, 59% in Europe and 57% in Australia.

7. Technology

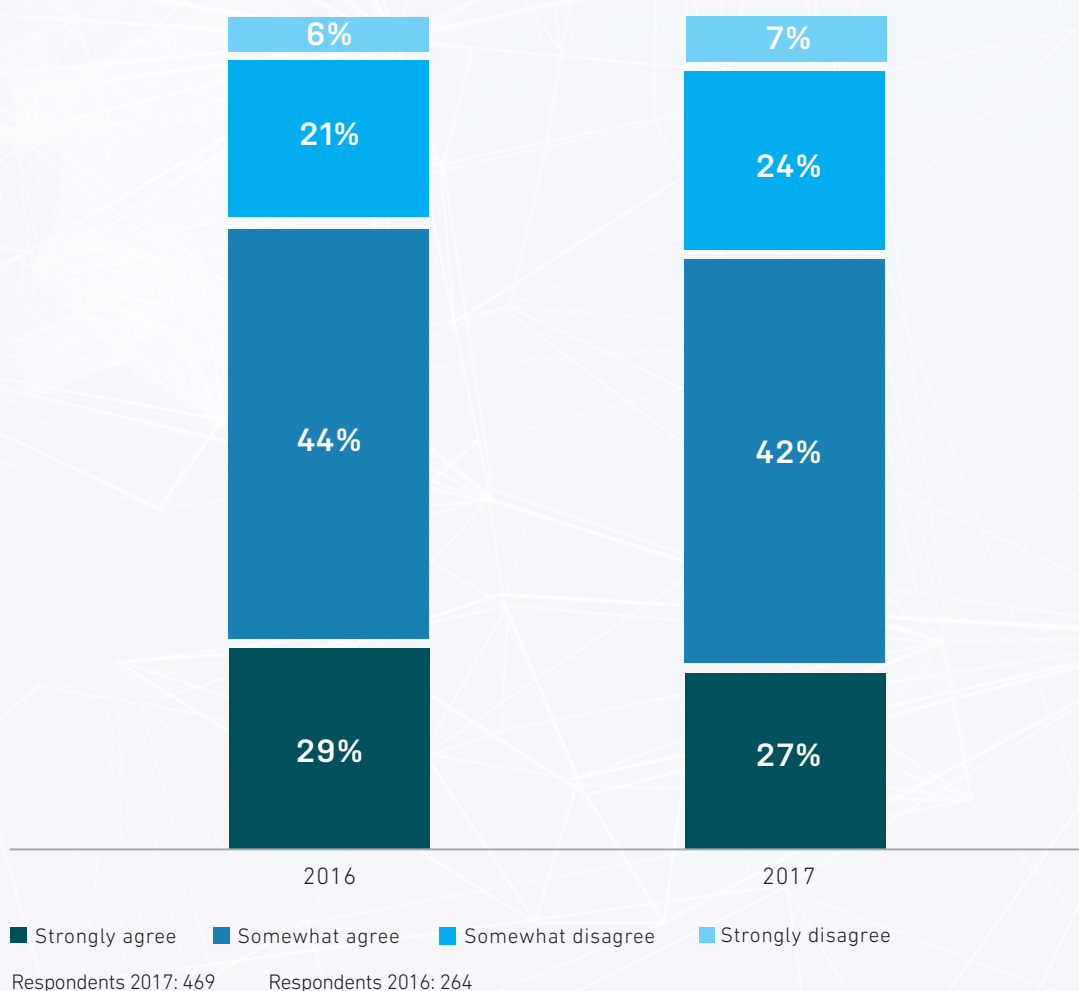
KEY POINTS

- Companies have become less confident in their technology's ability to support their attribution-related requirements.
- Companies are equally reliant on spreadsheets, vendor technology and custom-built models to carry out attribution.
- Fewer companies than last year regard their attribution systems as 'very flexible,' defined as enabling them to easily apply multiple models to their data.

7.1. Effectiveness of technology

Company respondents

Figure 24: 'Our marketing technology facilitates effective attribution models.' Agree or disagree?



Good attribution modelling is contingent on the availability of good data, which in turn requires marketing technology platforms that are fit for the purpose. Since our last survey in 2016, companies have become less confident in their technology's ability to support this, with 69% of respondents agreeing with the statement that their 'marketing technology facilitates effective attribution models', compared to 73% in 2016.

That said, responding companies are significantly more likely to agree than disagree that the technology is supporting their endeavours. 27% of respondents 'strongly agree' that this is the case, compared to only 7% who 'strongly disagree'.

The extent to which technology platforms aid or hinder attribution will often depend on how well integrated they are. Very few companies will be using a single, truly integrated platform for all their marketing activities, even if they have bought into the concept of unified 'marketing cloud' technology.

Given the likelihood of companies using multiple marketing tools, it's important that these different platforms are able to share relevant data with one another through application programming interfaces (APIs). Tag management solutions can aid the 'data plumbing' process, though companies need to map out a data layer that contains contextual and visitor behaviour information collected by different digital tools.

7.2. How marketing attribution is carried out

Company respondents

Figure 25: How do you carry out marketing attribution?

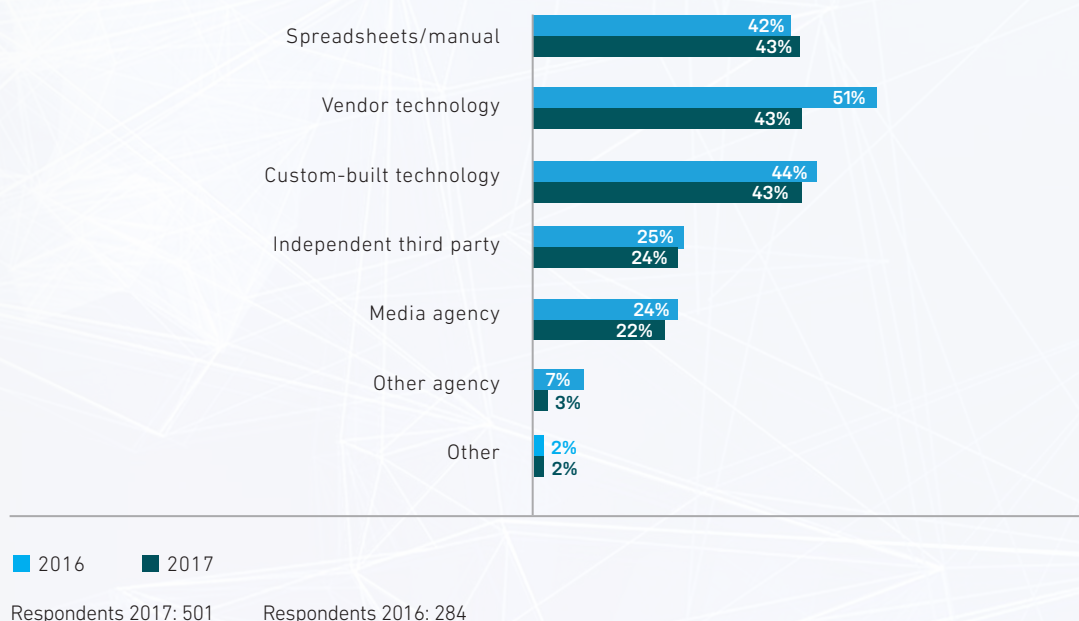


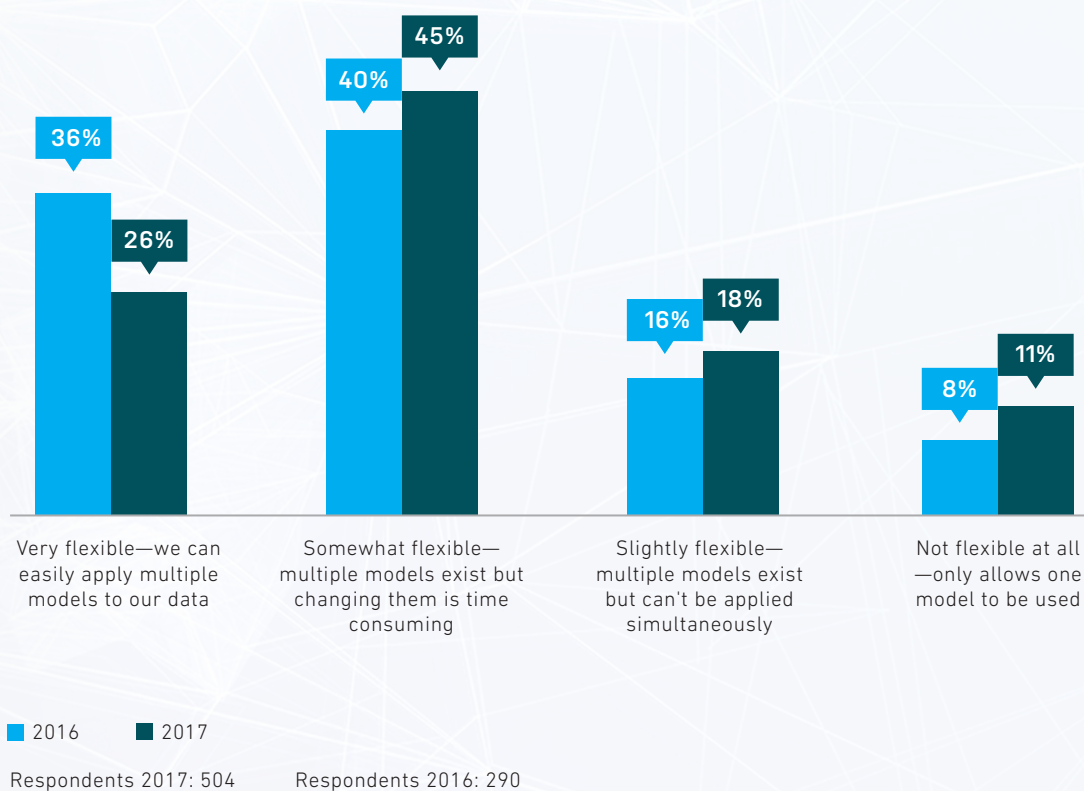
Figure 25 shows that companies surveyed are equally reliant on spreadsheets, vendor technology and custom-built models to carry out attribution, with each of these approaches cited by 43% of survey respondents. Surprisingly, there has been a decrease in companies using vendor technology

for marketing attribution, down from 51% in 2016, though it should be noted that agency respondents report an increase in vendor technology usage for attribution. 24% rely on an independent third party, while 22% use a media agency.

7.3. Attribution system flexibility

Company respondents

Figure 26: How flexible is your attribution system?



Modern attribution systems need to be adaptable. This requirement comes from an increasing desire to customise models based on the characteristics and idiosyncrasies that differentiate individual organisations and their media mixes.

It's evident in Figure 26 that there's been a significant decline in companies that regard their systems as 'very flexible', defined as enabling them to easily

apply multiple models to their data. The number of companies that credit their systems with this level of flexibility has decreased from 36% to 26%.

Correspondingly, the number of respondents that regard their systems as only 'somewhat flexible' has gone up from 40% to 45%, and the percentages for slightly flexible (+2%) and not flexible at all (+3%) have also increased.

REGIONAL BREAKDOWN—Company respondents

Figure 27: How flexible is your attribution system?

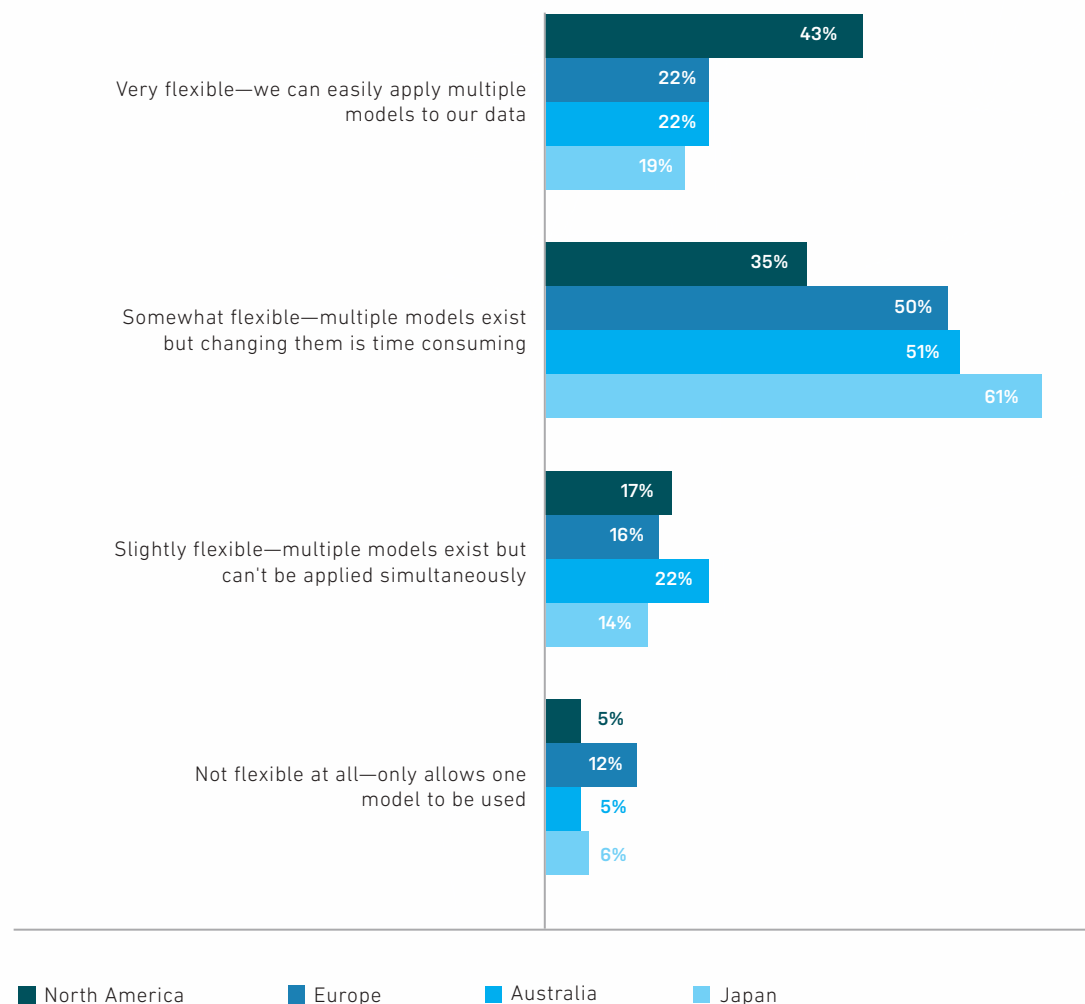


Figure 27 shows that North American marketers and analysts are enjoying much greater flexibility in their attribution systems. They are more than twice as likely to say that their systems are 'very flexible', suggesting greater confidence in their attribution tools.

8. Challenges

KEY POINTS

- A lack of knowledge is the main obstacle blocking companies from practising marketing attribution. Companies are more likely to blame technology limitations and disparate data this year and are less likely to blame a lack of time.
- For those doing attribution, defining the online customer journey emerges this year as the most significant barrier to more effective usage, overtaking data complexity.
- There is greater confidence this year around cross-device attribution.
- Attracting the right staff to take advantage of marketing attribution remains a challenge.
- Creating a culture of measurement and accuracy is the most cited skills-related issue for both company respondents and agencies.

WHAT ARE THE PROBLEMS EXPERIENCED WITH ATTRIBUTION?

'We've had challenges with aggregating data into a single platform for attribution modelling. We also know that we need to define a model that best represents our business and the weighting of channels for our customers. However, we currently lack the resources to do so.'

'We operate with proprietary legacy systems that do not integrate very well with each other, much less with any tracking software. Everything we use has to be customised, which takes time, and in the meantime, we continue to operate without these insights. We also have procurement processes—the systems we use to measure digital activity have to be re-rendered every few years, meaning that we sometimes lose continuity when changing over these systems.'

'We have found it quite difficult to integrate the data we get in our attribution platform into our digital media-buying platforms. This is now almost complete, but it has been a challenge to make sure everything works as we would like it to.'

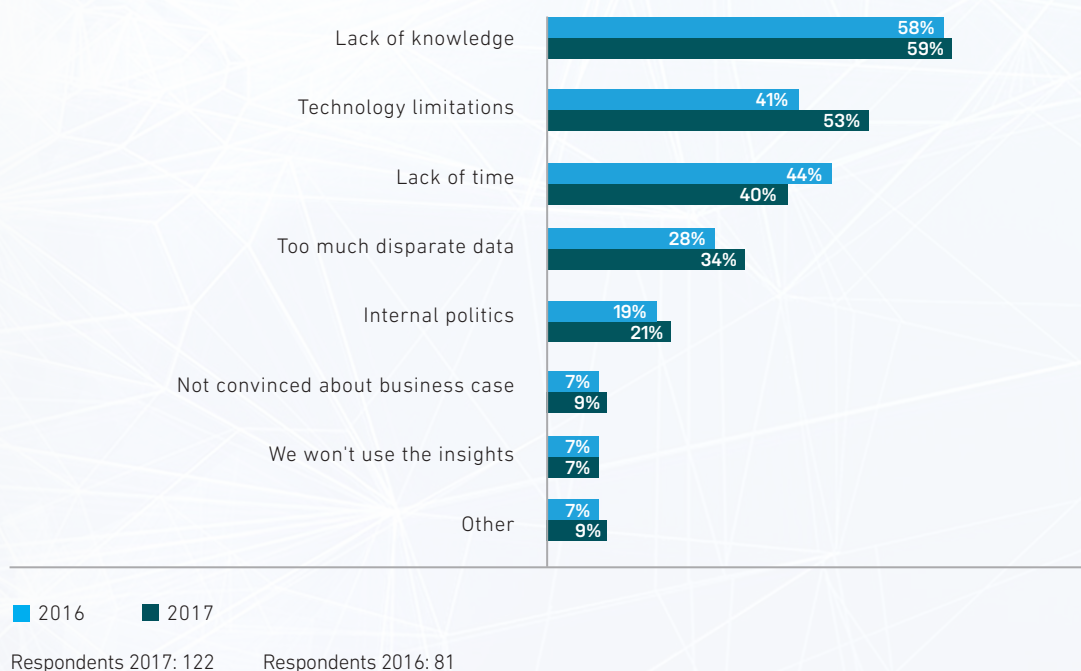
'Combining several different sets of complex data to get a true picture of effectiveness is always a challenge.'

Survey respondents

8.1. Lack of knowledge

Company respondents

Figure 28: What are the reasons you either don't carry out marketing attribution or have delayed its implementation?



Despite the increased adoption of attribution modelling, it was seen earlier in this report that 19% of companies are not yet doing this. As was the case last year, a lack of knowledge is the main obstacle to usage, with 59% of those who don't carry out attribution saying this is an issue, marginally up from 58% in 2016.

It can also be seen that these companies are more likely to blame technology limitations (+12%) and too much disparate data (+6%) this year, while they are less likely to blame a lack of time (-4%). As these organisations become more educated, they are giving it more consideration and developing an appreciation for technology restrictions and data-integration issues that may impede their ability to succeed.

WHAT ARE THE PROBLEMS EXPERIENCED WITH ATTRIBUTION?

'Disparate tech platforms are the biggest obstacle to using attribution effectively. Marketers are attempting to attribute across channels and devices, but this is difficult when the data is in different platforms. Collecting the data and applying a consistent model is a challenge.'

'No trust in the consistency of the data, which makes it difficult to get approval for actioning insights. A skills gap on the client side restricts our ability to pivot quickly.'

Survey respondents

8.2. Defining the online customer journey

Company respondents

Figure 29: What are the greatest barriers to using attribution more effectively?



According to Figure 29, the greatest barrier for brand respondents is defining the customer journey, cited by 35% (an 8% increase). This is unsurprising given the increasing number of potential touchpoints in the typical customer journey and the difficulties associated with tracking the customer between online and offline worlds.

WHAT ARE THE PROBLEMS EXPERIENCED WITH ATTRIBUTION?

'Clients haven't really mapped the digital attribution journey so far, and attribution usually gets restricted to last-click modelling, which isn't ideal. More information and knowledge on how we should look at this would help us better define platform success.'

'Every process is manual, so any complex attribution modelling requires intensive manual labour to complete and isn't feasible today.'

'The business data is highly complex, and the organisation is transforming from offline-led to digital-led. We're using various tools, and each division has numerous overlapping KPIs. This makes it hard for the teams to be aligned.'

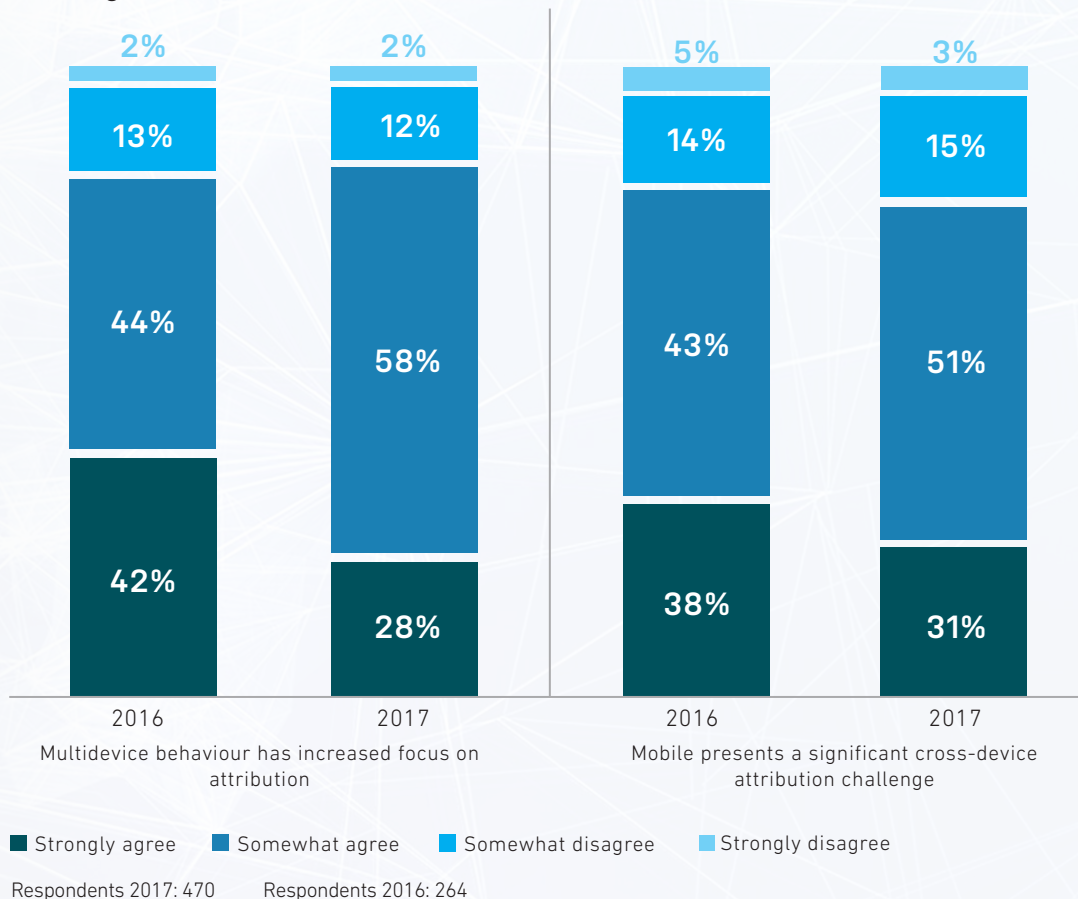
Survey respondents

Promisingly, *complexity of data* is deemed less of a barrier this year than it was in 2016, with 32% selecting it this year compared with 40% last year. This indicates that organisations are getting better at making sense of the data they collect.

8.3. Multidevice and mobile

Company respondents

Figure 30: Please indicate whether you agree or disagree with the following statements.



While the benefits of multichannel attribution are evident, it's still difficult to determine which channels are delivering the greatest ROI. With Gartner predicting that there would be 8.4 billion connected 'things' (enabling almost USD\$2 trillion in total spending on endpoints and services), the customer journey is likely to include a growing number of touchpoints.

All these connected devices present myriad opportunities for marketers, but only if they can

track them effectively and derive meaningful insights. The initial focus must be to incorporate more familiar devices, such as phones and tablets, rather than the smart-home and in-car technology that will become increasingly prevalent.

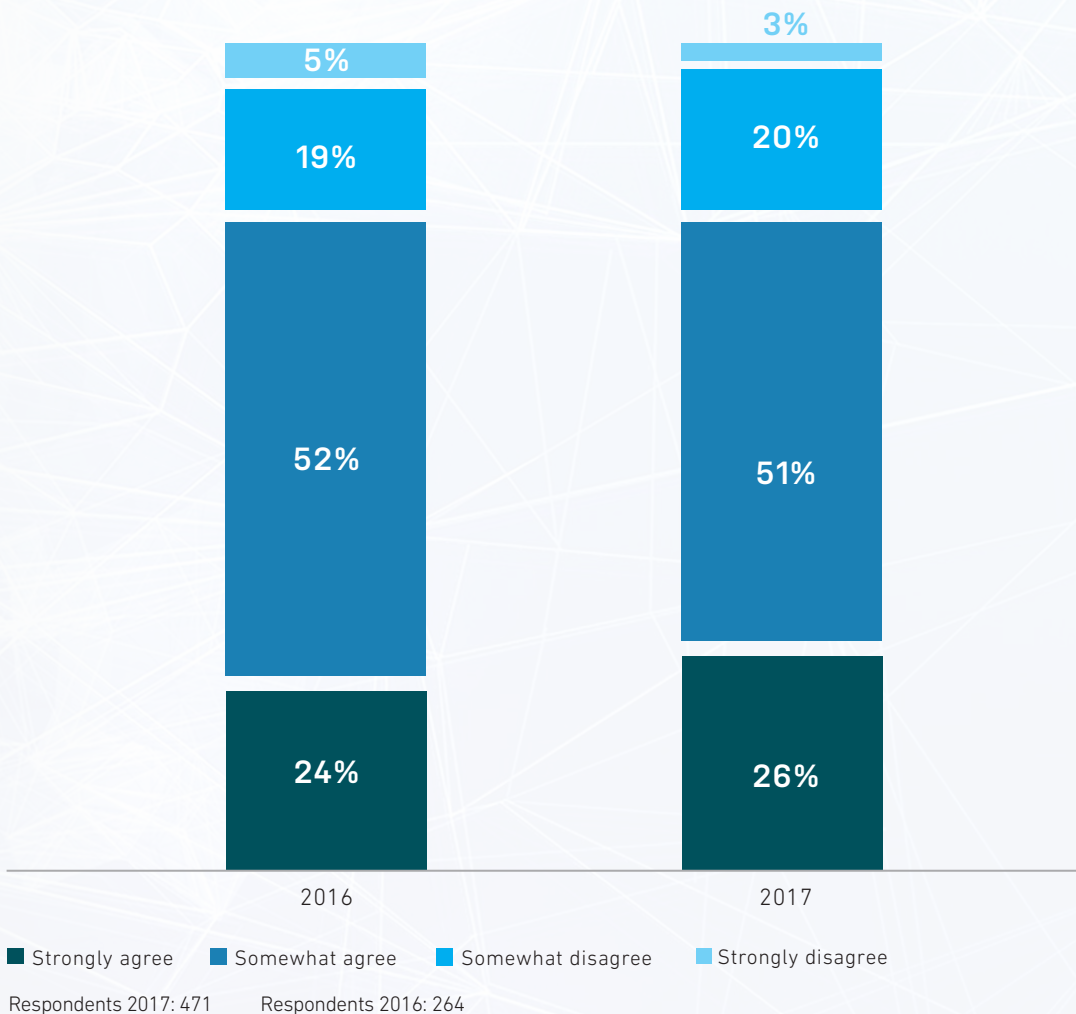
Overall, 28% 'strongly agree' that multidevice behaviour has increased focus on attribution (Figure 30). A similar proportion (31%) 'strongly agree' that mobile presents a significant cross-device attribution challenge.

<https://www.siliconrepublic.com/machines/iot-internet-of-things-nokia-gartner-inmarsat>

8.4. Skills for attribution

Company respondents

Figure 31: 'We are challenged in attracting the right staff to take advantage of marketing attribution.'—agree or disagree?



Marketers have a plethora of attribution tools at their disposal. But without the requisite skills for using them, and strategies for deriving insights from the data they create, these tools will fail to deliver sufficient value in the long run.

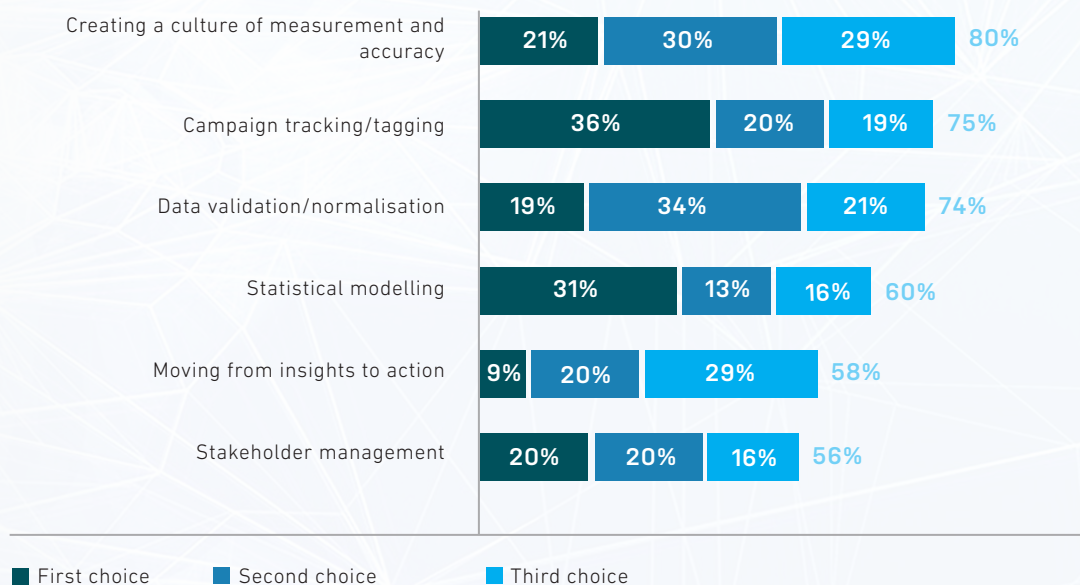
There are two main options businesses can choose from in order to ensure they have the appropriate level of skills. They can either train the staff they have or hire from outside.

77% agree that they are challenged in attracting the right staff to take advantage of marketing attribution, with 26% strongly agreeing (Figure 31). Not much has changed since 2016; marketers still find it difficult to hire the right staff.



Company respondents

Figure 32: In which areas are the biggest issues and gaps? Please rank your first three choices in order.



Respondents: 340

When asked which were the biggest issues and gaps, *campaign tracking/tagging* and *statistical modelling* were by far most commonly selected, by 36% and 31% of brand respondents respectively. However, *creating a culture of measurement and accuracy* was selected most frequently as a first, second or third choice (80% in total).

This was followed closely as a top-three issue by campaign tracking/tagging (75%) and data validation/normalisation (74%).

Surprisingly, *moving from insights to action* is the area least likely to be cited as the biggest issue, even though it was seen in *Figure 4* to be a growing problem. This suggests that, while it is very much a problem area, companies have more pressing issues when it comes to cultivating or attracting the right skills.

CONCLUSION

Going through this comprehensive report may have felt overwhelming; however, these insights should have better equipped you to incorporate more intelligent and effective attribution models. With the state of attribution moving towards a new frontier, up-to-date data can give insights on the trends that will overtake the industry. The more you know, the more likely that you'll be able to develop a cohesive, nimble and impactful marketing strategy that ensures each touchpoint in the customer journey is utilised to its full potential.

If your attribution model isn't perfect, don't worry—you aren't alone. But it's important to acknowledge that attribution is an evolving process that only improves with constant iteration. As you move forward to improve your attribution models into the future, coming back to reference trend reports like this one can help you make more educated decisions about the changes you make. If you'd like to learn more about exactly how to use the insights in this report, check out [how to measure ROI across sales and marketing](#).

9. Appendix: Methodology and Respondent Profiles

There were 987 respondents to our research request, which took the form of an online survey fielded in July 2017. Respondents included both in-house marketing professionals (74%) and supply-side respondents, including agencies, consultants and vendors (26%). Brand respondents came from both B2B- and B2C-focused organisations.

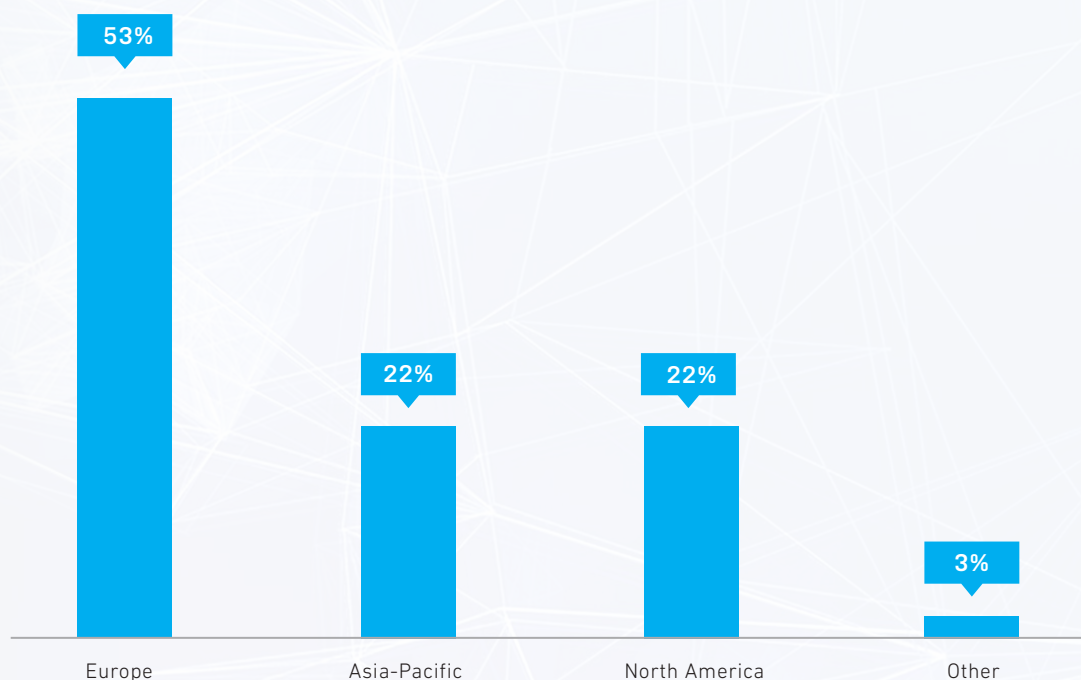
Information about the survey, including the link, was emailed to Econsultancy's and AdRoll's respective user bases and promoted via social media. The incentive for taking part was access to

a free advance copy of the report just prior to its publication on the Econsultancy website. Third-party panels were used to supplement the French, German, Japanese and Australian samples.

If you have any questions about the research, please email Econsultancy's head of commercial research services, [Monica Savut](#).

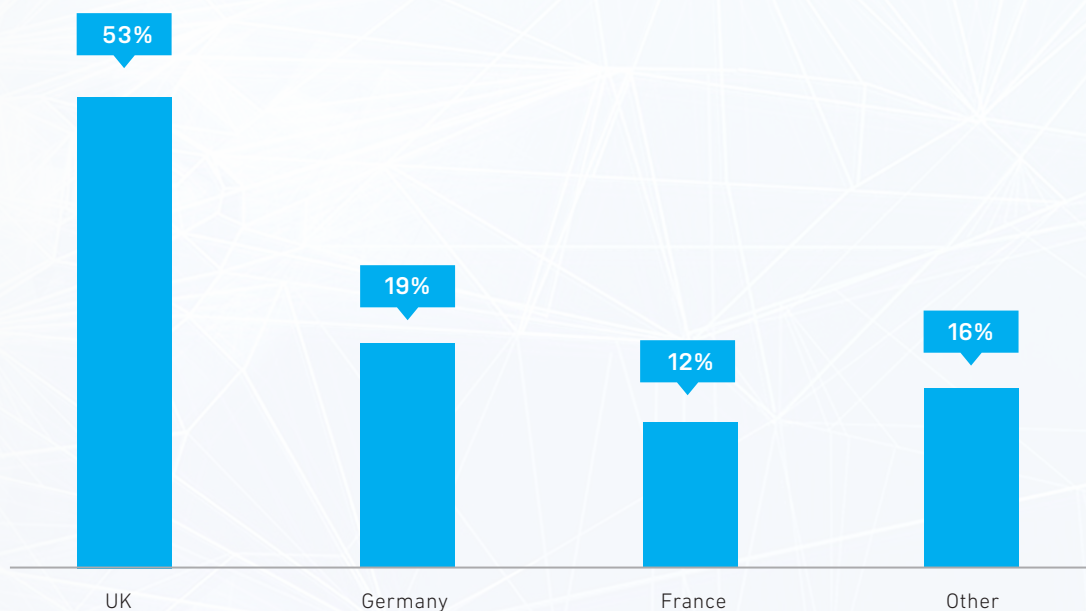
More breakdowns of the respondent profiles are included in the charts below.

Figure 33: In which region are you based?



Respondents based in Europe

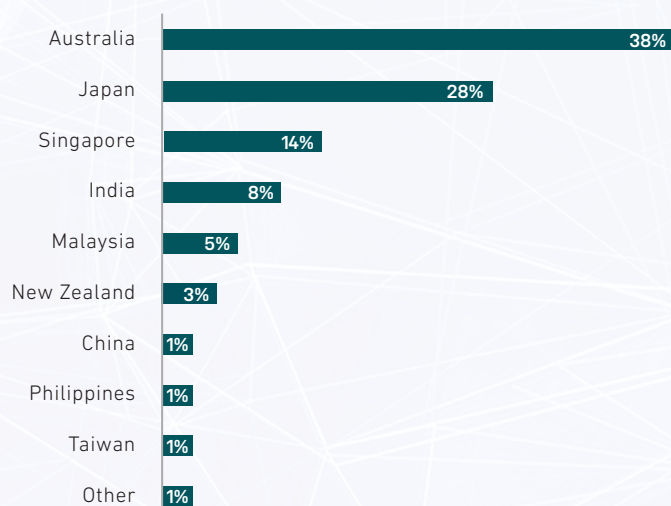
Figure 34: In which of the following countries are you based?



Respondents: 356

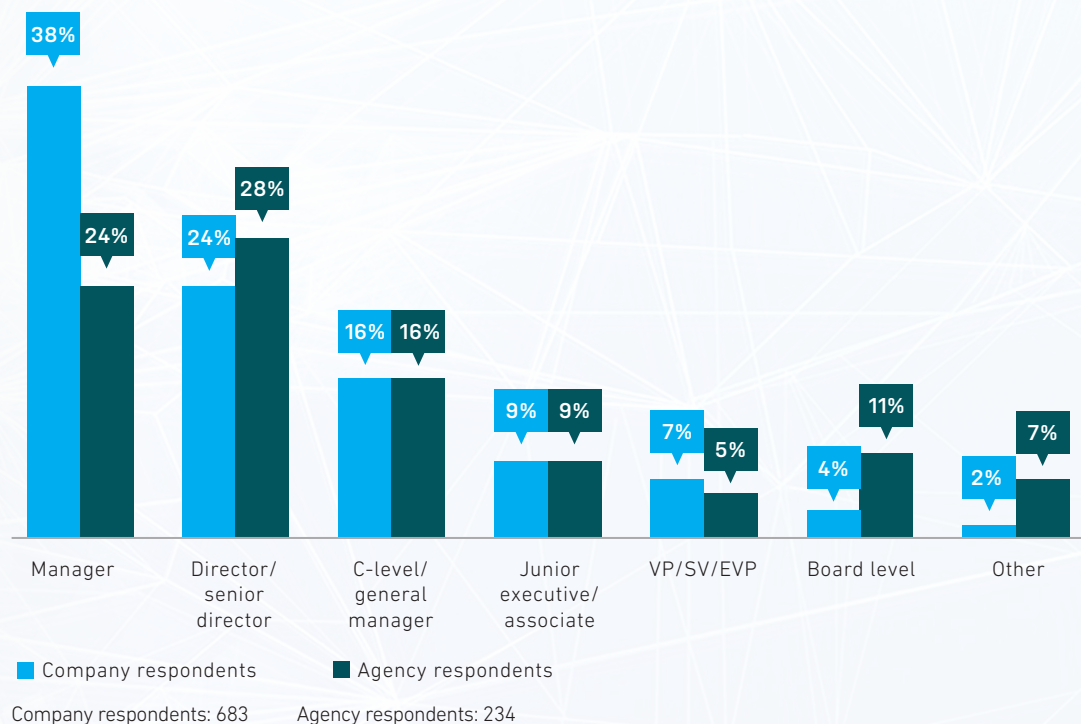
Respondents based in Asia-Pacific

Figure 35: In which of the following countries are you based?



Respondents: 157

Figure 36: Which best describes your job role?



Company respondents

Figure 37: In which business sector is your organisation?

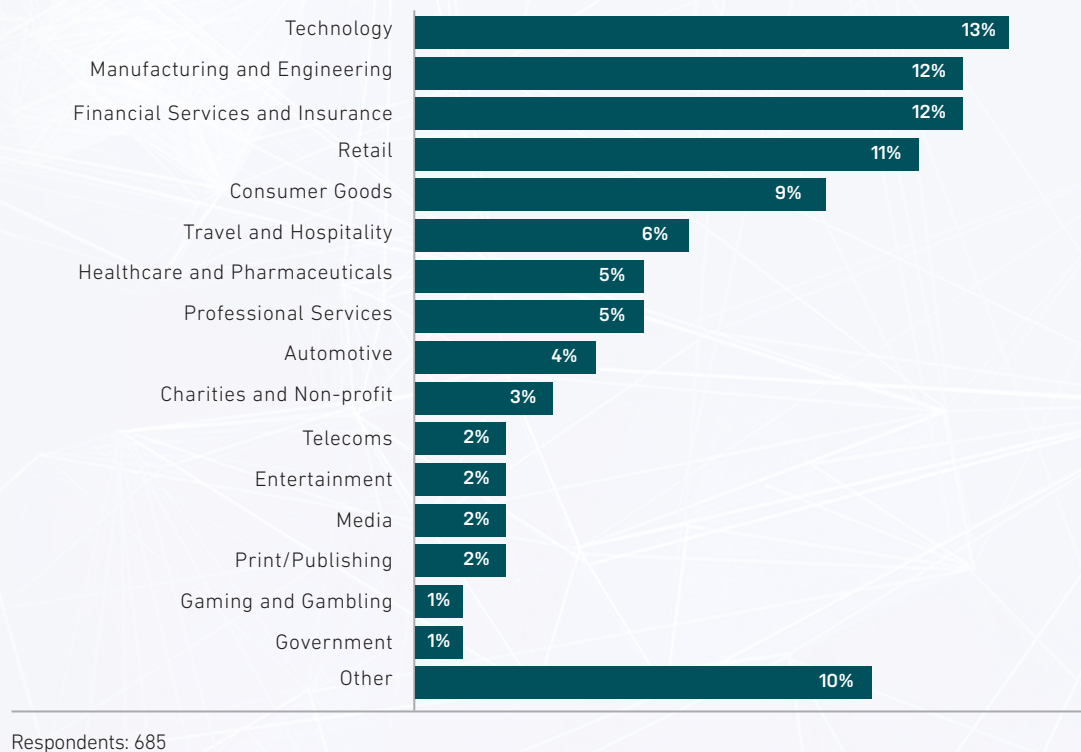
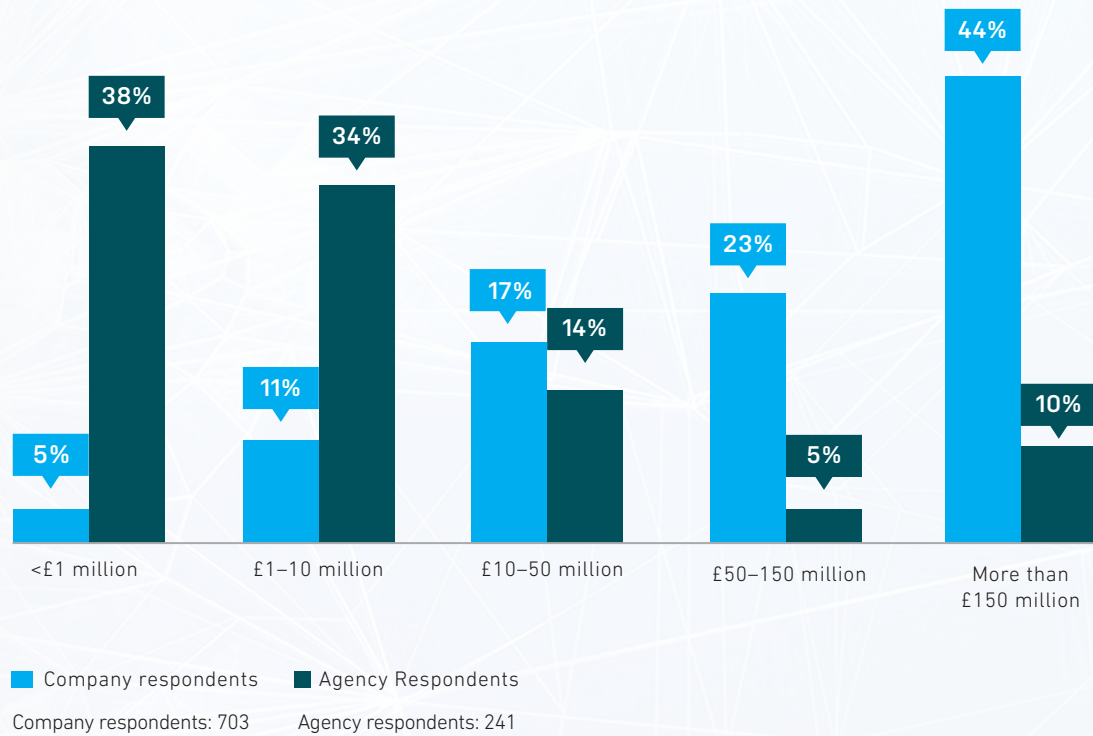


Figure 38: What is your annual company turnover?





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Founded in 1999, Econsultancy has offices in New York, London and Singapore.

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