

Achieving holistic attribution is more a journey than a goal

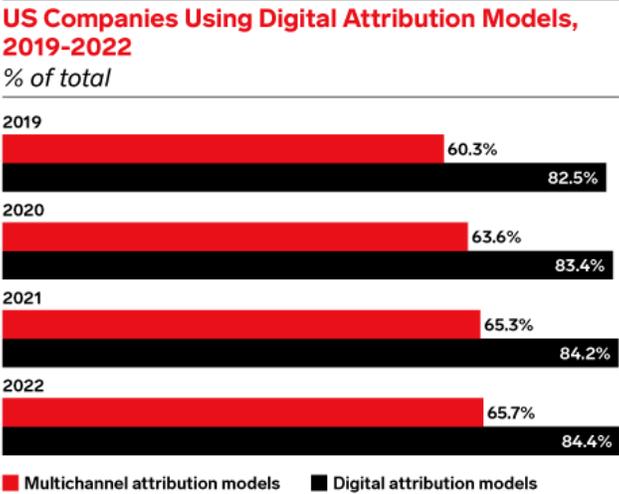
Article

Join us to hear more from Nicole Perrin, eMarketer principal analyst at Insider Intelligence, as she covers how to confront today's attribution challenges, including Apple's App Tracking Transparency framework and the deprecation of the third-party cookie. [Click here to reserve your seat.](#)

Understanding how marketing touchpoints contribute to revenues is one of marketers' most challenging yet vital tasks. Being able to demonstrate this contribution can turn marketing from a cost center into an investment that effectively drives market share gains for a business. Even with the rise of digital advertising, attribution has remained difficult—but more marketers continue to work on the problem.

When demand-side platform The Trade Desk polled agency and brand marketers in North America in September 2020, 84% said they were facing new pressure to prove the effectiveness of their ad spend since the onset of the pandemic.

We estimate that, by the end of this year, 84.2% of US companies with at least 100 employees will be using digital attribution models of some kind, including first- and last-touch models as well as more complex options. Some 65.3% of such companies will use multichannel attribution models (i.e., those capable of attributing credit for an outcome to more than one marketing channel or touchpoint).



Note: companies with 100+ employees that use at least one digital marketing channel; an attribution model is a way to differentiate the respective contributions of various marketing channels to a desired outcome; includes first- and last-touchpoint models and more complex multichannel models; multichannel attribution models are attribution models capable of attributing marketing credit to more than one marketing channel or touchpoint to differentiate the respective contributions of various marketing channels to a desired outcome; models can include both digital and nondigital channels and touchpoints
Source: eMarketer, Dec 2020

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The most advanced way of modeling attribution is a holistic one that includes not just bottom-up multitouch attribution, but also a top-down, marketing-mix-modeling approach. This allows for the planning of media budgets, as well as a better view of incrementality than multitouch attribution alone can provide. Achieving holistic attribution is more a journey than

a goal: Measurement is about getting closer to the truth through data but recognizing it will never be perfect. It also involves overcoming a host of challenges:

- **Data quality and infrastructure.** A third (33%) of business decision-makers worldwide said one of the biggest technological roadblocks to making decisions at their company was that data quality needs improvement, per July 2020 polling by cloud data analytics platform Exasol.
- **A lack of standardization.** For example, there's still no cross-screen standard currency for measuring TV and video advertising.
- **Walled gardens.** October 2020 research from DemandLab and Ascend2 found that 44% of marketing professionals worldwide said social media marketing was among the most difficult digital marketing channels to attribute sales revenues to.
- **Validating results and understanding methodologies.** Attribution methodologies are often opaque—experimentation is the gold standard for validating their results and measuring incremental lift.

As if these challenges weren't enough, regulatory and infrastructural changes are making it more difficult for marketers to identify people across channels. Past best practices will continue to serve marketers well as they deal with identity-related disruptions. Implementing a data strategy is a must, along with getting the organization aligned with business outcomes that matter and having channel-level key performance indicators (KPIs) that roll up to those outcomes.

These are just some of the attribution challenges and approaches we'll discuss at length in our upcoming live Meet the Analyst Webinar, **"Ad Measurement & Revenue Attribution."**