What is Multi-Touch Attribution?

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What is Multi-Touch Attribution (MTA)?

Multi-touch attribution (MTA) is a marketing measurement approach that attempts to track users across devices and the ads they've seen in order to determine how the ads contribute to the path to purchase. This marketing attribution approach requires user identity data and because of this, it can only be used to track addressable media (mainly digital advertising) and cannot measure traditional media such as print, TV, radio and OOH. Also, it cannot measure conversions where the consumer's identity is not known (in-store cash transactions for example).

How Does Multi-Touch Attribution Work?

To make MTA work, a brand must align ad impressions with consumer and device identity data in order to know "who saw which ad" and whether a conversion occurred. Traditionally this was accomplished using cookie data but this method has all but been shut down as a result of browser cookie blocking. Now, a brand must use 3rd party identity graphs along with their own first party data to attempt to stitch this picture together. Complicating this are major technology industry changes from Apple's iOS 14.5 update that has

all consumer level targeting and tracking for Google-owned ad networks and Chrome.

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combination of ads that leads to the highest conversion lift. Doing this with any level of accuracy requires evaluating billions of comparisons as even a small set of campaigns across channels generates an enormous number of potential sequences and combinations. And this is fraught with accuracy problems when even a small number of conversion identities is mistakenly mis-matched with ads.

Finally, building a marketing attribution solution requires an enormous amount of data, server-to-server integrations with third parties, the exchange of PII, as well as user-ad level impression data, which is now increasingly difficult to obtain from the walled gardens. The result is typically a lengthy deployment cycle, added costs with 3rd party identity data graphs, brittle solutions that are difficult to maintain (or change), and measurement without known accuracy.

Different Types of Multi-Touch Attribution

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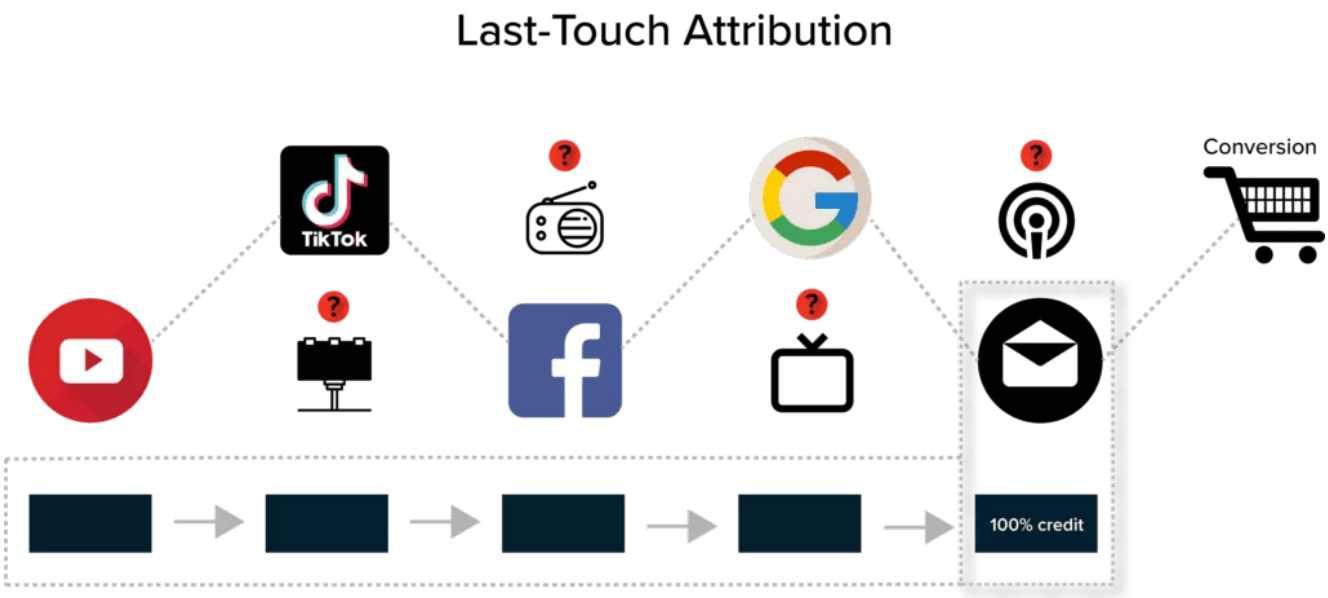
Many Multi-Touch Attribution schemes are available in the market, from very simple unsophisticated approaches to extremely complex deployments requiring heavy resources and technology. Below is an overview of the most common approaches, from simplest to most complex:

Last-Touch Attribution



Last-Touch Attribution is the simplest form of marketing attribution. It assigns full credit for the conversion to the last ad clicked. This is the default approach

The Pros of Last-Touch Attribution:

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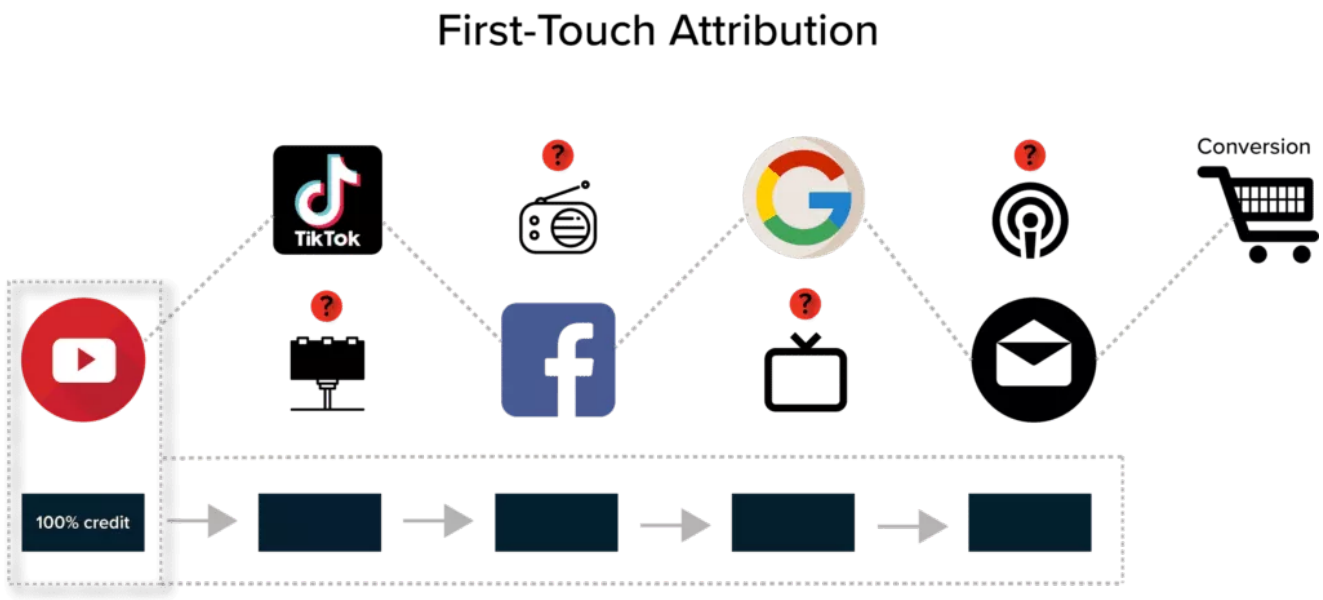
2. It almost always under-values all other media, especially media with low-click rates such as video, display, non-brand search, as well as any media that doesn't have direct engagement (e.g. clicks)
3. It makes a poor assumption that only clicks drive purchases, and that other media without clicks does not
4. It can lead to extremely poor marketing investment decisions that will harm the brand in the long run

First-Touch Attribution



full credit for the conversion to the first ad clicked. This is a common attribution option in free attribution tools within Google Analytics or other web analytics solutions.

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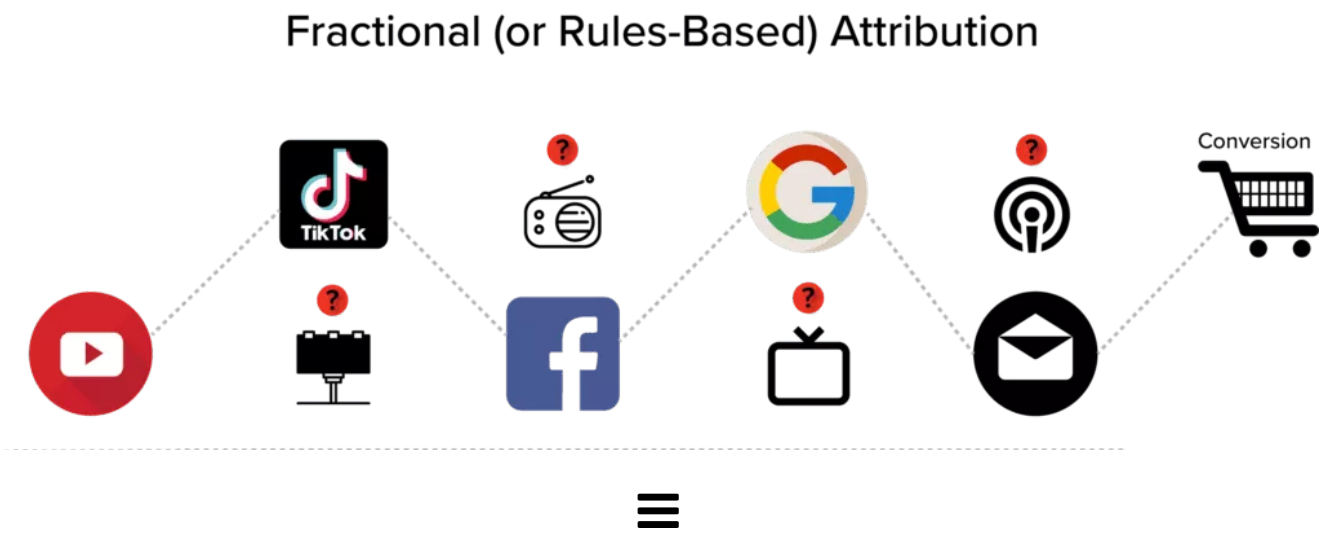
The Cons of First-Touch Attribution:

1. It almost always over-values upper funnel ads that have been seen within short windows of time (1-2 weeks before conversion)
2. Cookie windows and cookie expiration dramatically shorten the measurement window (and potential effects) of longer-term awareness building ads
3. It relies on clicks thereby ignoring the awareness building effects of ad impressions
4. It can lead to extremely poor marketing investment decisions that will harm the brand in the long run

Fractional (or Rules-Based) Attribution



Rules-Based Attribution attempts to assign weights, factors or “rules” to give

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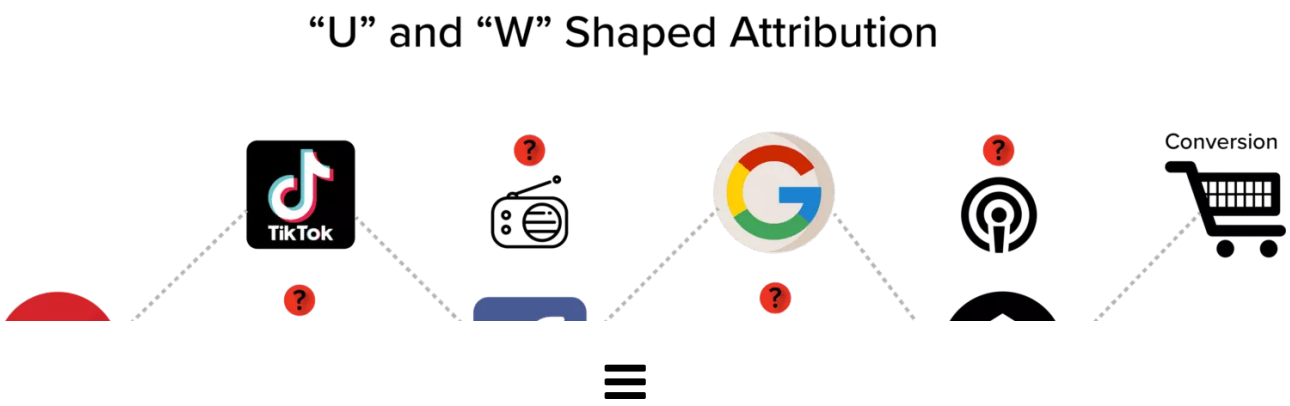
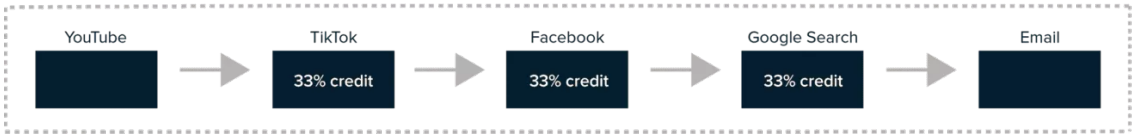
1. Rules-Based Attribution tries to address the weaknesses of Last-Touch Attribution by giving more credit to ads that don’t usually get credit
2. It can lead to more investment in upper-funnel media
3. It doesn’t require any PII
4. It is easily measured for free and doesn’t require complex software

The Cons of Rules-Based Attribution:

1. Most of the weights are arbitrary and are not rooted in any data or evidence
2. The weights are too simplistic and assign the same credit for channels that likely have significant differences among specific campaigns or ads within them
3. It is usually highly inaccurate and will lead to extremely poor marketing investment decisions that will harm the brand in the long run

“U” and “W” Shaped Attribution





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The Pros of "U" and "W" Shaped Attribution:

1. These approaches try to address the weaknesses of Last-Touch Attribution by giving more credit to ads that don't usually get credit
2. They can lead to more investment in upper-funnel media by assuming that the first ad "seen" introduces the brand to the consumer
3. They don't require any PII
4. They are easily measured for free and don't require complex software

The Cons of "U" and "W" Shaped Attribution:

1. Most of the weights are arbitrary and are not rooted in any data or evidence
2. The weights are too simplistic and assign the same credit for channels that likely have significant differences among specific campaigns or ads within them
3. First-touch ads are usually cut off from consideration due to cookie expiration, especially as browsers, ad platforms and mobile operating systems have moved to reduce cookies and cookie lifetimes.
4. They are usually highly inaccurate and will lead to extremely poor marketing investment decisions that will harm the brand in the long run

Algorithmic Attribution

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Algorithmic Attribution is a more complex approach that sometimes uses predictive models and correlations to calculate credit across ad sequences. These computations are more sophisticated than simple rules-based methods and usually require an expensive 3rd party solution to provide marketing measurement. Also, these approaches frequently move past cookie-based tracking to more complex identity-based tracking schemes.

The Pros of Algorithmic Attribution:

1. These approaches try to address the weaknesses of more simplistic rules-based methods
2. A model or algorithm assigns credit as opposed to simplistic methods
3. These methods attempt to compare ad sequences from customers who've seen the ads versus those that haven't

The Cons of Algorithmic Attribution:

vendors and systems
2. They suffer accuracy problems with poor customer match rates and identity mis-matches

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   upcoming FLoC initiative and other consumer data privacy moves in the market
7. They are not future-proof due to the wave of privacy regulations and other tech industry changes

First-Touch Attribution vs. Multi-Touch Attribution

With a first-touch attribution model, **the first marketing interaction receives 100% of the credit.** While first-touch attribution only gives credit to the first marketing touchpoint, multi-touch attribution assumes that all touchpoints play some role in driving a conversion.

Last-Touch Attribution vs. Multi-Touch Attribution

Last-touch attribution is very similar to first-touch, **except that the last marketing interaction is the one that receives 100% of the credit instead.** While last-touch attribution only gives credit to the last marketing touchpoint, multi-touch attribution assumes that all touchpoints play some role in driving a conversion.

Given the issues around data loss, consumer tracking and privacy changes, and related model accuracy issues, what is the right role for Multi-Touch Attribution moving forward? Unfortunately, marketers who seek to

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Luckily, **every web analytics platform** provides the ability to track and visualize your customers' purchase paths. This allows brands to understand critical information that can be used to improve performance such as:

- Path drop off rates
- Pages where customers spend more time, or places where customers get stuck and give up
- Places of potential confusion where customers reach out for support
- Different paths for consumers using mobile devices vs. desktop
- Page load times that spur drop off issues

For these Consumer Experience (CX) measures, purchase path analysis is an essential tool and measurement approach. And luckily, this doesn't require multi-touch attribution to do so.

Data Deprecation is Causing Major Challenges for Multi-Touch Attribution

Much has been written about the consumer data privacy changes being made in the industry today with Apple's major change to user tracking in iOS 14.5 and Google's upcoming Topics initiative. Most of the industry discussion has been focused on the fact that these changes are making 1:1 ad targeting and

But lost in this conversation is that fact that these privacy changes also disrupt Multi-Touch Attribution, make it far less accurate, and limit the future viability of MTA solutions.

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Twitter, TikTok, YouTube or Pinterest), your brand's ability to measure campaigns in these channels is now experiencing significant data loss and as a result, major new accuracy problems.

Google will be next. In 2023, it will begin its rollout of "Google Topics"- which will simultaneously kill cookies in Chrome and stop all individual ad targeting and tracking within the Google advertising ecosystem. Google Topics will create another massive data hole in the digital advertising market and its effects won't be limited to targeting and personalization. Instead, it will create another set of major problems for all MTA solutions.

Lastly, there is a significant wave of regulatory movement in the consumer data privacy space. Several US states have enacted privacy laws allowing consumers the right to be "forgotten", the right not to be tracked, the right for their data not to be sold, and many other new restrictions and consequences for brands that do not comply. The implications for multi-touch attribution solutions are clear: **the use of PII and consumer tracking will now carry significant new compliance risks for marketers**.

How to Future-Proof Marketing Attribution?

Smart brands care about properly measuring the incremental contributions of their marketing investments regardless of whether these are digital or traditional channels, and smart brands want to understand the *total impact* of

has new regulatory risks, how should brands think about future-proofing their measurement? Read OptiMine's Future-Proofing Guide for a more detailed plan of action. To get started quickly, keep these simple but effective tips in

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Solutions

- Understand what use cases and measurement needs match with the best tools for the job (example: tracking-based measurement is the right

  approach to measure consumer experience, but isn't the right approach for marketing campaign measurement)
- Agility, speed and flexibility are required for success in a faster-moving world being disrupted by new technology-first upstarts and competitors
- Doing nothing isn't a plan for success.

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		Prognosis
Good qualitative view of purchase paths and Consumer Experience (CX): • Where do prospective buyers drop off or get stuck? • What ads drive clicks? Pro Tip: these CX and purchase path measures can probably be found in your web analytics platform and don't require additional investments in new measurement software.	Multi-Touch Attribution doesn't measure traditional ads: • Major traditional media campaigns that cannot be tracked usually have an impact on sales • Ignoring the effects of this media will **grossly overstate the value of digital campaigns**. Multi-Touch Attribution models are inaccurate (and getting worse by the day):	Poor

creates significant accuracy problems

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data gaps causing bigger headaches for MTA

Marketers Can't Control Ad Sequences:

- Even if a brand knew that ads seen during a certain sequence generated conversion lift, how will they ensure these ads are seen at a certain point in the path? The short answer: they can't. It's not possible.

Multi-Touch Attribution measures don't

	marketing factors that drive sales, such as:	
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	factors • And many more elements...	

Comparing OptiMine with MTA and Traditional MMM

What options are available to marketers in today's measurement landscape, and where does OptiMine fit in? Consider your alternatives, specific needs and the options available in the market today:

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Criteria	OptiMine	MTA	MMM
Measures Full Cross-Channel Incremental Lift of Marketing	✓	✗	✗
Detailed Insights: Digital	✓	✓	✗
Detailed Insights: Traditional Media	✓	✗	✓
Measures Online Outcomes	✓	✓	✓
Measures Offline Outcomes	✓	✗	✓
Walled Garden Support **without PII**	✓	✗	✗
Tactical Spend Decisions & Guidance	✓	✓	✗
Yield & Saturation Curves	✓	✗	✓
Scenario Planning	✓	✗	✓
Budget Optimization	✓	✗	✗
Fast, Easy Implementation	✓	✗	✗
Timely Insights	✓	✗	✗
Accurate Models & Measures	✓	✗	✓

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- "Myths of Multi-Touch Attribution" Blog Post
- "Your Marketing Measurement is Going Dark" Blog Post
- "Major Consumer Privacy Changes from Apple and Google are Reshaping the Marketing & Measurement Landscapes" Blog Post
- "Multi-Touch Attribution is Dead" eBook
- "4 Ways to Future-Proof Your Marketing Measurement" eBook
- OptiMine On-Demand Webinar: "Apple's ATT Changes Are Now Live. Learn How It's Impacting Brands' Measurement, Performance, & How to Move Forward"
- OptiMine x TickPick On-Demand Presentation: "ARF Measurement Challenges Showcase"