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% and contributes significantly to incremental revenue. Affiliates also demonstrate a healthy ROI of 20.97%. However, display advertising is a significant detractor with a negative ROI of -75.74%. The overall performance indicates a heavy reliance on paid search for driving revenue, with other channels showing varying degrees of effectiveness.
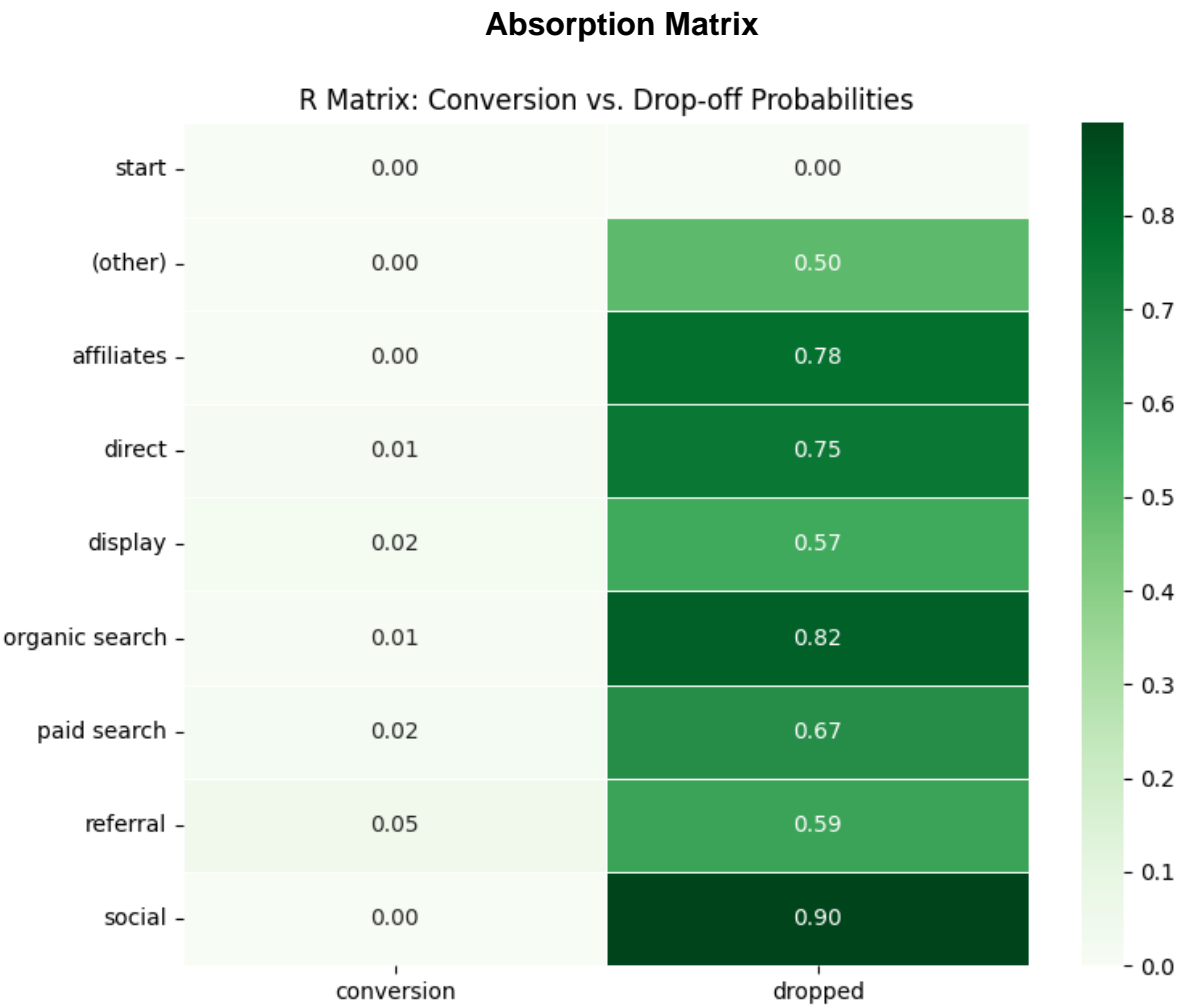
2. User Journey Analysis

The Q-Matrix reveals that "organic search" is a significant feeder channel, sending traffic to "direct" (19.6%), "referral" (10.8%), and "social" (8.1%). "Direct" traffic also feeds into "organic search" (19.3%) and "referral" (1.6%). "Paid search" primarily transitions to "organic search" (9.2%) and "display" (0.8%), suggesting users move from paid to organic discovery or are exposed to display ads after initial paid search engagement. "Social" traffic predominantly stays within "social" (8.2%) or moves to "organic search" (0.9%).

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" channels exhibit the highest direct conversion probability at 4.7%, although they also have a substantial drop-off rate of 59.0%. "Display" has a conversion probability of 2.3% with a high drop-off rate of 56.5%. "Paid search" shows a conversion probability of 1.9% and the highest drop-off rate at 66.5%. "Social" has a very low direct conversion probability of 0.2% and the highest drop-off rate at 89.9%. "Direct" traffic, while having a lower conversion probability (1.2%), also has a significant drop-off rate (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

The Removal Effect analysis highlights "referral" as the most critical channel, with 85.0% of total conversions being lost if it were removed. This indicates it's a "load-bearing" channel. However, its ROI is not provided in the provided data, making a direct comparison to ROI difficult. "Organic search" is the next most critical at 57.0%, followed by "direct" at 33.0%. "Paid search," despite its high ROI (63.45%), has a relatively low removal effect of 9.0%, suggesting it's efficient but not as foundational to overall conversion volume as referral or organic search. "Social" and "display" have very low removal effects (3.0% and 2.0% respectively), which, when compared to their ROIs (7.82% for social and -75.74% for display), further emphasizes the need to re-evaluate their strategic importance and performance.

Removal Effects Analysis