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 healthy ROI of 20.97%. However, display advertising is a significant underperformer with a negative ROI of -75.74%. Billboard and TV advertising show positive ROI but have no attributed weight in our MMM model, suggesting their impact is not fully captured or understood. Social media has the lowest ROI at 7.82%, indicating a need for optimization.
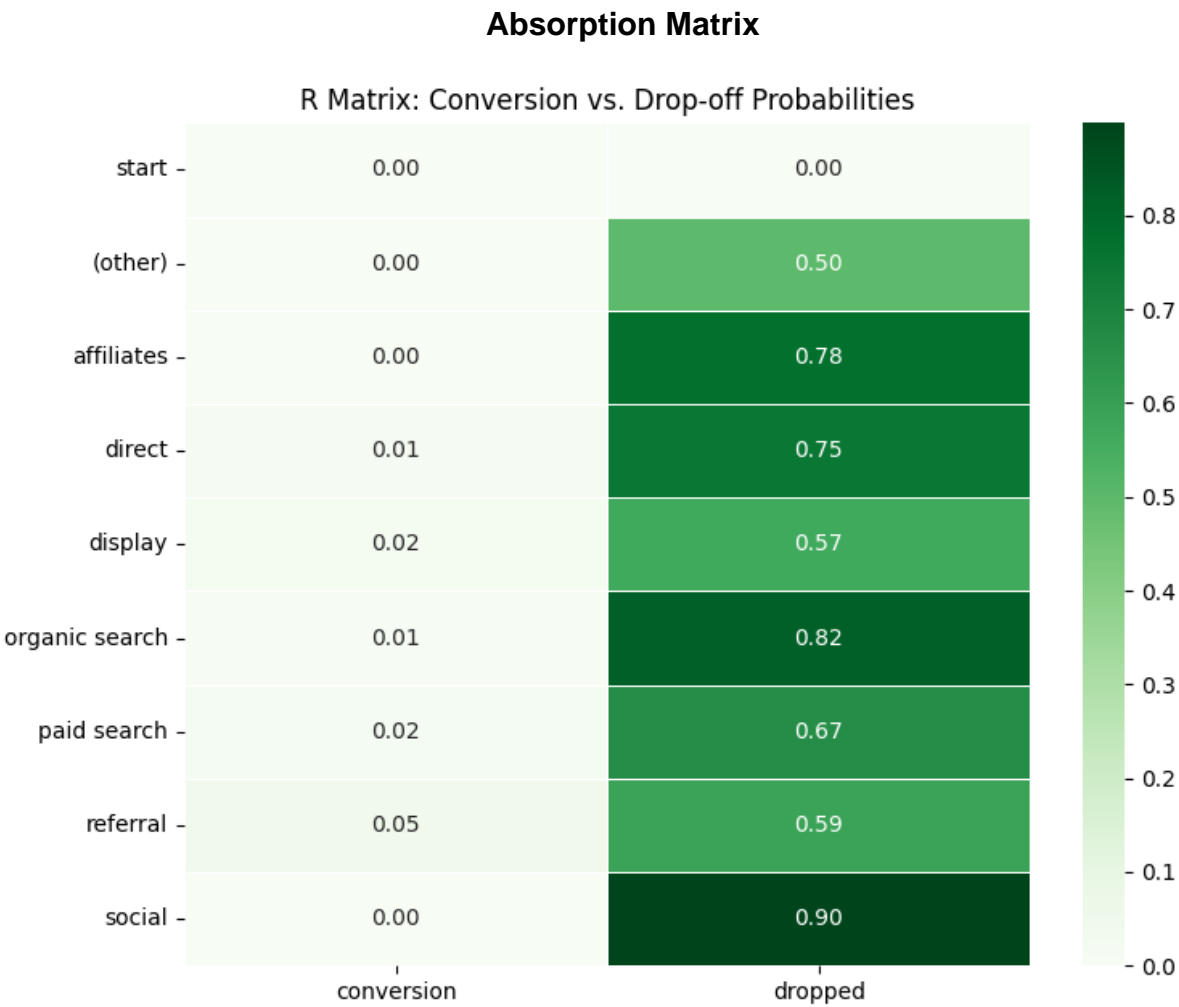
2. User Journey Analysis

The Q-Matrix reveals several key feeder channels. Organic search is a significant feeder, sending traffic to direct (15.3%), paid search (0.5%), and social (0.2%). Direct traffic also feeds into other channels, notably organic search (1.9%) and paid search (0.3%). Paid search itself acts as a feeder to organic search (9.2%) and display (0.8%), highlighting a potential synergy but also the risk of cannibalization. Social media primarily feeds into itself (8.2%), suggesting users may be engaging repeatedly within the platform before potentially moving elsewhere.

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%, despite a substantial drop-off rate of 59.0%. Display advertising, while having a high drop-off rate (56.5%), still shows a 2.3% direct conversion probability. Paid search has a relatively low direct conversion probability of 1.9%, coupled with a high drop-off rate of 66.5%. Social media has the lowest direct conversion probability at 0.2%, with an extremely high drop-off rate of 89.9%.

Absorption Matrix

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. Organic search is also vital, with a removal effect of 57.0%. Direct traffic follows at 33.0%. Notably, paid search, despite its high ROI, has a relatively low removal effect of 9.0%. This suggests that while paid search is efficient, its removal would not drastically impact the overall conversion volume compared to referral or organic search. Conversely, social media and display advertising have very low removal effects (3.0% and 2.0% respectively), further emphasizing their current limited contribution to overall conversion volume, especially when compared to their ROI figures.

Removal Effects Analysis

Channel Value (Removal Effect on Conversions)