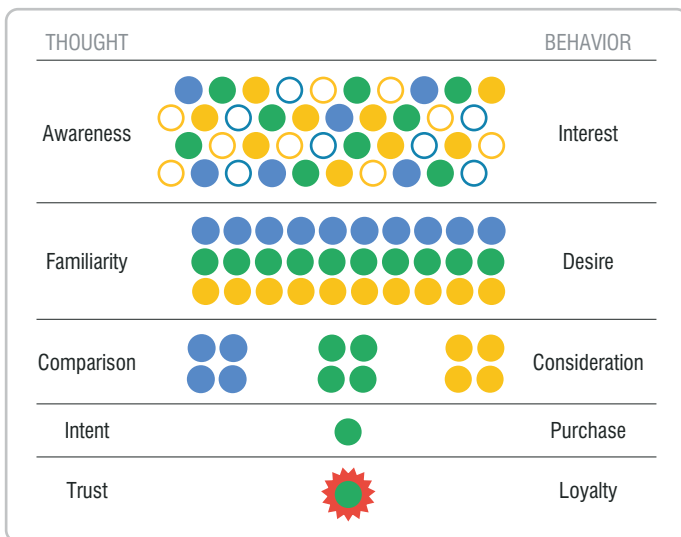


Adding Advanced Attribution to the Purchase Funnel



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To understand the real impact of the marketing funnel, marketers need to use the right fractional credits obtained from a data-driven, advanced attribution model.



The purchase funnel — aka the marketing, conversion, or sales funnel — has long been the backbone of traditional marketing programs. First introduced in 1898, it depicts the theoretical journey that consumers take from their initial exposure to a brand to their becoming first time and ultimately repeat customers. The original purchase funnel, or the AIDA model, characterizes this journey as a series of four stages: awareness, interest, desire and action. Since its initial adoption, the funnel has been updated to include CRM concepts such as loyalty and advocacy, and to address the maturation of buyers' behavior over the last century, but the concept has largely withstood the test of time.

Marketing Silos Complicate the Purchase Funnel

In the digital world, the purchase funnel typically operates in a silo within each channel. For example, search marketers categorize generic keywords as top-of-the-funnel, since they generate customer awareness for the brand. Keywords that are more specific and narrow are labeled as bottom-of-the-funnel because they lead to higher conversion rates and sit closer to the sale itself. Although some effort has been made to step out of these silos and categorize all marketing into various funnel stages, it has been limited to individual marketing analysts and requires some serious efforts on their part to overcome the limitations of last-click attribution. With multi-touch attribution becoming more common and attainable, we can now examine cross-channel purchase funnels, taking all marketing touch points into consideration.

An attribution solution with funnel stage reporting helps marketers understand the complete purchase journey, whether it is entirely online or includes offline channels. These reports simplify the traditional AIDA purchase funnel definitions into three main stages: introducer, promoter and closer. The introducer aligns with the awareness stage; and the closer, the action stage. The promoter stage represents all the middle funnel activity such as interest, evaluation and consideration. Channels and campaigns are as unique as a consumer's journey through the funnel and they aren't always easily segmented into one of the three stages. For instance, a display channel often incorporates aspects of each. It can act entirely in isolation or as an "assist" player that successfully influences conversions in combination with media from other channels.

Using Advanced Attribution to Target Consumers Based on Where They Are in the Purchase Funnel

Today's funnel stage reports provide new insights into a channel, site or campaign's role as an introducer, promoter or closer. Standard funnel stage reports do this with a simple counting exercise. For example, to determine the role of a site, they count the number of times the site is the first, last or in-between touch point. They have the advantage of being multichannel, meaning they can aggregate some of the siloed data, but they are still limited in their scope and do not provide metrics that are comprehensive enough to determine where the channel sits on the introducer to promoter continuum.

By contrast, fractional attribution models assign partial credit to every touch point leading to a conversion and are able to identify the influence each one had on driving the conversion. Advanced attribution models use a data-driven approach to allocate the credit due to each touch point.

There are several ways that the fractional attribution model can be useful:

- Planning better campaigns and aligning organizational goals of driving brand impact or conversions through a better understanding of channel sequencing
- Accelerating customers' journey through the purchase funnel by identifying and addressing inefficiencies and lags along their path
- Customizing communications to be more relevant based on the funnel stage: tailored, educational messaging for creative that serve predominately as introducers and saving offers for channels that serve as closers
- Incorporating CRM systems to re-engage with past customers to promote repeat purchase, advocacy and to reduce churn

Using multi-touch attribution to understand the marketing funnel is a huge step in the right direction. To understand the real impact of the marketing funnel, it is critical that marketers use the right fractional credits derived from a data-driven, advanced attribution model.

Next Steps

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Adometry by Google transforms the way the world's top brands improve marketing performance. Acting as marketing's "system of record," Adometry solves the complex challenge of integrating, measuring, and optimizing marketing performance across all channels—both online and offline. Combining and interpreting previously silo'd sources of data; the Adometry Marketing Performance Management Suite provides data-driven attribution, modern marketing mix modeling, and intelligent optimization recommendations across and within channels. As a result, marketers are able to identify their true impact on the customer journey and generate actionable insights that improve ROI.