



# Marketing attribution comes of age

## Real-life insights from advertisers

A Criteo white paper

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## Foreword by Eric Eichmann Chief Revenue Officer, Criteo



Measurability and accountability. They have been every advertiser's Holy Grail since the late 19th century, when US department store merchant John Wannamaker famously quipped: "Half of the money I spend on advertising is wasted; the problem is I don't know which half." For the past few years, marketing attribution tools and techniques have brought us closer to fulfilling the quest — but we haven't quite reached it just yet.

The insights in this white paper strongly confirm what we at Criteo see in our day-to-day business with our 4,000 clients globally: attribution models and tools are useful, and finding the right one for one's business brings value—but they're no magic wand. Marketers are fully aware that attribution models cannot, on their own, capture the full complexity of customers' journey to purchase.

We've drawn a couple of lessons from our research, and we'd like to share them with all advertisers who are using marketing attribution, whether they use new-generation algorithmic methods, or stick to tried-and-true last-click attribution:

### **Lesson #1: Challenge whatever your model tells you.**

No matter how cutting-edge it is, a model remains just that: a simplified version of reality used for practical purposes. Simple shouldn't mean simplistic, though. In particular, make sure that you get a clear view on what touchpoints your model is missing. If you don't, you might miss sales.

### **Lesson #2: Stop assuming, start testing.**

Respondents said it loud and clear, and we fully agree: the best way to demonstrate causality is by testing. If you have doubts concerning the value of a marketing channel, or if you would like to see what doubling the amount you spend on it would really do to your sales, the best way to know it is to set up a test.

### **Lesson #3: Focus on touchpoints that truly have influence on the purchasing decision.**

Many touchpoints serve only to help a user navigate from one place to another; they don't actually influence any buying decision. Removing such "navigational" touchpoints from your model is less game-changing than switching to a new attribution model, but it has a big impact on your results — and on your ability to generate more sales.

As a marketer, knowing how your customers get to your cash register is YOUR job. So is taking strategic decisions as to what your advertising spend should be. And the good news is: no machine is going to take this away from you anytime soon.

Enjoy, and reap the benefits from these new learnings.

## Executive summary

The advent of new direct response channels like performance display has put pressure on **advertisers** to more effectively **measure their impact on sales**.

Exciting **new marketing attribution models and methods** have thus emerged, allowing advertisers to become more sophisticated in their approach to measuring ROI.

However, as our research shows, despite much talk, close to **80% of advertisers still use last click** as their primary attribution model—even when they consider it insufficient. There are still many organizational constraints and technical challenges that stand in the way of widespread adoption of multi-touchpoint models.

**Does this mean that advertisers are just sticking to their old ways? Certainly not.**

Even when they don't fully switch to more sophisticated attribution models, some advertisers are moving away from relying solely on last click. They are injecting intelligence into their marketing strategy by resorting to A/B testing (28%), and/or by using new attribution models as a second view to last-click (15%).

**The ability to track users across multiple devices** is perceived

as one of the most important challenges faced by the industry today. If marketing attribution can help resolve these challenges, it will truly help fulfill online advertising's promise of measurability and accountability.

## About this white paper

This white paper is about marketing attribution and its role in today's digital marketing landscape. It looks at how advertisers are using attribution in their current decision-making processes, the expectations they have for it in the short- and mid-term, and some of the challenges it presents.

To get a holistic view of the subject, we used several complementary sources for this paper:

### Qualitative research

Interviews with 11 advertisers and solution vendors in the US and Europe, all of them involved in marketing attribution.



### Quantitative research

86 Criteo sales representatives worldwide participated in the survey, and 177 client accounts were surveyed.



### Focused interviews

Criteo interviewed two thought leaders, Rav Dhaliwal (Office, UK) and Gagan Kanwar (Marin Software, US), each on a specific topic where they had a great story to share.



### External sources

In order to add breadth and depth, we added key insights and data points taken from credible sources at recent industry conferences.

## Marketing attribution: a few definitions

In digital direct response marketing, “attribution” designates the art and science of attributing sales to marketing channels in order to optimize the allocation of advertising budgets. It answers the question: “What part of my marketing efforts, if any, should be credited for this specific sale?”

### Models, methodologies and platforms

Although widely referred to as “attribution” in general, this subject actually covers separate but related topics:

#### Attribution models

There are several types of attribution models. Last-click, first-click and first touchpoint are single touchpoint models, where one touchpoint gets full credit for the sale. Linear, U-shaped and time-decay are multi-touchpoint models, where credit for the sale is spread over several marketing channels (see graph on p.5). Today, last click is by far the most widely used model.

Most models “de-duplicate” sales results, so that the same sale cannot be counted twice. For instance, if a sale occurs after two separate customer touchpoints, then either the model splits the credit between both touchpoints (if the model is multi-touchpoint), or credits one at the expense of the other (if the model is single touchpoint). Some models, however, use “raw” sales, where a sale is credited on multiple touchpoints that all get 100% of the sale. Raw models are frequently used by advertisers as a second view to other models, in order to get holistic view of which channels are part of the customer journey. Raw models are also widely used by vendors to aggregate sales across multiple accounts — without having to factor in the disparate (and often unknown) attribution models of their clients.

#### Attribution methodologies

The attribution methodology is how you decide which model is right for your brand and how you adjust it moving forward. Recently, advertisers have begun using statistical models to analyze and weigh the information coming from different touchpoints.

#### Attribution platforms

Advertisers have long relied on web analytics platforms to analyze where their traffic and sales were coming from. Some advertisers, though, have sought to complement this information. They’ve done this by either building their own attribution platforms in-house, or by purchasing technology from the many pure players who specialize in providing attribution platforms.

### Multi-channel, multi-screen, online/offline

Attribution can also cover a variety of perimeters:

#### Across digital channels

This is what most people refer to when they use the word “attribution”. Typically, attribution across digital channels seeks to differentiate the respective contributions to a sale of different direct response channels such as search, display or affiliate advertising.

#### Across multiple screens

Attribution across multiple screens looks at the respective contribution of the different connected devices that a consumer may use throughout his or her journey to purchase, from the first initial touchpoint right to the sale.

#### Across multiple sales channels

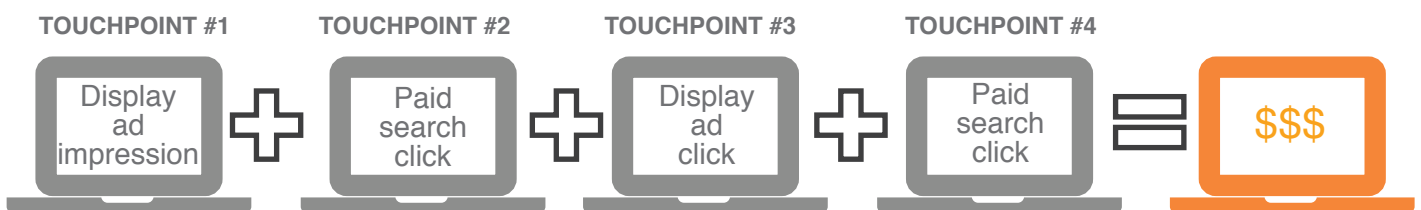
This type of attribution incorporates offline sales touchpoints—mail order, physical outlets—as well as online ones.

#### Across multiple media

Some models include the impact of offline media on sales, while others include digital channels exclusively.

## Attribution models explained

To better explain the differences between attribution models, here is an example of how the different models would credit the same customer journey.



In the above path to purchase, the customer first saw a display ad but didn't click (#1). Then she clicked on a paid search link, landed on the advertiser's website but didn't purchase (#2). After this, she clicked on a display ad, and still didn't purchase (#3). Finally, she clicked on another paid search ad (#4), and she ended up making a purchase.

### How the attribution models would credit the different touchpoints:

TYPE	NAME	DESCRIPTION	What touchpoints would get credit			
			#1	#2	#3	#4
Single touchpoint	Last click	Last click gets all the credit	0%	0%	0%	100%
	First click	First click gets all the credit	0%	100%	0%	0%
	First touchpoint	First touchpoint (click or ad impression) gets all the credit	100%	0%	0%	0%
Multi touchpoint	Linear	All touchpoints get equal credit	25%	25%	25%	25%
	U-shaped	Touchpoints at the beginning and the end get more credit	40%	10%	10%	40%
	Time decay	Touchpoints at the end get more credit	10%	20%	30%	40%
	Raw	All touchpoints get all the credit	100%	100%	100%	100%

## High hopes for marketing attribution

“We’re in our early teens. It’s the ‘stupid’ age of attribution.”

Attribution has received a lot of attention from the market over the last three years. A Google Insights query on the expression “marketing attribution” reveals that the term, which was virtually unheard of in early 2011, experienced a sharp increase in search queries in late 2011 and 2012, and progressed even higher in 2013.

Why this sudden surge in interest? After all, marketers have long sought to measure impact and return on investment, wherever they could. Until recently, though, the most easily measurable direct online channel was limited to one digital touchpoint: search. That’s changing fast. Today, other marketing channels are demonstrating returns on ad spend that are similar to search—performance display being one of them. As a result, our study participants have high hopes for attribution:

—They consider attribution as a key means of fulfilling online advertising’s promise of measurability and accountability.

*“Today, marketing is about numbers. We can track everything, we know what the consumer is doing... Attribution is a given for the future.” (Advertiser)*

—They believe it has the potential to create great value to advertisers, especially with regards to its relatively low cost.

*“Attribution represents a very small percentage (of overall budget)—between 0.5 and 1%. That’s a pretty small effort in light of what’s at stake.” (Vendor)*

—They expect it to help advertisers allocate their budgets more effectively amongst various measurable channels.

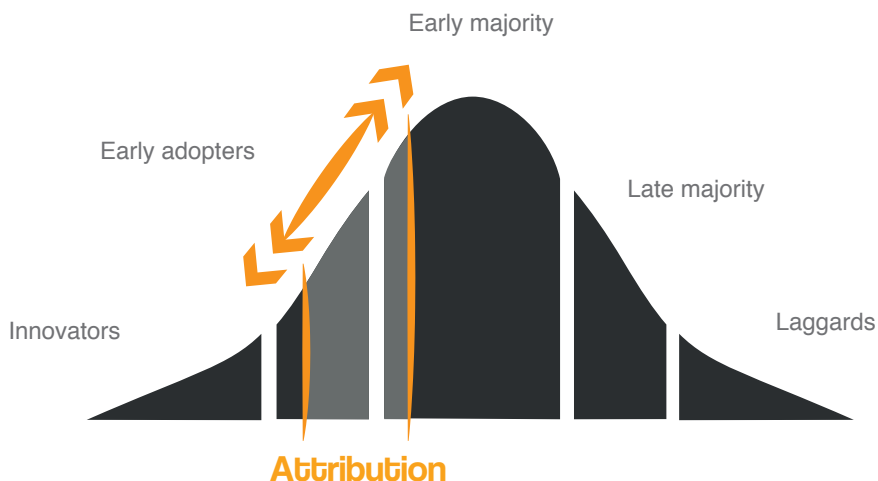
*“In the next 12 months we’ll be spending more money on display and retargeting than we will on search. This is a staggering change of our spend internally and I think we’re seeing this as an industry as well.” (Advertiser)*

Attribution, however, is still in its early stages. Although advertisers have been talking about it for a while, most of them have yet to adopt the tools and platforms they need to make sophisticated budget allocation decisions.

*“Attribution has been a discussion topic for about three years, but in reality, we’re still in the early days. Decision-making tools are only about a year old...” (Advertiser)*

*“(Attribution is in) late infancy, getting into teens. We are in the stupid age of attribution.” (Vendor)*

### Where attribution stands in the adoption curve



The curve below, made famous by Everett Rogers in 1962, is a common way of representing the diffusion of innovations. Most respondents to the study said they thought attribution was somewhere between Early Adopters and Early Majority.



## Attribution ecosystem trends: blurred lines

The attribution landscape is moving very quickly. Although pure players have a few years' headstart, web analytics providers are back in the game, with strong assets up their sleeves.

**Attribution pure players** appeared less than a decade ago (the oldest is 9 years old), when they took advantage of a gap in the offerings of web analytics providers: their lack of advanced attribution metrics. These companies are specialized, nimble, and innovate quickly. They have a user-centric view which allows them to analyze multi-touchpoint purchasing journeys, rather than the site-centric one traditionally offered by most web analytics platforms. Many are starting to integrate functionalities formerly offered by other players—viewability metrics or tag management, for instance—and some offer algorithmic attribution. However, despite these strengths, attribution pure players cover only 7% of the market<sup>(1)</sup>, and, with the potential exception of Clearsaleing, now a part of eBay, none has a global footprint.

Fully 25% of advertisers<sup>(1)</sup>, especially the larger ones, have chosen to go the **in-house** route and build their own attribution platforms, which has enabled them to build attribution into their data infrastructures. A significant portion of these platforms include offline sales channels.

**Web analytics platforms** represent 65% of the attribution market<sup>(1)</sup>. Since they initially focused on measuring websites' audiences, they have been slow to embrace multi-touchpoint attribution. This, however, is changing fast: Google Analytics, IBM Digital Analytics and Adobe SiteCatalyst now offer this

functionality. Thanks to their corporate backers, these firms also have access to extensive R&D resources. Their global scale and huge installed bases should help them become references on the attribution marketplace despite their comparatively slow start.

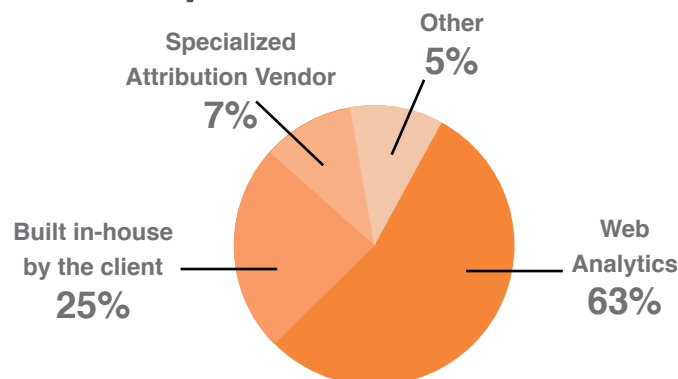
**Business analytics specialists** are another type of player that has emerged. These specialized agencies manage attribution on the behalf of clients. Although they focus on know-how rather than on technology, some of them offer more than just counsel and integrate other pieces of the puzzle—tag management, for instance.

To top things off, there is one trend that no one can ignore: **Facebook and Google** are gaining a foothold in the attribution landscape. With the acquisition of Atlas in 2012, Facebook entered the bid management and ad serving spaces. Google is already present throughout the spectrum with its suite and now offers algorithmic attribution. Of course, there is a strong possibility that both corporate behemoths might disrupt the market and offer services for free—as Google has done in the past with web analytics. This would likely put some of today's players out of business.

See also: The Attribution Ecosystem, 2013 infographics (centerfold)

(1): primary attribution platform used by Criteo clients. Source: Criteo internal, 173 client accounts surveyed

### Who really owns the attribution market?



Q: «Who provides the primary attribution model for your top 3 clients?»  
N=59 respondents, 173 client accounts («don't know» answers were removed from the total)

# the Attribution Ecosystem 2013

Search, Social

Paid media

Display / Video

## Campaign management

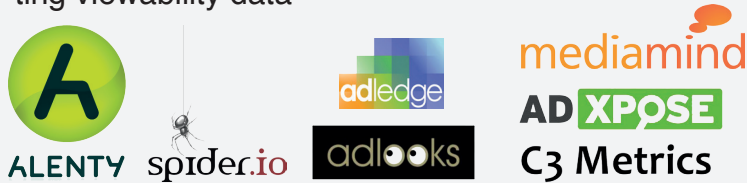
### Bid Management systems

Initially designed to optimize paid search campaigns, bid management systems increasingly factor in touchpoints that occur before the last click.



### Ad Viewability measurement

Improve the relevance of attribution metrics by injecting viewability data



### Ad Servers

FACEBOOK (Atlas)

Google (DoubleClick)

mediamind

### Tag management systems

Facilitate attribution by consolidating the tag management process. Some vendors also provide single-touch or multi-touch attribution metrics, although none provide algorithms.

TagMan Google (Google Tag Manager)

TAG COMMANDER UNIVERSAL TAG CONTAINER BRIGHTTAG One for All

## Analytics

### Web

Marketing attribution analytics companies provide multitouch

IBM Digital Analytics (formerly CoreMetrics)

Add value to the metrics provided by

Add value to the metrics provided by

Emulate the offering of

Strong overlap

web

Complete the offering

Attribution

Provide mainly on attribution platforms with Some players pr Actionable in real-

C3 Metrics

VISU Driving Brilliant Cross Chan

EULERIAN TECHNOLOGIES (ClearS

Manage (and

# Analytics

## Web Analytics

Manage  
 This is only part of what web analytics provide; not all of them support attribution.



## Optimization

Emulate the offering of  
 This category helps emulate the offerings of various touchpoints.

## Attribution 'pure players'

Online cross-channel optimization across multi-touchpoints attribution. Provide algorithmic attribution in real-time.

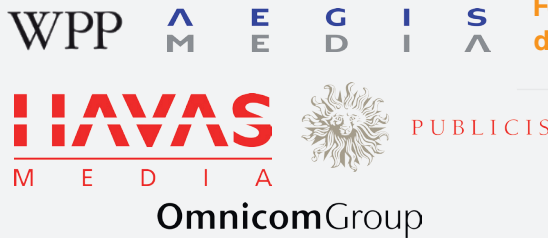


Manage (and emulate the offerings of)

# Consultants

## Media agencies

Agency-built models frequently include offline media, but are seldom real-time or built into the purchasing process.



Feed key data to

Frequently compete with

Audit independently, or help build

## Consultancies

Build models that frequently include offline media, but are seldom real-time or built into the purchasing process.



## Business Analytics specialists

Centralize the information help advertisers optimize their sites and campaigns.



In-house attribution models

Advertisers

NB: Companies are listed for illustrative purposes only. List non exhaustive.

## Focus on: Gagan Kanwar

Director of Partnerships and Research, Marin Software



Marin Software is a leading provider of online advertising management solutions, offering an integrated platform for managing search, display and social marketing. Leading advertisers using Marin include Razorfish, Neo@Ogilvy, University of Phoenix, Macy's, PriceGrabber, Salesforce.com and Reply.

### How mature do you think the attribution landscape is today?

It's just getting started. There are a few hundred companies globally that use attribution to manage and measure media. If you cross-reference that against a market that has a hundred billion dollar ad spend for 2012 and growing to \$150bn by 2017, then we're just at the very beginning.

However, attribution has evolved a lot in the last two years. At the time, it was an exotic, experimental thing for forward-looking, innovative advertisers. Since then there has been a lot of proof around the business value of attribution. Now it is being talked about by all cross-channel advertisers.

*"[Two years ago, attribution] was an exotic, experimental thing. Now it is being talked about by all cross-channel advertisers."*

Gagan Kanwar

### What caused attribution to become such a major topic?

Its growth has been spurred by the increasing fragmentation that followed the advent of real-time bidding (RTB), and also by the perception that display advertising can drive performance in the same way that search does. This created the need for advertisers to separate the impact of display from that of search. Now everyone is thinking about it.

### In marketing attribution, what methods and metrics do you think will matter most two years from now?

Today, we're still in the early stages where a lot of attribution companies have different methodologies. Within the next 12-24 months, there will be an increasing consensus around which attribution methodologies work really well. Then the industry will converge around a set of methodologies and measurement techniques.

Algorithmic attribution, in particular, makes a lot of sense, as it addresses the fact that you're dealing with "big data". Algorithmic, at its core, is about letting a computer help you identify which interactions are having what impact. From that point of view, algorithmic has to become a part of the attribution methods, because there is too much data for it to be done manually. However, what we won't know until a couple of years is what specific algorithms work.

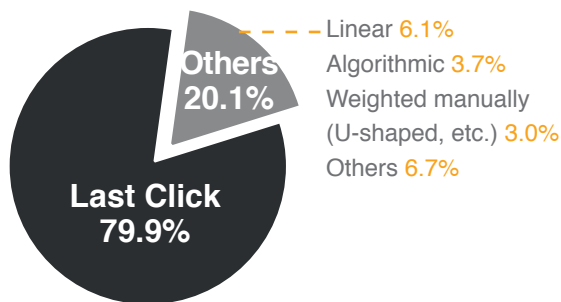
Also, I think there two problems the market is facing now that are especially important to address and that will get solved somehow in the near future: connecting what's happening offline to what's happening online, and identifying users across devices.

## The state of cross-channel attribution, 2013

Despite much discussion about multi-touchpoint attribution, last click remains the *de facto* currency among direct-response advertisers.

### 1. 80% of direct response advertisers use last click

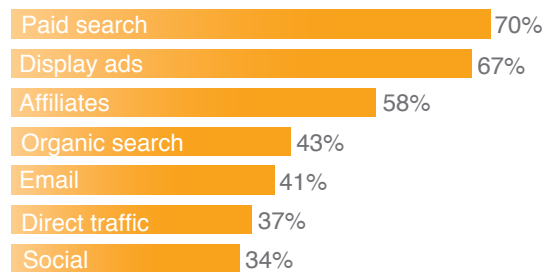
Many, though, refine it by subtracting organic clicks, branded paid search queries and other 'navigational' channels from their models.



Q: «What PRIMARY attribution model do your top 3 clients use to allocate their online ad spend? (even though they may use other methods in parallel)» N=59 respondents, 173 client accounts. Base: advertisers with known attribution method.

### 2. Paid search, display and affiliates are factored into most models

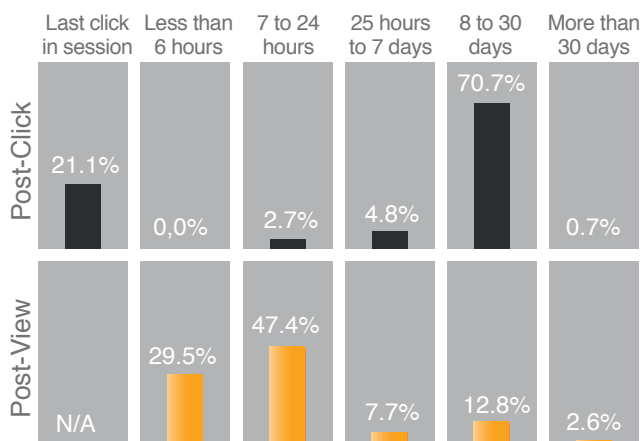
Whether they're based on last click or not, most models include these three channels.



Q: «What types of channels are credited/taken into account in your top 3 clients' primary model? (check all that apply)» N=59 respondents, 173 client accounts

### 3. Attribution windows: differences in post-click and post-view

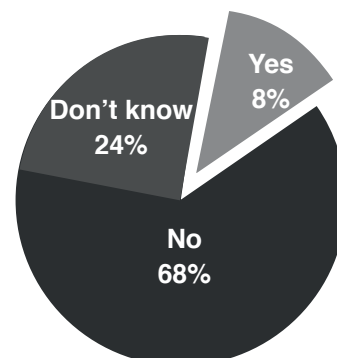
In post-click attribution, there are two camps: advertisers who use the narrowest possible attribution window (last click in session) and those who use much wider attribution window. In post-view attribution, though, nearly ¼ of advertisers use an attribution window of 24 hours or less.



Q: «Typically, what attribution window do your clients use for post-click and post-view?» N=59 respondents, 173 client accounts. Base: advertisers with known post-view or post-click window.

### 4. Viewability isn't there yet

Despite its widespread availability as a campaign report metric, only 8% of advertisers use viewability as a full-fledged component of their attribution models.



Q: «Do some of your clients include the viewability of display ads as a part of their attribution model? (if they measure it but don't use it to attribute sales, then tick 'no')» N=59 respondents, 173 client accounts

## “Why are we still using last click?” (Advertiser)

Everyone wants to move beyond last click, but switching to more sophisticated models is easier said than done.

Advertisers and vendors alike say they are dissatisfied with single-touchpoint approaches to attribution in general, and last click in particular. Last-click attribution is perceived as favoring “navigational” channels—those that are situated one click prior to purchase in the customer journey—at the expense of others. Worse, advertisers view it as inefficient. In an eConsultancy survey commissioned by Google in April, 2012, only 14% of advertisers said they believed last-click attribution to be “very effective”.

*“Last-touch approaches are likely creating an over-investment in certain channels.” (Advertiser)*

*“We’re all arriving at the conclusion that more than one channel works, and that attribution is inevitably multi-touchpoint.” (Vendor)*

### So, why isn’t the switch to multi-touchpoint attribution happening?

If vendors are optimistic, many advertisers believe the market isn’t ready to move to more sophisticated attribution models just yet. Inertia plays its part in this. However, it’s not just that old habits die hard. There are also a few very tangible and rational reasons why the transition is more difficult than it may seem.

*“It will take several years because we’ve been using last-click for the last ten years.” (Advertiser)*

## Top 3 reasons why advertisers aren’t taking the big leap yet:

### #1 Switching models requires new technology platforms and skills

Switching attribution models is difficult for advertisers. It requires deep adjustments to their information infrastructures, and may well require setting up new ones. Implementing platforms requires technical skills, and crunching the data, analytical ones, both of which are in short supply.

*“Correctly implementing the solution is one obstacle that shouldn’t be underestimated. It’s very important and it’s a stumbling block.” (Advertiser).*

*“Every day is a rush. We don’t have time for extracts and data crunching, and what’s more, we don’t have the skills.” (Advertiser)*

### #2 Switching models is highly disruptive

Ecommerce managers use dashboards that are typically built on last-click metrics to report on sales and return on ad spend to their senior management. Their objectives—and therefore their bonuses—are also often indexed on these same metrics. As a result, they lack incentives to move to multi-touchpoint attribution. It’s a paradox they’re keenly aware of.

*“It’s not an easy decision for management to make when it impacts such significant volumes of business.” (Advertiser)*

*“You’re between a rock and a hard place.... If you acted intelligently and rationally, you wouldn’t do the same things. You’d make decisions that are right for the company but that might create a short-term loss. But then, there’s the reality of objectives and the need to check off all the reporting boxes at the end of the month.” (Advertiser).*

### #3 Switching models implies new relationships with external vendors

You can adjust, in real-time, remuneration for ‘pay-per-click’ channels like search or performance display, but you can’t do the same for many others. Also, some key external vendors who provide important pieces of the advertising pipeline—bid management platforms, for instance—also use methodologies based on last-click metrics.

*“Distribute value? Everybody agrees, but no one uses it because people don’t know what they will communicate to partners like agencies, affiliates, etc.” (Advertiser)*

## Second views, A/B tests

Though most advertisers have yet to adopt multi-touchpoint models, they are not taking their existing data for granted.

Many advertisers don't have the resources, focus, bandwidth or management support for a full switch to more sophisticated attribution models than the ones they already have. Does this mean that they simply rely on last click without looking any further? Not at all.

In fact, whether or not they use last click, many are using complementary tactics that are less disruptive to their organizations than changing their primary attribution models altogether. Two widespread stop-gap solutions are using attribution tools as a 'second view', and A/B tests.

### Second View

Some advertisers do implement advanced attribution management solutions, even though their primary metrics and most of their infrastructure remain based on last click. However, these tools serve only as a 'second view' that enriches their existing metrics, but doesn't replace them. Our survey reveals that 15% of advertisers<sup>1</sup> have adopted these alternative models for comparative, analytical purposes. To some, this is a way to test the different attribution methods before they settle on one.

Another widespread use of attribution tools is to examine what channels are most often present in the customer journey, even though they might not get direct credit. This is a practical way for advertisers to get an idea of what channels are instrumental to generating sales.

*"To start with, we'll use it strictly for internal analytical purposes."* (Advertiser)

*"Since we continue to use last click to guide us, we only use attribution as a second view."* (Advertiser)

### A/B Tests

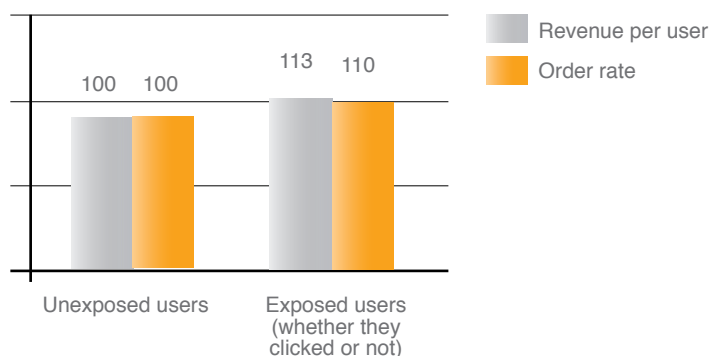
Testing is a popular way for advertisers to measure the impact of the different advertising channels on their sales, and 28% of them<sup>2</sup> perform 'A/B tests'. Typically, these tests consist in comparing online behaviors between a group of users exposed to a given stimulus (for example, performance display) and a matching group that isn't exposed. They can be performed either by vendors, or by the advertisers themselves. What's more, they can be used to validate metrics used in both single- and multi-touchpoint attribution models.

Despite their relatively complex set-up, A/B tests present some key strengths. First, they don't require changing any existing infrastructure. Second, and even more importantly, they provide advertisers with a true measure of causality, which makes them attractive even to advertisers with multi-touchpoint models (cf. Office case study on next page).

*«Each client must create tests to help determine causality.»* (Vendor)

1 - Q: «Do your top 3 accounts use another attribution model than their primary model as a SECOND VIEW?» - N=59 respondents, 173 client accounts  
2 - Q: «Do your top 3 accounts use A/B testing?» - N=59 respondents, 173 client accounts

## Example of A/B test results



This test revealed that users who were exposed to performance display ads were more likely to purchase and generate more revenue, whether they clicked or not.

Source: Criteo (average from 8 tests in the UK, with undisclosed advertisers from the Retail and Travel Sectors)

## Case Study:

### UK retailer refines its approach to attribution with A/B testing

# OFFICE®



Office enjoys a reputation as the trend-setting shoe retailer in the UK and Ireland. Created in 1981, the company now has 80 physical stores, and sells online through its website as well as via Amazon marketplaces and other major platforms.

Office closely monitors the effectiveness of its online marketing channels, which include search, affiliates and performance display. One of its key tactics is A/B testing, which it uses both to bolster the reliability of its multi-touchpoint attribution metrics and enrich the company's data, while looking at the incremental benefits of certain digital media streams. "We're continually A/B testing for paid search because it's so easy to do so, whether it's simple ad copy variance, [or] the impact of certain generic [keyword] groups that don't convert on the last click but certainly feed traffic through other channels," explains **Rav Dhaliwal**, Office's Senior e-Commerce Marketing Manager. "But the analysis should be inter-channel and not intra-channel."

#### Testing performance display

In early 2013, in partnership with Criteo and QuBit, an independent marketing attribution specialist, Office undertook similar testing on performance display. Since the company had not been relying solely on last click in its attribution model to measure this channel, it wanted to confirm its incremental benefit in a multi-touchpoint environment. "We knew performance display brought people back, which is fine," says Dhaliwal, "but what would it be without that? And do people through this media stream exhibit a difference in propensity to convert?"

*"There's no bias [to A/B tests], even given the amount of other marketing we do."*

Rav Dhaliwal

Dhaliwal says that test results "exceeded my initial expectations. People who were exposed to the ad exhibited positive results in terms of spend, clickthrough rate, and conversion rate." From a return on investment perspective, performance display "benchmarked quite well" against channels such as affiliates. "That's really positive because it shows us that we are retargeting in the right manner and with the right degree of engagement/effectiveness," he says. The test also showed that performance display did indeed bring in new clients and not just retain existing ones. "It's an acquisition channel for us," says Dhaliwal.

Because they work with one variable at a time, A/B tests have the ability to produce robust results even in multi-touchpoint environments. "There's no bias, even given the amount of other marketing we do," Dhaliwal points out. As a result, "the results were perceived very well" inside the company. Today, says Dhaliwal, performance display is clearly seen as bringing "tangible value in conjunction with other marketing streams."

Interviewed by Sylvain Piquet.

*Rav Dhaliwal is a senior digital marketer with considerable experience devising and implementing digital marketing strategies across multiple devices within both the fashion and FMCG sectors. He received Retail Week's Rising Star Award for Online in 2010, and was named in Directors.com Online Fashion 100 for 2012.*



## “Cross-device reconciliation will be our main battlefield in the coming months.” (Advertiser)

Just when the industry was beginning to solve one major challenge— attribution—along comes another that wreaks havoc into the process. That challenge is multi-device usage.

In most Western markets, the industry was largely caught off guard by the rapid rise of smartphone and tablet adoption. “Mobile came a lot sooner than anyone expected,” says one advertiser\*. “Our prediction was that mobile would overtake desktop by 2015. Yet one of our big brands hit the 50% mark a couple of weeks ago.”

### A major challenge – especially for client acquisition

From an attribution standpoint, multi-device usage is a major challenge, since advertisers lose track of users when they use multiple devices. Consequently, not only are they likely to waste advertising dollars on clients or prospects that have already been exposed to their ads on other devices, but they also get an inaccurate vision of the customer journey that actually led to the purchase. The two factors combined conspire to make optimization and informed decision-making significantly more difficult.

*“Cross-device usage with no singular cookie pool is a big headache.” (Advertiser)*

This is especially true in the case of client acquisition. With existing clients, advertisers can reconcile some cross-device customer journeys after the fact by matching client IDs. With prospects, however, they become blind as soon as the tracking continuum gets broken. And acquiring new users is an extremely important part of advertisers’ marketing efforts.

Even when the final purchase isn’t made on a mobile device, they have now become an important part of the customer journey that leads to the

purchase. Multi-device users are also considered more valuable, as they are far more likely to convert than single-device users—up to 18 times by some counts\*.

As a result, the ability to track users across multiple devices is perceived as one of the most important challenges faced by the industry today—a lot more urgent than the injection of offline media or offline purchasing data into attribution models, for instance.

*“For e-commerce managers, multi-device is more important than multi-channel, because traffic from mobile apps is starting to weigh very heavily.” (Vendor).*

### Who can tackle the issue?

It’s no surprise, then, that the industry is expecting marketing attribution to ‘grow up’ and help resolve these business-critical issues. Respondents to our survey think that major multi-platform players like Facebook or Google (or those who get access to their data), with users logged in on every device, might be among the first to get the necessary information to bridge the cross-platform divide. However, sooner or later, marketers might want to rely on a variety of cross-device information providers rather than just two, which calls for other players to actively look for a solution of their own, too.

*“In my view, only Facebook and Google have the data it takes to connect different devices.” (Advertiser)*



\*External source, UK, June, 2013

## Conclusion

### Marketing attribution: no silver bullet to managing complexity

An overwhelming majority of advertisers are still clinging to last click as their primary attribution model—even if they judge it more unfair and inadequate than emerging, more sophisticated, multi-touchpoint ones.

They have some very legitimate reasons to do so. First, replacing attribution models is extremely disruptive to the business, and requires changes to well-established processes and new technology. Secondly, multi-touch models are still new, so they've yet to prove their superiority to a point that would make change inevitable, regardless of the effort involved.

So, last click continues to reign, though it no longer stands alone. Tactics such as excluding 'navigational' channels from a last-click model, performing A/B tests, or using multi-touch models as a second view are gaining ground, and can have tangible repercussions on the business. So advertisers are getting more sophisticated. It's just that they have yet to find the silver bullet capable of tackling the complexity of multi-channel attribution.

The big question now is: will they ever? Will the market fully and durably evolve towards multi-touch models, or is the last click slated to rule for the foreseeable future? Although the challenges created by multi-device usage may divert attention from the issue of cross-channel attribution, our bet at Criteo is that the debate about last click is not about to disappear anytime soon. The good news is that advertisers now have powerful tools to complement their existing models, and enable a three-dimensional vision on their return on investment. Until, perhaps, some new technology comes and disrupts the market.



### **About Criteo**

Criteo is a global leader in digital performance display advertising, working with over 4,000 ecommerce companies and brands around the world. Criteo has over 700 employees in offices across the US, Europe and Asia, serving more than 35 countries.

*For more information, please visit <http://www.criteo.com>*

### **About CSA**

As a market research agency and consultancy, CSA offers guidance and support to its customers that goes far beyond the mere transfer of raw data. CSA makes operational recommendations based on objective data--in other words, CSA market studies are a powerful tool for decision-making.

A specialist in ad-hoc studies, CSA uses its expertise and complete mastery of highly-integrated qualitative and quantitative methodologies to offer its clients research solutions and studies tailored to them and the challenges and issues they face. The agency adopts a transversal approach to research by creating synergies between its different areas of expertise. Sector-specific areas of expertise include: Digital, Media, Advertising; Banking-Finance-Insurance; Services and Industry; Opinion & Corporate.

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