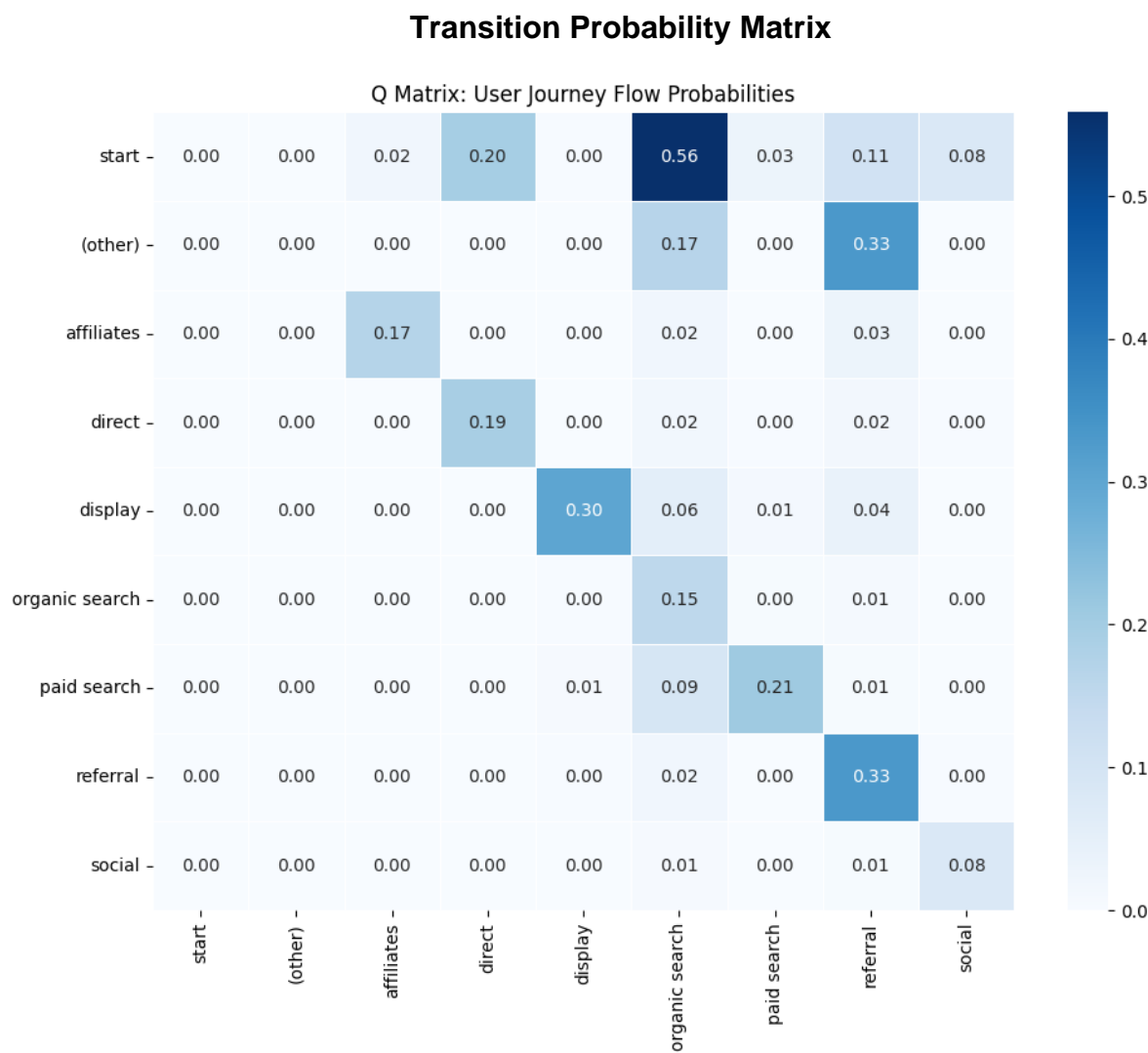# Marketing Attribution Strategy

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1. Executive Summary

Our overall marketing performance shows a mixed bag of results. Paid search is our top-performing channel with an impressive ROI of 63.45% and a significant mmm_share of 50.02%. 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 is being attributed elsewhere. Social media has a low ROI, indicating a need for optimization.
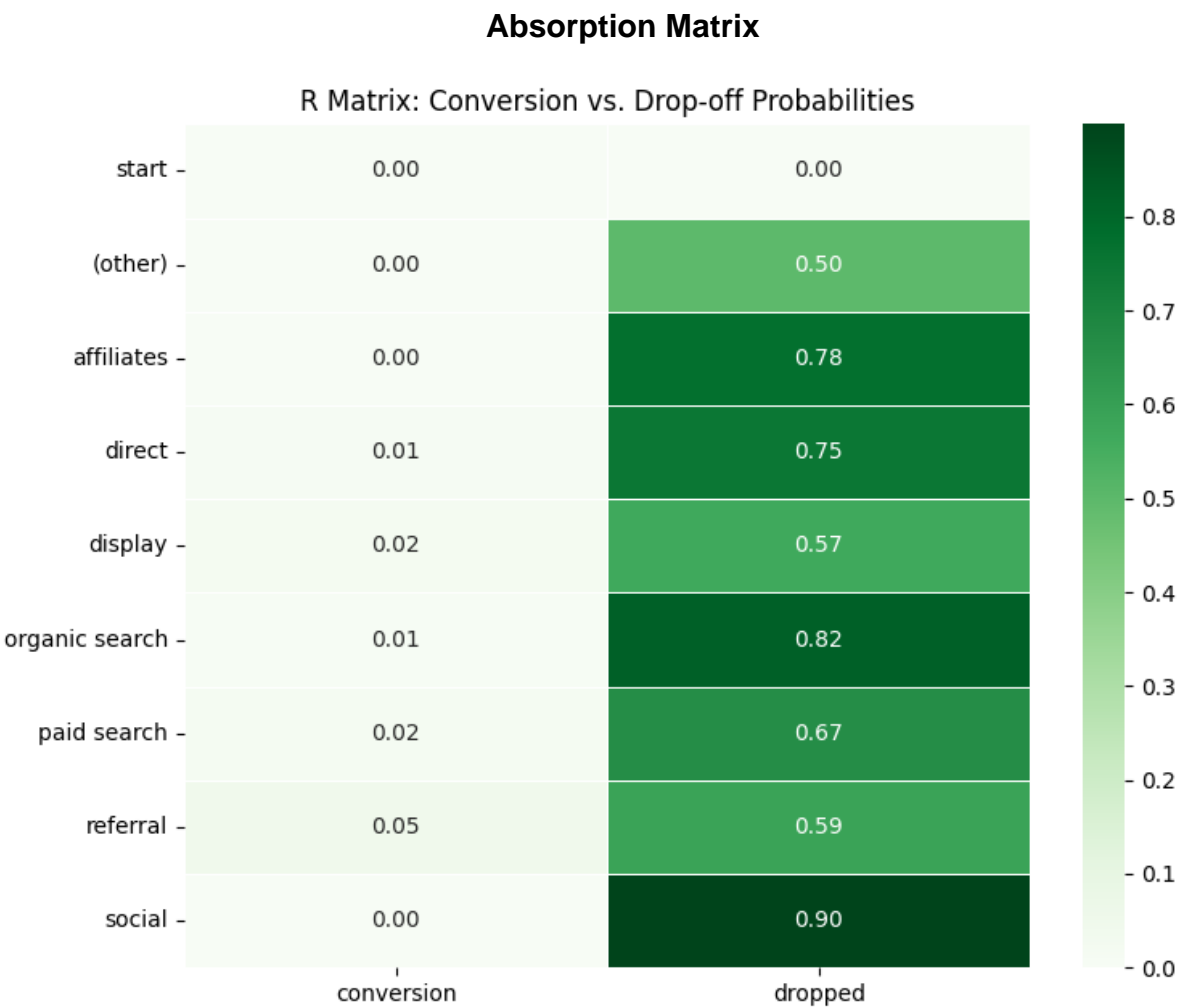
2. User Journey Analysis

The Q-Matrix reveals interesting 'feeder' relationships between channels. Organic search is a significant feeder, sending traffic to direct (15.3%), paid search (0.5%), and referral (1.0%). Paid search, despite its strong ROI, primarily feeds into itself (20.8%) and organic search (9.2%), suggesting a potential for users to click on multiple paid ads or transition to organic search after an initial paid click. Social media acts as a feeder to direct (0.001%), display (0.001%), and importantly, to itself (8.2%), which might indicate users returning to social platforms. Referral traffic also shows a tendency to loop back to itself (33.3%), which could be a system artifact or indicate users returning to the referral source.

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 has the highest direct probability of conversion 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%. Social media has a very low direct conversion probability of 0.2% and the highest drop-off rate at 89.9%, indicating that users interacting with social content are unlikely to convert directly from that touchpoint.

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. However, its ROI is not provided in the provided data, making a direct comparison difficult. Organic search is the next most critical channel with a removal effect of 57.0%, and it also shows a positive ROI (though not explicitly quantified in the ROI table, its significant presence in the Q-matrix suggests it's a key driver). Direct traffic has a removal effect of 33.0%. Paid search, despite its high ROI of 63.45%, has a relatively low removal effect of 9.0%, suggesting that while it's highly efficient, its removal would not cripple overall conversion volume as much as referral or organic search. Social media 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 highlights the need for strategic review and optimization of these channels.

Removal Effects Analysis

Channel Value (Removal Effect on Conversions)