Marketing Attribution Strategy

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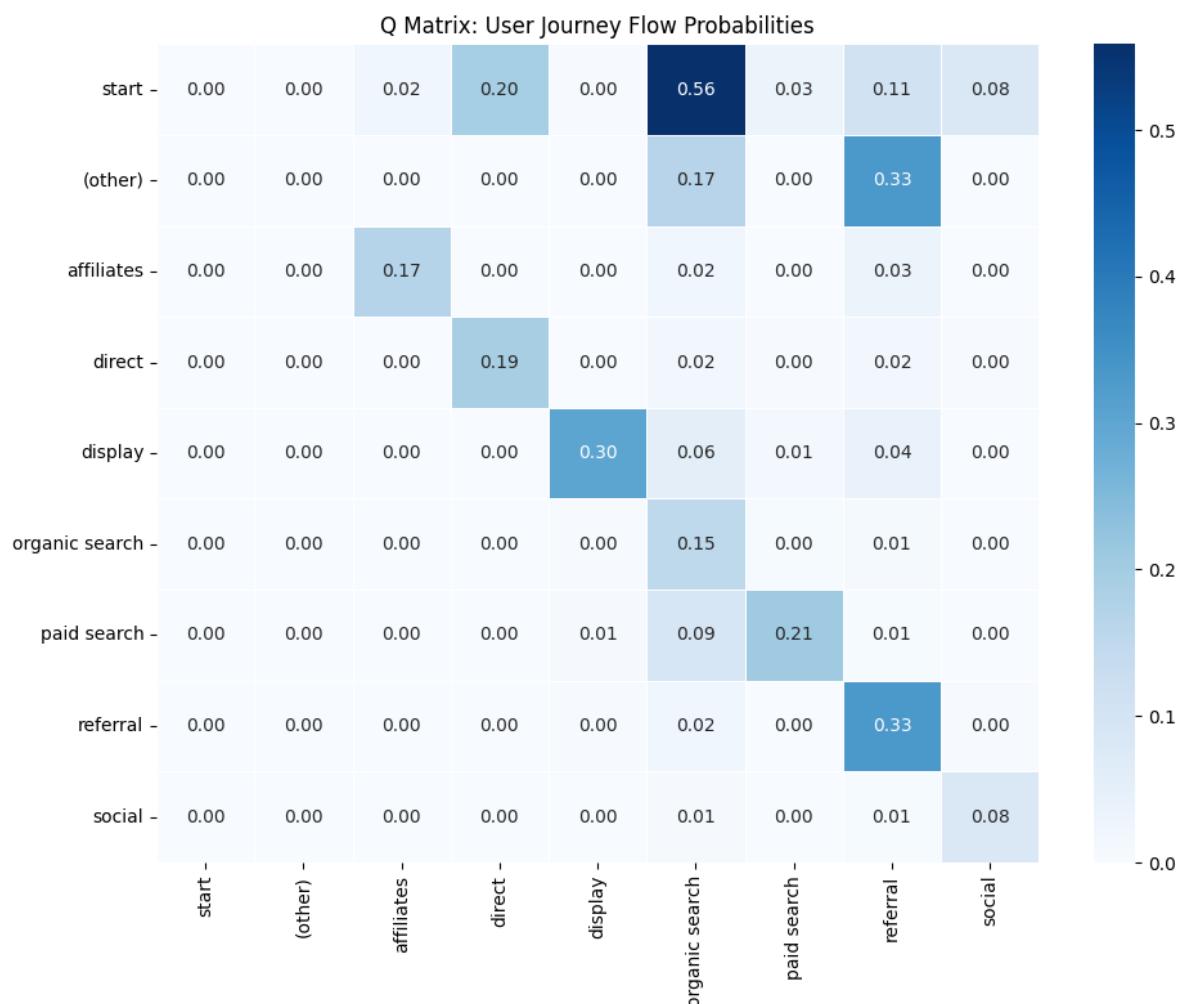
1. Executive Summary

Our marketing performance shows a mixed landscape. Paid search leads significantly in ROI at 63.45%, contributing substantially to incremental revenue. Affiliates also demonstrate a strong positive ROI of 20.97%. However, display advertising presents a significant challenge with a highly negative ROI of -75.74%. Billboard and TV advertising show moderate positive ROI, but their contribution to overall MMM share is less pronounced compared to digital channels. Overall, while paid search and affiliates are driving strong returns, the underperformance of display requires immediate strategic attention.

2. User Journey Analysis

The Q-Matrix reveals interesting 'feeder' dynamics. Organic search appears to be a significant feeder, sending traffic to direct (15.3%), paid search (0.5%), and social (0.2%). Paid search also acts as a feeder, with notable transitions to organic search (9.2%) and display (0.8%). Direct traffic is a strong feeder to organic search (19.6%) and paid search (0.3%). Social media, despite its lower ROI, feeds into organic search (0.9%) and display (0.1%). Referral traffic also shows a tendency to feed into organic search (2.1%) and display (0.3%).

Transition Probability Matrix

Q Matrix: User Journey Flow Probabilities
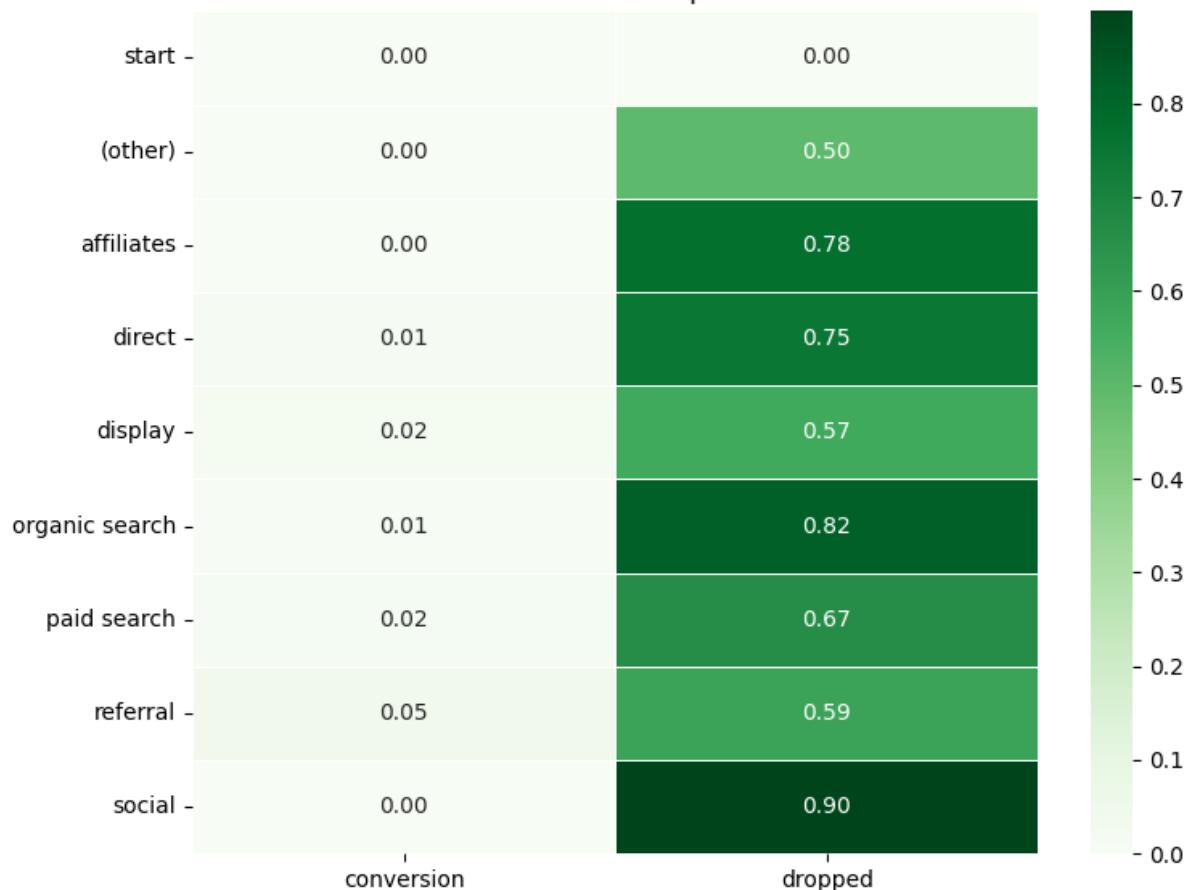
3. Conversion & Drop-off

Referral channels exhibit the highest direct conversion probability at 4.7%, although they also have a substantial drop-off rate of 59.0%. Display advertising, despite its poor ROI, has a 2.3% conversion probability but a high drop-off rate of 56.5%. Paid search has a 1.9% conversion probability with a high drop-off rate of 66.5%. Social media has a very low direct conversion probability of 0.2% and the highest drop-off rate at 89.9%. Direct traffic shows a 1.2% conversion probability with a 75.1% drop-off rate.

Absorption Matrix

R Matrix: Conversion vs. Drop-off Probabilities

Conversion Probability per Channel

Direct Conversion Probability by Channel

4. Strategic Channel Value

Referral channels have the highest removal effect at 85.0%, indicating they are critical for maintaining current conversion volumes. Organic search follows with a 57.0% removal effect, highlighting its importance. Direct traffic also has a significant removal effect of 33.0%. When compared to their ROI, referral's high removal effect is not matched by a similarly high ROI (20.97%), suggesting an opportunity to optimize this channel's efficiency. Organic search, while critical, does not have direct ROI data in the provided table but is known to be a cost-effective channel. Paid search, despite its strong ROI of 63.45%, has a relatively low removal effect of 9.0%, suggesting that while it's efficient, its overall impact on total conversion volume might be less critical than referral or organic search if removed. Social media and display have very low removal effects (3.0% and 2.0% respectively), which aligns with display's negative ROI and social's low ROI, indicating these channels are less essential for overall conversion volume.

Removal Effects Analysis