Marketing Attribution Strategy

Generated by Nexus AI

1. Executive Summary

Our marketing performance shows a mixed landscape. Paid search leads with a strong ROI of 63.45%, contributing significantly to incremental revenue. Affiliates also demonstrate a positive ROI of 20.97%. However, display advertising is a significant underperformer with a negative ROI of -75.74%. Billboard and TV advertising show moderate ROIs but have no attributed conversion weight, suggesting their impact is not fully captured by this model. Social media has the lowest ROI at 7.82%, indicating a need for optimization.
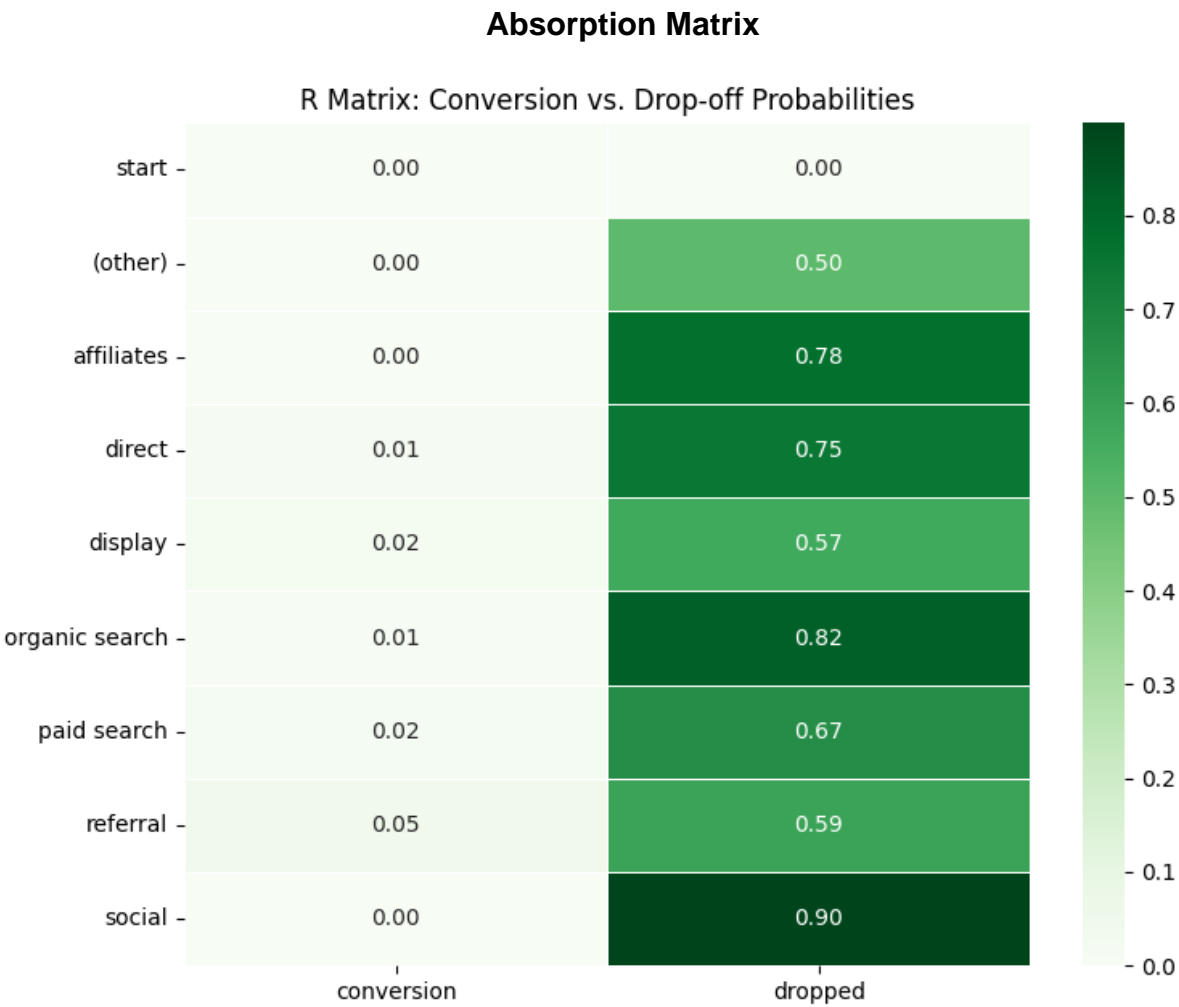
2. User Journey Analysis

The Q-Matrix reveals several key feeder channels. 'Start' acts as a primary entry point, with a substantial portion of traffic moving to 'organic search' (55.9%) and then to 'direct' (19.6%). 'Direct' traffic also feeds into itself (19.3%), suggesting users returning to the site. 'Paid search' shows a notable transition to 'organic search' (9.2%) and also to itself (20.8%), which could indicate users repeatedly searching for brand terms. 'Social' traffic primarily feeds back into itself (8.2%), suggesting engagement within the platform.

Transition Probability Matrix

Q Matrix: User Journey Flow Probabilities

	start	(other)	affiliates	direct	display	organic search	paid search	referral	social
start	0.00	0.00	0.02	0.20	0.00	0.56	0.03	0.11	0.08
(other)	0.00	0.00	0.00	0.00	0.00	0.17	0.00	0.33	0.00
affiliates	0.00	0.00	0.17	0.00	0.00	0.02	0.00	0.03	0.00
direct	0.00	0.00	0.00	0.19	0.00	0.02	0.00	0.02	0.00
display	0.00	0.00	0.00	0.00	0.30	0.06	0.01	0.04	0.00
organic search	0.00	0.00	0.00	0.00	0.00	0.15	0.00	0.01	0.00
paid search	0.00	0.00	0.00	0.00	0.01	0.09	0.21	0.01	0.00
referral	0.00	0.00	0.00	0.00	0.00	0.02	0.00	0.33	0.00
social	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.01	0.08

3. Conversion & Drop-off

Referral traffic exhibits the highest direct conversion probability at 4.7%, although it also has a significant drop-off rate of 59.0%. Display advertising, despite its negative 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 a high drop-off rate of 89.9%. Direct traffic has a 1.2% conversion probability and a high drop-off rate of 75.1%.

Absorption Matrix

R Matrix: Conversion vs. Drop-off Probabilities

	conversion	dropped
start	0.00	0.00
(other)	0.00	0.50
affiliates	0.00	0.78
direct	0.01	0.75
display	0.02	0.57
organic search	0.01	0.82
paid search	0.02	0.67
referral	0.05	0.59
social	0.00	0.90

Conversion Probability per Channel

Direct Conversion Probability by Channel

4. Strategic Channel Value

Referral traffic has the highest removal effect at 85.0%, indicating it is a critical "load-bearing" channel for conversions. This is followed by organic search at 57.0% and direct traffic at 33.0%. Despite its critical importance, referral traffic's ROI is not provided in the provided data, making it difficult to directly compare its strategic value against its cost-effectiveness. Organic search and direct traffic, while crucial for conversions, do not have direct ROI figures presented, highlighting a potential gap in understanding their financial contribution relative to their impact. Paid search, while having a high ROI of 63.45%, has a relatively low removal effect of 9.0%, suggesting it is more of a growth accelerator than a foundational channel. Social media, with the lowest ROI, also has a very low removal effect of 3.0%, indicating it is currently the least essential channel in terms of direct conversion impact.

Removal Effects Analysis

Channel Value (Removal Effect on Conversions)