

Marketing Attribution Strategy

Generated by Nexus AI

1. Executive Summary

Our marketing performance shows a mixed landscape. Paid search leads in ROI at 63.45%, contributing significantly to incremental revenue. Affiliates also demonstrate a strong positive ROI of 20.97%. However, display advertising is a significant underperformer with a highly negative ROI of -75.74%. Offline channels like billboard and TV have zero attribution confidence, indicating a reliance on Marketing Mix Modeling (MMM) for their true impact. Overall, while paid search and affiliates are driving value, the substantial loss from display requires immediate strategic review.

2. User Journey Analysis

The Q-Matrix reveals interesting 'feeder' dynamics. 'Start' acts as a primary feeder, with a significant portion of traffic moving to 'organic search' (55.9%) and 'direct' (19.6%). 'Organic search' also shows a notable transition to 'direct' (15.3%). 'Direct' traffic, in turn, feeds back into itself (19.3%), suggesting habitual user behavior. 'Social' traffic primarily transitions to 'social' (8.2%), indicating a potential loop or consistent engagement within that platform. 'Display' shows a strong self-transition (30.2%), but also feeds into 'organic search' (5.7%) and 'paid search' (1.2%).

Transition Probability Matrix

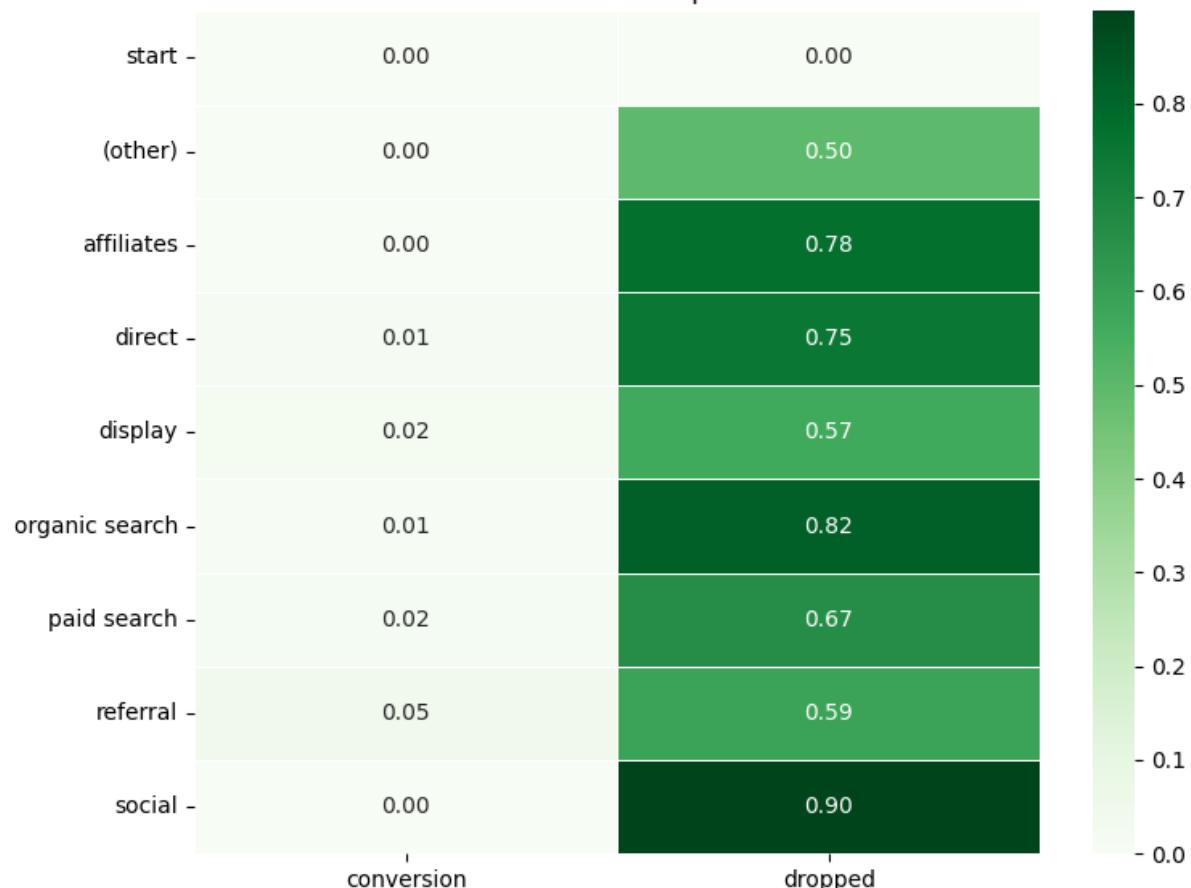


3. Conversion & Drop-off

Referral channels exhibit the highest direct conversion probability at 4.7%, although they also have a substantial drop-off rate of 59.0%. Display advertising follows with 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 channels have a very low direct conversion probability (0.2%) coupled with an extremely high drop-off rate (89.9%). Direct and organic search channels also show low direct conversion probabilities.

Absorption Matrix

R Matrix: Conversion vs. Drop-off Probabilities



Conversion Probability per 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 makes it a 'load-bearing' channel. 'Organic search' is the next most critical at 57.0%. Interestingly, 'paid search', despite having the highest ROI (63.45%), has a relatively low removal effect of 9.0%. Conversely, 'affiliates', with a strong ROI of 20.97%, have a removal effect of only 1.0%. This suggests that while paid search is highly efficient, referral and organic search are fundamental to our overall conversion volume.

Removal Effects Analysis

