Marketing Attribution Strategy
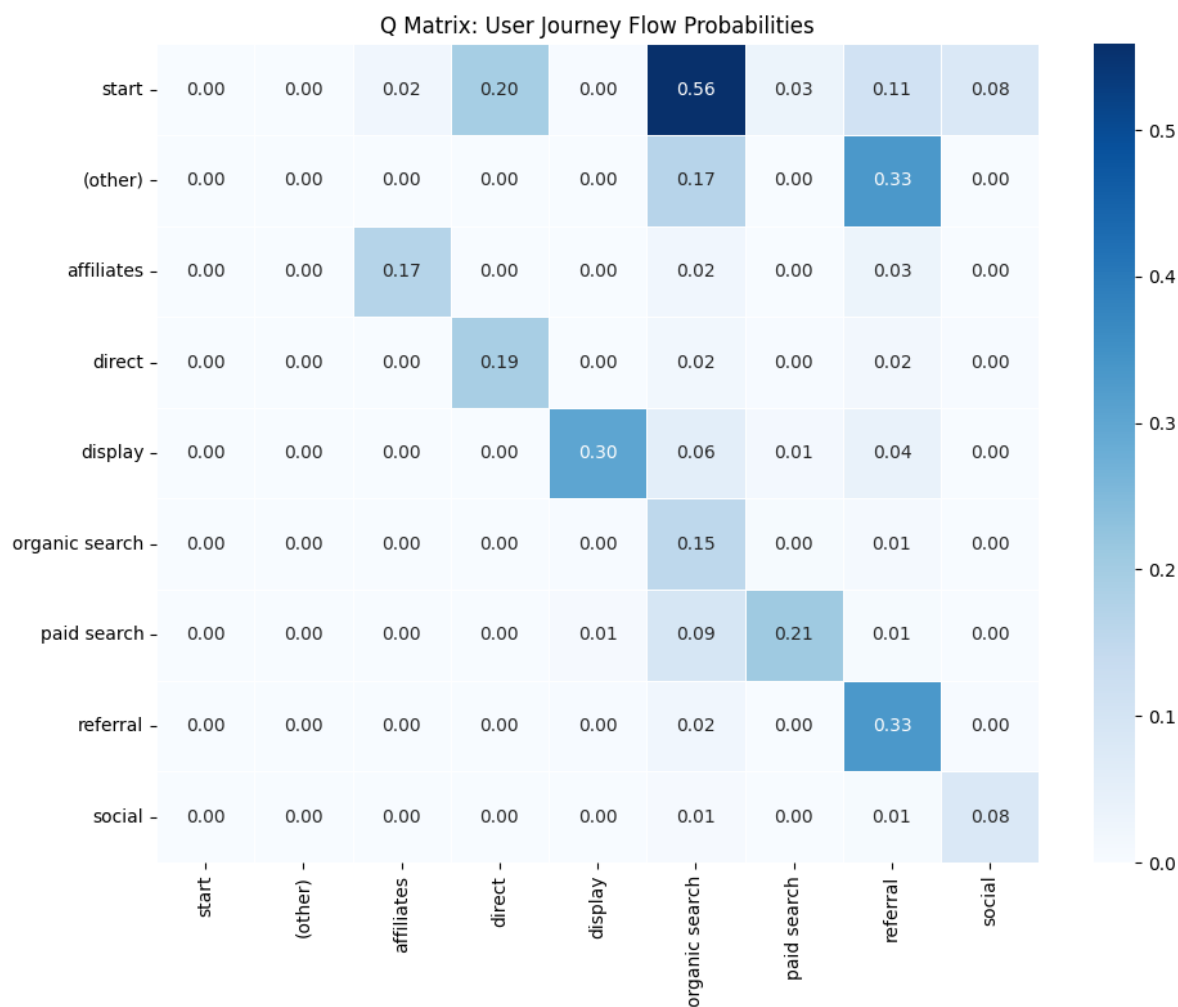
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1. Executive Summary

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 weight, suggesting their impact is not fully captured by our current attribution model. Overall, paid search and affiliates are our strongest performing channels in terms of ROI and incremental revenue.

2. User Journey Analysis

The Q-Matrix reveals interesting 'feeder' relationships. 'Start' is a significant feeder to 'organic search' (55.9%), indicating users often begin their journey with a search engine. 'Start' also feeds into 'direct' (19.6%) and 'referral' (10.8%). 'Paid search' acts as a feeder to 'organic search' (9.2%) and 'direct' (0.3%), suggesting users may research further after an initial paid ad click. 'Affiliates' also show some transition to 'direct' (0.2%) and 'paid search' (0.2%).

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 substantial drop-off rate of 59.0%. Display advertising, despite its poor ROI, has a relatively high conversion probability of 2.3%, but also a very high drop-off rate of 56.5%. Paid search has a conversion probability of 1.9% with a high drop-off rate of 66.5%. Conversely, 'social' has a very low conversion probability (0.2%) and a high drop-off rate (89.9%), indicating it may be more effective for top-of-funnel awareness rather than direct conversion.

Absorption Matrix

R Matrix: Conversion vs. Drop-off Probabilities
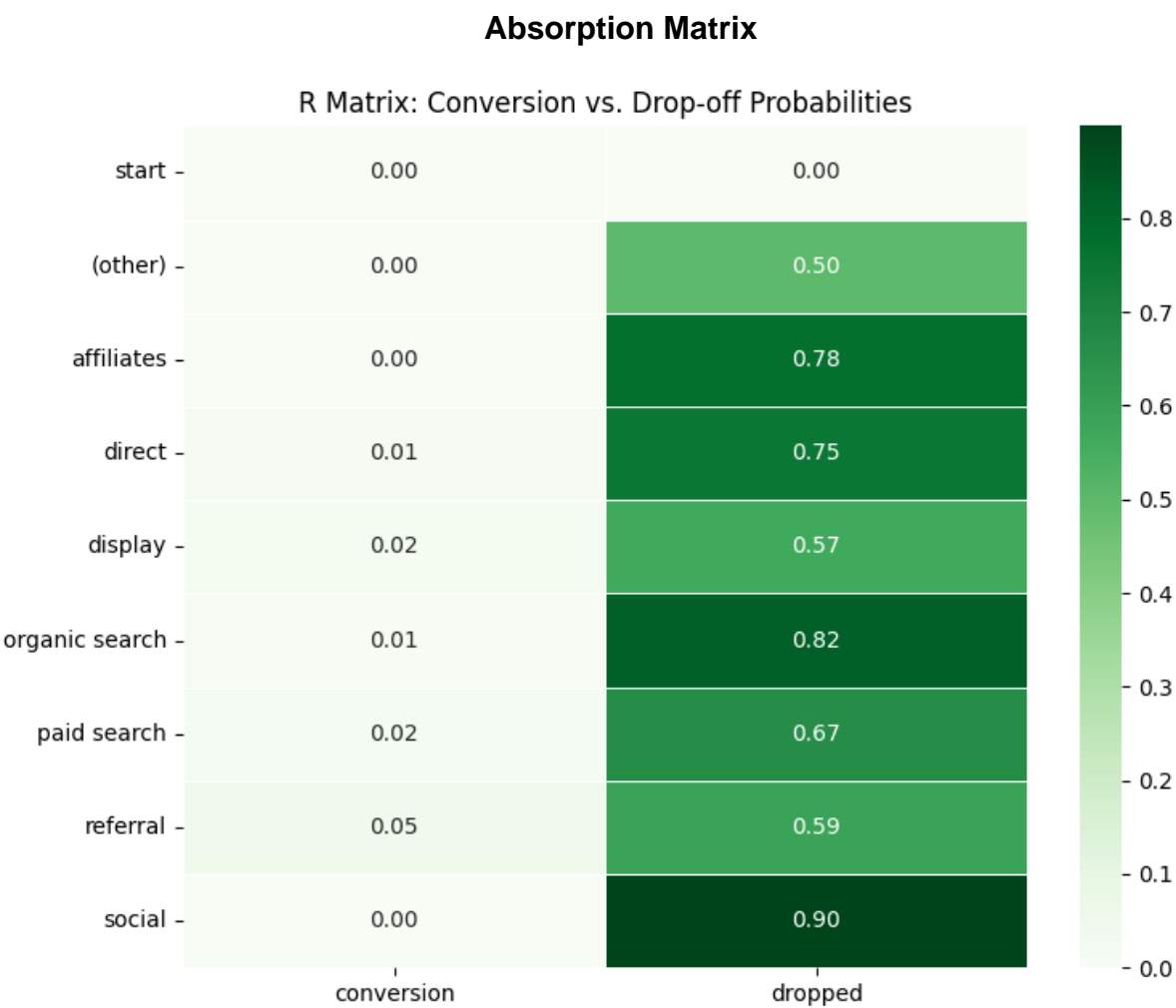
Conversion Probability per Channel

Direct Conversion Probability by Channel
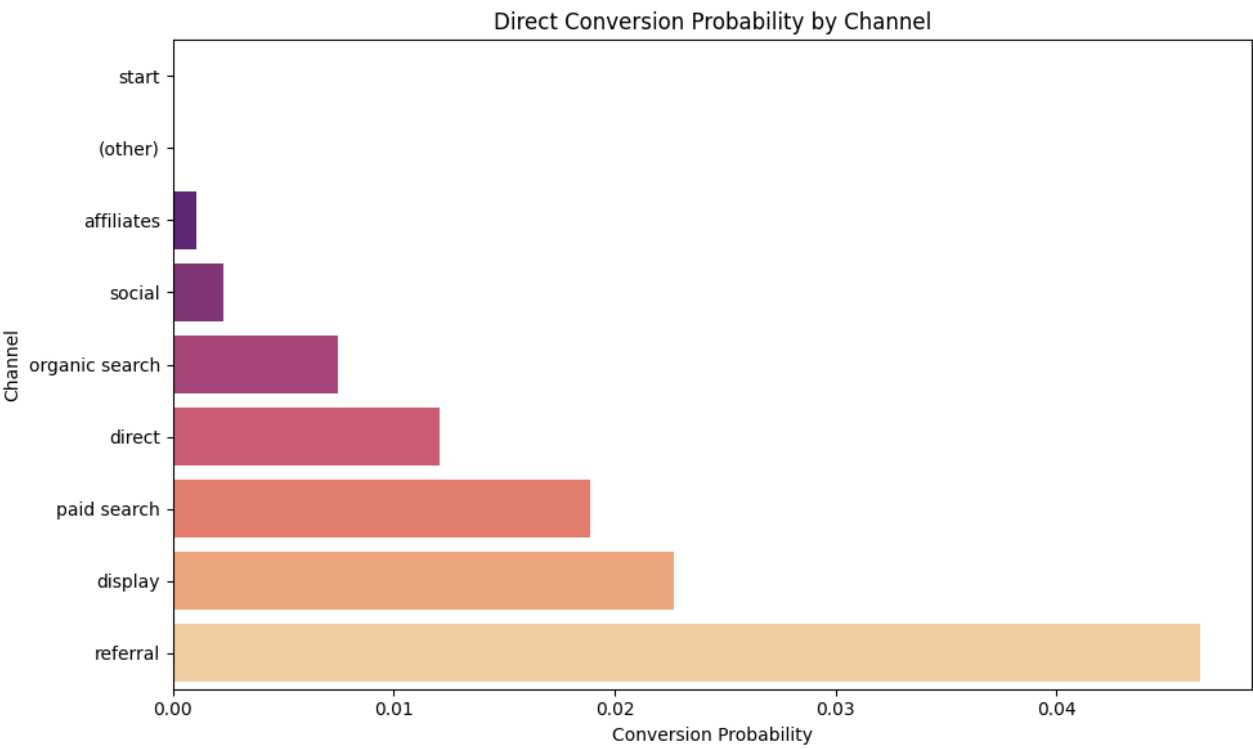
4. Strategic Channel Value

Referral has the highest removal effect at 85.0%, indicating it is a critical 'load-bearing' channel for conversions. Organic search is also vital, with a removal effect of 57.0%. Direct traffic follows at 33.0%. Notably, paid search has a relatively low removal effect of 9.0% despite its high ROI. This suggests that while paid search is efficient, its removal would not drastically impact overall conversion volume compared to referral or organic search. Affiliates and display have very low removal effects (1.0% and 2.0% respectively), despite affiliates having a positive ROI. This discrepancy warrants further investigation into how these channels contribute to the broader customer journey.

Removal Effects Analysis

Channel Value (Removal Effect on Conversions)