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# Implementing Multi-Touch Attribution in 10 Steps

## Introduction

Multi-Touch Attribution: many organizations talk about it, but only a few are actually implementing it. Let's start by defining Attribution. Attribution is the process through which you allocate budget from your revenues to the marketing touchpoint(s) a customer was exposed to before making a purchase. Multi-Touch Attribution uses mathematical models to help you spread your budget accurately across these different touchpoints. This 10-step roadmap will show you how to start using Multi-Touch Attribution to reach your business objectives, without using too many complicated tools and techniques.

## 1. When is Multi Touch Attribution most suitable?

Multi-Touch Attribution literally means the re-allocation of your revenues to different touchpoints in the buyer's journey. Traditionally, this analysis is carried out for online touchpoints. If you have offline touchpoints with your customers such as TV or retail, you need to incorporate them into your analysis as well. Nowadays, there are a lot of techniques to collect that offline data.



**Best Practice: Multi Touch Attribution is suitable for both online and offline-oriented organizations.**

## 2. Which business objective do I want to increase?

When you start using Multi-Touch Attribution, it is important to think about the exact definition of your business objective. This objective, such as profit, revenue or return on advertising spend (ROAS), is what you want to increase or decrease using your Multi-Touch Attribution analysis. Remember that online revenue should not be your sole focus. If your website contributes to your offline revenue, for instance, you could take both online and offline revenue as target variables. You may also want to increase your brand KPIs instead of fixating on optimizing your revenue.



**Best Practice: decide on what business (brand/sales, online/offline) objective you want to optimize**

### 3. Which (media)channels influence my business objective?

After you have selected a certain business objective, you need to think about the channels that influence it. In other words, which adjustments in your paid channels such TV or display advertising and non-paid channels such as search engine optimization (SEO) can change your business objective. In addition, it is important to understand the interaction between channels and how this interaction impacts your KPIs. Direct traffic, for example is often affected by channels like TV advertising, whereas pull channels like branded search are often affected by push channels.



**Best Practice:** list all (media) channels that can influence your business objective.



## 4. Are there other factors influencing my business objective?

Besides your (media) budget, there are other factors that could influence your business objective. These factors typically depend on your industry and cannot be changed by you. For instance, if you're in the travel industry, the weather might have a strong effect on your revenues. In the retail industry or other highly competitive markets, the price of your products compared to the price of your competitors' products may have a strong effect on your business outcome.



**Best Practice: list all factors (besides your media budget) that influence your business.**

## 5. Which cost elements do I need to consider?

A key component of Multi-Touch Attribution is defining the cost of different (media) channels. You need to consider both the media spend and the effort your organization puts into certain channels. This includes paid channels (media spend in PPC and the effort you put into optimizing PPC campaigns), as well as non-paid channels (the cost of e-mail marketing technology and the amount of work email marketing campaigns entail). Once you do this, you can make a fair comparison between (media) channels and find the most optimal media mix.



**Best Practice: incorporate all (media and non-media) cost overview of your (media) channels.**

## 6. Which Multi-Touch Attribution model do I choose?

If you have a good understanding of your business objective and the factors that influence your performance, you can start looking for a Multi-Touch Attribution model. There are many different models available in standard web analytics software. These include linear, time decay and position-based models. If your focus lies on online media channels that mostly have online (click) touchpoints, these models may be a good starting point for your organization. There is a catch, however. Since these models assume a distribution of the value of the different touchpoints, their attribution might lead to a suboptimal media mix. More scientific modelling techniques, like the Shapley Value, can be used if you want to carry out more realistic and accurate attribution of your touchpoints. If you have a lot of touchpoints that cannot be directly linked to your business objective, like TV or radio campaigns, the Benchmark Model is a recommended technique to define the value of channels. To define which modelling technique is recommended for your organization, it is important to understand your business dynamics and analytics maturity.



**Best Practice: choose a more advanced model if you want to carry out accurate attribution**



## 7. Which tooling can I use to perform my Multi-Touch Attribution?

If you decide to use a standard Multi-Touch Attribution model, like a linear or time decay model, you can probably use your existing web analytics solution. If you have decided to use a more advanced model, standard web analytics tools are often too limited. Advanced models are useful if you want to take complex business dynamics into account and analyze their impact on your business objective. For instance, if you want to model offline media channels (like TV and radio campaigns), incorporate offline touchpoints (like store visits) and include the weather as an external factor, dedicated Multi-Touch Attribution solutions are proven to be a better fit to optimize your business objective.



**Best Practice: use a dedicated Multi-Touch Attribution solution if you want to model more complex business dynamics.**



## 8. Where is the data stored?

When deciding which tool to use, you will probably ask yourself where the collected data will be stored. Most likely, you have a web analytics solution such as Google Analytics in place to store online touchpoints based on clicks. If you also want to include views, you can probably pull that data from your display advertising suite such as DoubleClick or your dedicated view tracking solution such as Objective Tracking. Cost data can also be fed to your dedicated Multi-Touch Attribution solution from your different advertising tools (Adwords, Facebook, etc) using APIs or by FTP transfer.



**Best Practice:** pull your data from your different marketing solutions via APIs or FTP transfer to your Multi-Touch Attribution solution.

## 9. How do I get from data to actionable insights?

Soon enough you will come to the realization that you cannot increase the budget for successfully-performing media channels infinitely. There is a finite amount of ways to allocate your budget and your ROAS decreases when you invest too much. The share of the budget you eventually have to shift can only be determined by experimental learning. You could have periodic steering meetings on a weekly basis, for example, to decide on the budget shift. That way you can systematically analyze the result of each budget shift and determine whether the effect was positive or negative.



**Best Practice:** experiment with shifting budgets from low performing media channels to high performing media channels.



## 10. Which decision structure is needed to implement my actions?

An important aspect that is often overlooked is the decision structure you need to implement the new actions derived from the Multi-Touch Attribution analysis. As mentioned above, you could organize a steering meeting once a week to determine new budget allocations based on the resulting analysis. If you are working with agencies who manage (part of) your campaigns, and thus execute the actions derived from the weekly steering meeting, you will also need to involve them in the design of the decision structure. It is essential that all stakeholders have the same information when they execute their actions.



**Best Practice: involve all stakeholders in the design of your decision structure and make sure that everyone is properly informed.**



## Start today!

The 10 steps listed above show you how to optimize your business objective by using a Multi-Touch Attribution model. You can perform a Multi-Touch Attribution analysis using different technologies. Existing modelling techniques in standard web analytics tools are often a stepping stone for organizations. If you have complex business dynamics, you might want to use a dedicated Multi-Touch Attribution solution. Subsequently, you can determine which media budget allocation is most effective by ranking the media channels that influence your business objective. Finally, through experimental learning and involving the relevant stakeholders, you can determine if your overall target has increased after implementing this method.

## Contact us



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