

MARKETING ATTRIBUTION: SMARTER WAYS TO FOLLOW THE MONEY

HOW TO USE THE RIGHT NUMBERS TO BOOST REVENUE AND SHOWCASE MARKETING'S WORTH TO THE C-SUITE

THE CHALLENGES OF ATTRIBUTION

The key issues in measuring—and proving—marketing's impact across the organization

In today's world, driving business growth is job one for marketers. To prove your team is making that happen, it is imperative they have a clear view of marketing attribution. But pulling together the data and measuring the success of your initiatives across all channels and touchpoints is tricky business.

Connecting the dots between digital and retail channels to create a unified picture of marketing measurement is crucial, but many CMOs feel they don't have access to the right metrics to fuel their decision making.

A lot of variables go into creating a process for making data-based marketing decisions, says John Busbice, co-founder and chief product officer of Keen Decision Systems.

"You need to have good information and understand what to value and what kind of business outcomes you're after," says Busbice. "You need to understand the risk and all the alternatives."

From first to last touch, there's a lot of different ways to go about attribution, and all of these tactics can be weighted differently in the marketing mix. But while attribution gives you information about where you are now, it doesn't tell you where you are going, and that can be a problem.

Driving growth is far and away the number one challenge for marketers,

according to nearly 38 percent of respondents to the recent CMO Survey conducted by Duke's Fuqua School of Business, Deloitte and the American Marketing Association. Other top hurdles included creating a powerful brand (14 percent), securing marketing budget (13 percent) and proving ROI (11 percent.)

For many brands, not knowing the right direction to move in can lead to an over investment in some areas, simply because they are trackable in the moment. "Certain tactics can be tied immediately to the sale, but there's a rich theory in [looking at] the long term," says Busbice. "If you don't acknowledge that, then you're going to make sub-optimal decisions."

A recent survey by ClickZ and Keen shows that 52 percent of marketers see the ability to better understand the customer journey as a key benefit of better data-driven decision making. Thirty-one percent see it as vital for optimizing channel investments, and 15 percent feel it will improve creative. How marketers are going about it is evolving too. Seventy-five percent are using technology to evaluate marketing performance; 17 percent see assessments as very effective in evaluating future efforts, while 45 percent see them as better than average.

Another challenge when it comes to measurement is the fact that marketers aren't necessarily speaking the same language as the C-suite,

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says Greg Dolan, co-founder and CEO of Keen Decision Systems. The CMO Survey showed that demonstrating impact on financial incomes is a marketer's top communication challenge when it comes to engaging the C-suite, cited by 64 percent of survey respondents.

"The CFO, COO and CEO are looking at shareholder value, revenue

and profitability, while marketers might be talking about softer metrics, like awareness and reach—that's lost on the rest of the C-suite," says Dolan. "Marketers need to be able to translate what they are doing into financial terms. Of course, it's important to build equity and brand value, but at the end of the day it's about demonstrating that in dollars and cents."

DATA GUIDES THE WAY

Understanding what data really means, and how to use it to shape marketing decisions that will drive the brand forward

Informed decision making starts with having a model that shows how marketing contributes to sales, how that activity translates to revenue, and how increases or decreases in a tactic can translate to value for the brand, says Busbice.

Begin by thinking about how marketing impacts the business. You don't have to get fancy with coefficients and models; rather, just start with a diagram to see the causal paths to the outcomes, and go from there. People have issues making data actionable because they start measuring before they know what the desired outcome really is, he says.

"Think about the end first, before you step forward with the data," says Busbice. "Don't get lost in the data and let it just become noise. Know what actions you might want to take, and then move back into the data."

In many organizations, marketing data is still very disorganized, coming from numerous sources, such as agency partners, point of sale, sales reps, research departments, analytics teams or financial services. Brands have multiple systems for organizing data and multiple people accessing those systems.

At the end of the day, it all comes down to sales and profit. But finding what moves the needle isn't an easy task. CPG companies, for example, have been historically well-grounded in marketing mix modeling, but neither that nor digital, multi-touch attribution is forward-focused or able to account for external factors, like competition.

Unified marketing measurement and optimization is the next generation of attribution, as marketers look for a path that accounts for the future financial impact of both online and offline tactics, as well as accounting for external factors. "That's where the industry is moving, and it is expected to double in the next five years," says Dolan.

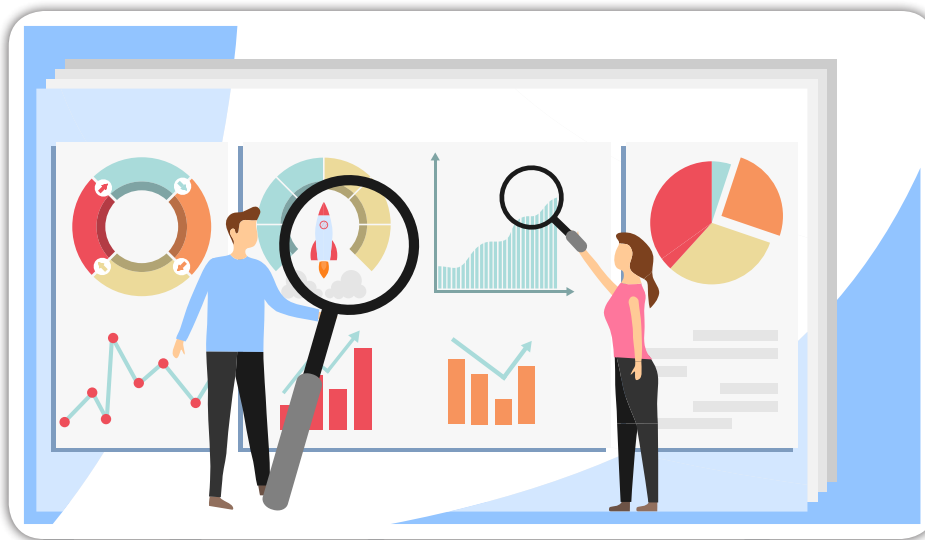
Over the last 10 years, marketers' investments in big data have grown

by double digits, but more isn't necessarily better.

"Marketers are buying more data—and using less of it," says Dolan.

"A lot of the data just isn't usable, and that causes problems."

There is a great desire to make data actionable, to drive decision making. A big challenge with attribution is that the focus is very often on digital tactics, and not as much on the rest of the mix, such as TV or print. "Marketers aren't seeing the full picture," says Dolan. "They're seeing channel-specific impact, but not how all of their marketing currently is interacting."



Actionable data is crucial: 77 percent of respondents to a recent ClickZ/Keen survey said they missed opportunities due to slow or inaccurate decision making.

Actionable data is crucial: 77 percent of respondents to the ClickZ/Keen survey said they had missed opportunities due to slow or inaccurate decision making. Increased sales and better ROI is the rationale that 78 percent are using to justify tech spending to improve data-based decisions.

Siloed data and decision makers operating in silos can be a huge problem when it comes to determining true marketing ROI. B2C and B2B brands are increasingly turning to marketing analytics to inform their decision making. Companies use analytics 44 percent of the time on average, according to the CMO Survey, up 13 percent since 2013. Energy, communications/media and healthcare are the top industry sectors for marketing analytics spending. Consumer services, manufacturing and CPG are at the bottom of the pack in analytics spending. B2C products and services do the most experimentation to try and understand the impact of their data, testing 41 percent of the time, versus 27 percent for their B2B counterparts.

"If you give budget to the digital team, and they're not accounting for everything else going on in the market, then they're making decisions in their own world without understanding the overall market impact," says Dolan.

MEASUREMENT IN ACTION

Three brands mastering the art—and science—of marketing measurement

THE MISSING LINK

Data-driven decision making helps Johnsonville optimize its Canadian marketing budget

Having a better view of what really moves the needle for Canadian sausage buyers is helping Johnsonville increase marketing efficiency, not only in the Great White North, but across the globe.

Johnsonville is the number one sausage brand in Canada, where marketing messages tend to be around creating craveable moments for the product. Unlike chicken, beef or pork, people don't think about sausage on a daily basis. "The challenge is getting it into the consideration set and the daily meal planning and shopping behavior [rotation]," says Bob Fitzgerald, senior director of the company's international business unit, including Canada, Mexico, Caribbean, South America and the Philippines.

In the past, a lack of sophisticated syndication data in some markets meant that Johnsonville was basically "flying blind" when it came to understanding what was really getting sausages into shopping carts. "We had been operating on intuition, but we're getting too big to do that," he says. "We need data-driven input for our decision making."

When it wanted to improve promotions in Canada for products such as a new ready-to-eat breakfast line, Keen's MIDA (Marketing Investment Decision Analysis) solution helped the brand create a strategy to maximize marketing spend. One of the most important findings overall has been that the brand was over investing in advertising and discounting when it comes to supporting purchases around traditional Canadian sausage grilling holidays, such as Victoria Day in May, Canada Day in July or Civic Holiday in August. Keen's modeling showed that a more effective strategy would be to spread the dollars throughout the year, rather than stacking it against those holidays.

Likewise, heavy television investments in the past centered around events like hockey playoffs. While there is a need to own that event for the category, dollars redeployed on digital and social year-round, spotlighting recipes and uses for Johnsonville products, have been very effective.

"We're very mindful on the path to purchase, and we have specific creative elements and copy points [for different channels]," says Fitzgerald. "When we think about mom's journey to purchase a sausage, we're making an emotional connection on TV. On social and digital, we're using copy points that are functional, and talking about things like using ground sausage in tacos, or reminding people that our Italian sausage makes the best meatballs."



In Canada, Johnsonville's marketing messages center around creating "craveable moments" for sausage.

A HEALTHY PLAN

Predictive analytics helps Vitafusion target vitamin consumers' needs



Vitafusion utilizes a number of different marketing channels, including TV, digital, paid search, print and paid social.

Everyone needs to take their vitamins, but not everyone has the same health concerns. Marketing measurement optimization is enabling Church & Dwight Co's Vitafusion reach consumers online at the right time in their consideration process with exactly the right offer.

The vitamin niche is crowded and competitive, and it can be difficult to stand out, notes Donovan Falconer, associate brand manager. After all, Vitafusion is not only competing against other brands in the gummy space, but also against traditional pill vitamin brands like Centrum and One-A-Day.

Vitafusion utilizes a number of different channels for marketing, including TV, digital, paid search, print and paid social. While brand awareness is important, the most concrete measure of marketing ROI for any CPG brand is, of course, sales. But the connection isn't always clear, notes Michael Daif, group brand manager of marketing at Church & Dwight. "If a social post doesn't have a link to buy, how do you know if it was worth it in the end?"

Because television comprised the biggest chunk of the marketing budget, it was crucial for the Vitafusion team to get a handle on the success of its TV spend.

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Keen's predictive analytics helped the brand see that putting a huge piece of its spending toward one week's worth of gross ratings points (GRP) didn't always result in an efficient ROI. "That is still the most impactful takeaway two years later," says Daif.

With their eyes open to inefficiencies, the team reallocated spending across different tactics, such as increasing paid social across Facebook, Instagram and YouTube to reach the core target audience of women ages 25-49.

On social media, says Falconer, six-second clips that lead with the brand and speak to a specific targeted need help Vitafusion reach their ideal audience. For example, someone who has searched for information about sleeping better might see a melatonin ad, rather than a general brand message. "This way, they'll know the product, and we don't have to

hope they search and put two and two together for themselves," he says.

"Vitamin needs are very specific to individuals," adds Daif. "The same person taking vitamin C isn't necessarily looking for vitamin D. Different consumers interact with the category in different ways."

Working with Keen, the brand has also been able to better compare marketing tactics. "In the past, we viewed the KPIs of every channel differently," says Brendan Beichert, senior associate brand manager at Church & Dwight. "Now, we can apply the same methodology to see where each tactic is stacking up. We can compare apples to apples and see what is working harder for us."

"The future is understanding where the opportunities are digitally," says Falconer. "We can see what is meaningful to our audience and to what degree we can personalize [messaging]."

SWEET SUCCESS

Improved analytics are a treat for Perfetti van Melle

More timely access to marketing data is helping Perfetti van Melle get a better picture of what is really moving product in the candy aisle.

The Italian manufacturer is one of the largest gum and confectionery companies in the world, best known in the U.S. for such popular brands as Airheads and Mentos.

About 40 percent of the company's total marketing spend is television, with the remainder split across social and digital channels. The mix is continually shifting more toward digital, as consumers' attention becomes more fractured and the number of screens they're using at any one time increases.

Attribution in the CPG space is always challenging, notes Bill Mackison, consumer insights senior manager at Perfetti van Melle. Gauging the success of couponing is tricky because manufacturers never know how much time transpired between a consumer redeeming a coupon and a retailer sending it off to the third-party distribution house that manages the couponing promotions.

And then there's the fact that candy is sold in so many places. While 90 to 95 percent is purchased at convenience stores, pharmacies or supermarkets, the remaining 5 to 10 percent is sold everywhere from movie theaters to Bed, Bath and Beyond.

In the past, getting data on what worked and what didn't in a timely manner was a major issue. When planning for the next year, slow data collection from channels like television might have meant you were



Real-time intelligence helps Perfetti prove the success of initiatives like the "Wanna Play?" campaign for Airheads.

making decisions for the next 12 months without an accurate picture of what had happened in the previous six.

"In the interim, I may have changed my advertising copy or added a new channel that I don't know if I should repeat," says Mackison. "I need to know if am I spending enough, or am I spending too much? And how do I optimize what I am spending?"

Working with Keen, Perfetti was able to access a more continuous, ongoing data model. In June, for example, the company was able to create a model of data from the first four months of 2019, that will be essential for 2020 marketing mix planning.

That type of real-time intelligence is helping the company prove the success of initiatives like a campaign for Airheads, which played with the concept of a classic Airheads ad where people's heads blew up like balloons after enjoying the candy. In 2018, a new "Wanna play?" campaign showed people's heads blowing up like balloons and then being used to play games in places like tennis courts or trains.

"When we introduced that copy, we knew it would be polarizing, and we did get some [negative] social media comments," he says. "But, an in-market test showed how well the copy was driving sales versus other TV. In the past, we never could have done that, and you have to get more efficient if you want to grow your sales."

5 TIPS FOR CREATING A UNIFIED MEASUREMENT STRATEGY

How to show the C-suite marketing's true impact, across every channel and touchpoint

1. CREATE A FRAMEWORK.

Data is important, but don't *only* think about your data. Think about what you value and what factors will make the most impact on achieving that end. "Open the conversation around having a framework that gets you from investment to revenue," says Keen's Busbice. "You shouldn't be limited by your data. Your only limit should be your own imagination. Lead with your framework model, and then think about what data you need to fill the gaps and reduce uncertainty."

2. KNOW WHAT YOU WANT.

If you're going to start investing in data sources, decide what you want to accomplish before you start collecting data. "It's a big mistake to just dive headfirst into buying as much data as possible without a plan," says Keen's Dolan. "If you have the decision framed in your mind as to what you're trying to accomplish, you'll get the data to arrive at that decision. And that will make you more efficient."

3. LOOK FORWARD.

Attribution will tell you about historical sales, but not necessarily what you should do next. "It won't tell you where you are on the response curve, or where you might need to spend more in a given channel, or the right timing," Dolan says. "Consider if you need to spend more in week one versus week four. That will help you drive performance. If you're making decisions that aren't grounded in data, especially in

seasonal businesses, you may overspend in certain quarters if you can't see the whole picture."

4. TEACH THE C-SUITE WHAT REALLY MATTERS.

Sure, the C-suite wants to know the ROI of marketing. But make sure they understand what is really behind these numbers. "ROI just gives you a snapshot—it doesn't tell you whether you should invest more or less," says Busbice. "What the C-suite should really be asking is how much more or less they should invest in an activity to increase profitability or revenue. What we advocate is thinking about marginal ROI, the return on the next dollar. That is a much more informative metric."

5. DON'T MISS THE FOREST FOR THE TREES.

Marketers are biased toward trying to get as granular as possible, but don't forget that there are high-level questions to be answered that can really make a difference, such as how much you should invest in TV versus search, says Dolan. "Start in a simple way so you don't get overwhelmed. Growth and being able to demonstrate accountability for quantifiable outcomes are the two biggest pieces to consider."

The bottom line? Traditional marketing attribution is important, but it will only take you so far. To accurately plan for the future, leverage your data and measurement strategies to optimize the financial impact of both online and offline activities, improving decision making and your marketing ROI.

ABOUT

CHIEF
MARKETER

Global online content portal Chief Marketer arms aspiring CMOs with the tools, insights, data and training they need to master the "next frontier of marketing"—an age of marketing much less dependent on advertising and much more focused on the rest of the branding toolkit. From digital, direct and content marketing, to social, experiential, promotion and more, our weekly newsletters and daily website content cover it all. Through annual initiatives like the Chief Marketer 200 (the only comprehensive list of the top non-advertising agencies), the PRO Awards, and recognition programs including Masters of Martech and Future CMOs, Chief Marketer helps marketers build stronger, smarter brand marketing strategies.

ABOUT

Keen
Model Your Brand Winning

Keen Decision Systems is a software-as-a-service company whose unified marketing measurement and optimization platform helps marketers make dynamic, data-driven decisions that build winning brands. Keen's platform lets marketers model marketing-mix scenarios to achieve a financial goal. Named ClickZ's 2019 Best Predictive Analytics Platform, Keen customers experience a 25 percent uptick in marketing contribution on average in year one. Among the Durham, N.C.-based company's well-known consumer brands are Post, Arm & Hammer, Boll & Branch, and Nathan's Famous, among others.