



Measuring the System for Correct Attribution

PEOPLE SYSTEMS THINKING

BY JEREMY GRIFFITHS, CHIEF BUSINESS SCIENCE OFFICER 15 DEC 2014

Measuring a system fairly is as important as understanding how it works. Jeremy Griffiths explains why fair attribution is a pre-condition to making the right connections. By Jeremy Griffiths, Chief Business Science Officer, MediaCom Worldwide

For more than 15 years, the MediaCom Business Science team has worked hard to identify the key drivers of real business performance. Initially, we focused on measuring direct response metrics. Today, our work has evolved into a much more holistic approach that covers brand response as well as communication and engagement goals: anything, in other words, that may elicit a meaningful consumer response across a client's communications system.

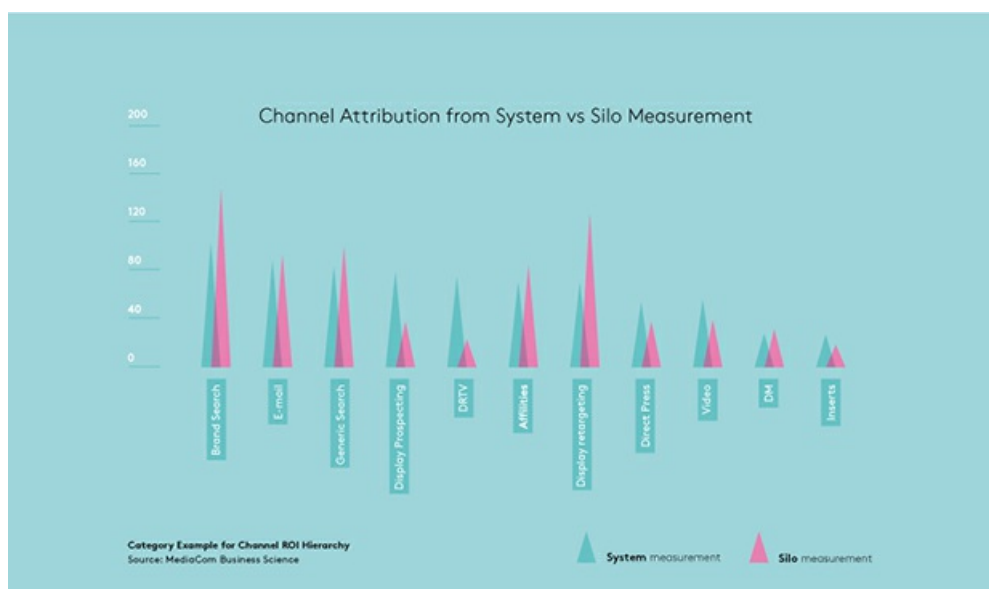
We believe that, in a world in which one element of the system can have a major impact across an increasingly far-flung system, truly connected measurement is now mandatory. Brands that fail to attribute accurate credit for achieving their KPIs risk making the wrong investment decisions.

Measuring interdependent activities

Too many marketers measure the performance of each of their marketing activities as if they work independently of each other. The reality is that what happens in one part of the system has an impact on all the others.

Take, for example, brand search, retargeted display and affiliates. Last-click analysis would credit these channels with driving a large proportion of success. In the majority of cases, however, these channels harvest the benefits of other, more upstream activities. This is not to say that investment in these channels is not profitable, but a fair allocation of reward could reduce their contribution. Our analyses shows that around 50% of sales directly attributed to retargeted display would have converted anyway; if this is the case, might it change your investment mix? Maybe. What we know for sure is that connected knowledge is power.

The graph illustrates the power of what is measured in individual silos vs. the same elements measured across a connected system.



Note that this graph is a live example of an average ROI hierarchy in a specific category at an efficient spend level. While there will always be a wide spread on actual ROI performances for each channel, what's notable is the ROI difference not between channels, but between channels based on how they're measured. A fully connected system audit can make a huge difference, potentially turning the "worst" channel into the "best".

Three changes to measurement

Adapting to this reality requires three key changes to the way we look at measurement. The first is recognizing just how complex the journey through the purchase funnel has become. It's crucial to discover all the steps along the way, along with how they interact with one another. This will enable brands to build a connected system of communication that puts the right messages in the right places.

The second key change is being able to increase the speed at which measurement occurs. Securing a comprehensive econometric analysis report nine months after messaging begins won't help manage a campaign. We work with our clients to identify the lead indicators (signals) that match as closely as possible to the business KPIs they want to achieve. Then we use those signals to enable optimization across the system as the communication happens.

These rapid metrics could be search numbers, social buzz or website visits. What's important is that they have a proven, causal correlation with the desired outcome metric. We also need an intelligent attribution model. If we simply look at footfall you may be tempted to only advertise on Friday, as Saturday is the busiest shopping day.

The third key change that connected measurement requires is the power to respond to the real-time data. This may not be an obvious measurement issue, but there's no point tracking whether a message is performing if there isn't a contingency plan. Smart advertisers will have messaging alternatives to automatically slot in if what's in place appears to be failing. Television production costs are problematic, obviously, but there are fewer obstacles in the areas of online display and other digital channels.

At MediaCom, we have found that by simply encouraging people to think about measurement and the interdependences in any communications system leads to better planning and improved campaign results.

PEOPLE SYSTEMS THINKING