Marketing Attribution Strategy

Generated by Nexus AI

1. Executive Summary

Our marketing performance shows a mixed bag of results. Paid search leads with a strong ROI of 63.45% and contributes significantly to incremental revenue. Affiliates also show a positive ROI of 20.97%. However, display advertising is a significant detractor, with a negative ROI of -75.74%. Offline channels like billboard and TV have positive ROIs but lack detailed attribution data. Overall, paid search and affiliates appear to be our most effective channels for driving growth.
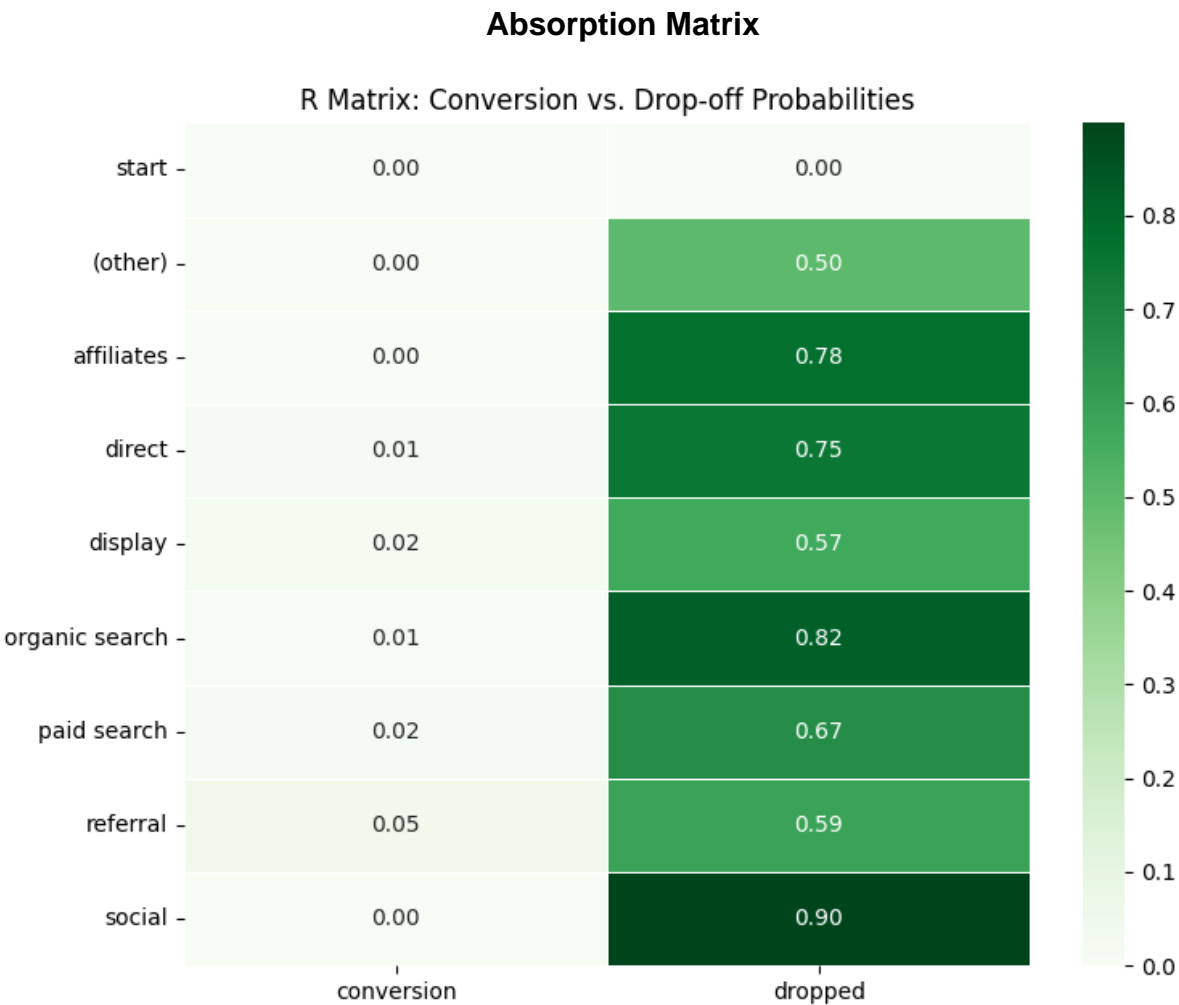
2. User Journey Analysis

The Q-Matrix reveals several key feeder channels. 'Organic search' is a significant feeder, sending traffic to 'start' (55.9%) and 'paid search' (9.2%). 'Direct' traffic also feeds into 'start' (19.6%) and 'paid search' (0.3%). 'Referral' traffic shows a strong tendency to stay within its own channel (33.3%) but also feeds into 'start' (10.8%) and 'social' (0.6%). 'Social' traffic primarily stays within its own channel (8.2%) but also feeds into 'start' (8.1%).

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' exhibits the highest direct conversion probability at 4.7%, although it also has a substantial drop-off rate of 59.0%. 'Display' has a 2.3% conversion probability but a very high drop-off rate of 56.5%. 'Paid search' has a 1.9% conversion probability and a high drop-off rate of 66.5%. Conversely, 'social' has a very low direct conversion probability (0.2%) but an extremely high drop-off rate of 89.9%.

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 Effects data 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. 'Organic search' is also crucial, accounting for 57.0% of lost conversions. In contrast, 'paid search', despite its high ROI, only accounts for 9.0% of lost conversions. 'Social' and 'display' have low removal effects (3.0% and 2.0% respectively), suggesting they are less critical for overall conversion volume, especially considering display's negative ROI.

Removal Effects Analysis

Channel Value (Removal Effect on Conversions)