



May 2016

MULTICHANNEL ATTRIBUTION ROUNDUP

Multichannel marketing is a must for practitioners who know their audience expects unified messaging across devices. Executing it is hard enough, but attributing revenues and determining ROI can be even more of a challenge. eMarketer has curated this Roundup of trends, insights and interviews to help you deal with the data.

presented by

neustar[®]
Linking What Matters™

MULTICHANNEL ATTRIBUTION ROUNDUP

Overview

Buyers and sellers alike see value in reaching audiences across all screens. But while the benefit of a more people-based targeting approach is clear, how to achieve that vision—at least across the broader advertising landscape—is anything but.

“There’s a lot of conversation around whether or not we are going to get to a single identifier that’s going to be the holy grail of connecting a person across all devices and channels,” said Pete LaFond, vice president of marketing at programmatic advertising and audience targeting platform TruSignal. “I don’t think we’re necessarily any closer to having a unique identifier.”

In the absence of such an identifier, providing the data that advertisers want is often at the discretion of whichever platform or property is promising cross-device capabilities. Not only does this make it difficult for buyers to scale campaigns in a broader, publisher-agnostic manner, but it is also causing significant problems for the measurement of these campaigns. Without a universal methodology for cross-screen identification and execution, there can be no alignment between publishers and providers.

In the face of such fragmentation and muddled measurement, it’s hardly surprising to find buyers still struggling to understand and identify their audiences. A March 2015 survey conducted by cross-channel marketing firm Signal found that just 6% of marketers worldwide reported an adequate single view of customers or prospects across all devices and touchpoints.

In the past year, the methods by which the industry pairs audiences across devices haven’t changed much, either. Both deterministic and probabilistic continue to be the only de facto methods for bridging cross-device identities. The former is preferred for navigating known, logged-in audiences, and the latter is ideal for achieving greater scale and broader use across properties.

So what has changed—or what is changing—for cross-device targeting?

Marketers Worldwide Who Have a Single View of Customers/Prospects Across Devices and Touchpoints, March 2015

% of respondents

Yes, our current solution provides an adequate single view of our customers

6%

Yes, we have a solution in place but it still has some gaps in coverage of devices, touchpoints and data

43%

No, we have implemented a solution but its shortcomings severely limit its practical effectiveness

19%

No, we have not yet implemented a solution to achieve a single view of our customers

32%

Source: Signal, "Preparing for Cross-Channel Success: Solving the Identity Puzzle," March 24, 2015

187341

www.eMarketer.com

Leading Challenges of Growing Their Digital Display Advertising Programs According to Publishers in North America, Sep 2015

% of respondents

Insufficient scale to recognize individuals online and across channels

33%

Inability to recognize consumers across devices

32%

Unable to use live intent data to target 'in-market' consumers

30%

Unable to target in real time with third-party data

29%

Unable to target in real time with advertisers' or partners' first-party data

29%

Slow and disconnected marketing technology

24%

None of the above

18%

Note: n=114

Source: Econsultancy, "Digital Publishing: Increasing Advertiser Value Through Data and Identity" in association with Signal, Oct 6, 2015

198319

www.eMarketer.com

For one, understanding one's own audience from a cross-device lens has become an intense focus of brands and publishers. Many now see first-party data as the key to cracking cross-device targeting, and that prominence is leading both sides to invest more substantially in tools like data management platforms (DMPs). It is also placing an intense premium on ownership and use of that data, which

has buyers beginning to question how and where cross-device providers are using these assets.

But buyers aren't the only ones expressing concern over data use. As cross-device capabilities continue to improve and it gets easier to message consumers on multiple devices using more first-party data, consumer privacy and data concerns are rising.

Marketers Still Struggle with Cross-Channel Measurement

Measurement helps determine marketing effectiveness

With the rise of omnichannel marketing, companies are gauging the success of their cross-channel efforts using a variety of methods. However, not having a proper measurement technique in place can hold many back.

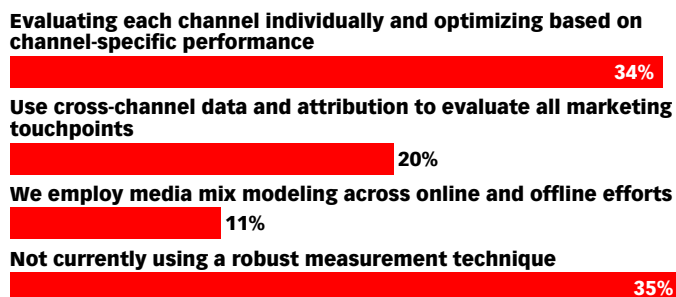
A June 2015 survey by The CMO Club looked at the primary methods CMOs worldwide used to evaluate the success of their cross-channel marketing efforts. More than one-third said they were not currently using a robust measurement technique, and nearly as many evaluated each channel individually and optimized based on channel-specific performance—missing out on the more robust performance information they would have by using a multichannel attribution model.

Lack of measurement can hold marketers back and could be a reason why many are not adopting omnichannel strategies at all. Only 11% of CMOs worldwide said they have a sophisticated omnichannel strategy implementation at their company, which is defined as cross-channel integration, including between online and offline.

More than a third (34%) have early implementation, which is not fully integrated across channels and 29% plan to launch in the next 6 to 12 months. One-quarter of respondents polled said they don't have plans.

Primary Method Used to Evaluate the Success of Their Cross-Channel Marketing Efforts According to CMOs Worldwide, June 2015

% of respondents



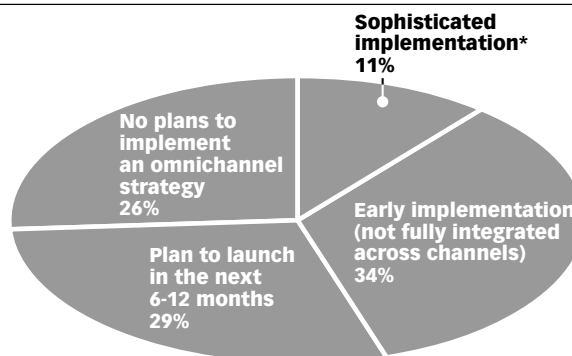
Note: numbers may not add up to 100% due to rounding
 Source: The CMO Club, "The CMO Solution Guide: Demystifying Omnichannel Marketing to Create a Winning Strategy for CMOs" in partnership with Rakuten Marketing, Oct 29, 2015

199497

www.eMarketer.com

Current and Planned Implementation of an Omnichannel Strategy at Their Company According to CMOs Worldwide, June 2015

% of respondents



Note: *cross-channel integration, including between online and offline
 Source: The CMO Club, "The CMO Solution Guide: Demystifying Omnichannel Marketing to Create a Winning Strategy for CMOs" in partnership with Rakuten Marketing, Oct 29, 2015

199495

www.eMarketer.com

Unified View Helps Execs Predict Customer Needs

Predictive marketing will be a key piece of the marketing stack

Predictive marketing is becoming important among marketers. In fact, more than six in 10 executives worldwide said that achieving a more complete view of the customer helped them more accurately predict customer needs and desires. That made it the leading benefit of a unified customer view.

According to an October 2015 survey from Forbes Insights and SAS research, 63% of executives worldwide said so. Improving customer experience and service was another benefit to achieving a more complete view of a consumer, according to 60% of respondents.

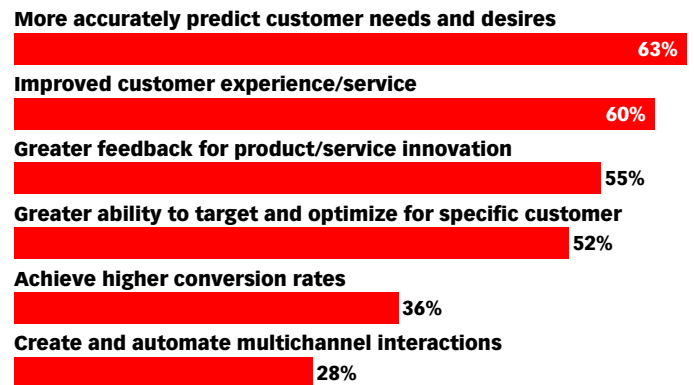
Additionally, greater feedback for product innovation, as well as greater ability to target and optimize for specific customers were also benefits, according to more than half of executives worldwide.

Marketers are continually using data to better understand their customers. A survey by Econsultancy found that the most common use of data modeling was for attribution, among both client-side marketers and agency professionals worldwide, followed by calculating customer lifetime value.

And predictive marketing will be a key piece of the marketing stack, especially for B2B marketers. Indeed, more than two-thirds of US B2B marketing professionals at the director level or higher believe so.

Benefits of Achieving a More Complete/Unified View of the Customer According to Executives Worldwide, Oct 2015

% of respondents



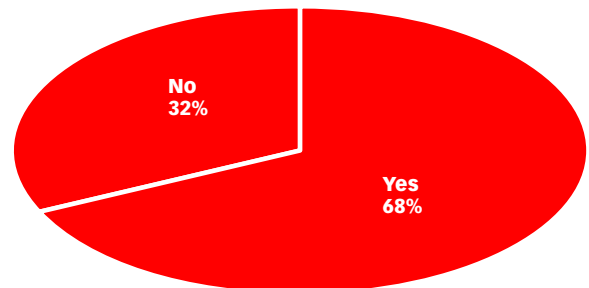
Source: Forbes Insights, "Blazing the Trail from Data to Insight to Action: Executive Briefing" in partnership with SAS, Feb 2016

205724

www.eMarketer.com

US B2B Marketing Professionals Who Believe Predictive Marketing Will Be a Key Piece of the Marketing Stack, Sep 2015

% of respondents



Note: director-level or higher marketing/advertising professionals
Source: EverString, "The 2015 State of Predictive Marketing Survey Report," Oct 13, 2015

198864

www.eMarketer.com

Data Forces Marketers to Bring In External Partners

As marketers struggle with data explosion and analysis, they look outside for assistance

Big data management requires a big makeover, marketers are still stuck on basic data for personalization, and, as such, it's early days for effective personalized efforts. As they struggle with digital—particularly when it comes to data—marketers are realizing that it's OK to ask for help.

In Q2 2015 research by the CMO Council and Ebiquity, one-third of marketers in Europe and North America said their ability to analyze data to create personalized experiences was poor or very poor—more than the 29% who said they did this well or very well. About a quarter said managing the explosion of customer data itself was something they did poorly; while lower than the 30% who did this well to some extent, it's still a significant chunk, especially compared with the 46% who their ability to address this challenge was just fair.

Such efforts had spurred marketers to bring on external marketing performance partners such as agencies. When asked about the areas where they had brought on outside help to address challenges, about two-thirds cited data management, and 64% pointed to marketing data analytics, the second- and third-highest responses. Nearly three-quarters reported bringing external sources on for digital management as a whole.

Marketers who intended to bring on agency partners also showed high interest in help with data. Fully 72% of respondents cited analyzing and exploiting data as a challenge/objective for which they planned to bring on external data partners, and 64% intended to do so for help managing the data explosion.

As the worlds of customer data and personalization continue to shift rapidly, it's not enough to settle for so-so partners. Many marketers may be on the market for an agency that can deliver better results, indicating a window of opportunity for those able to prove their abilities to manage data and conduct successful personalized efforts.

Ability of Their Company to Address Select Challenges According to Marketers in Europe and North America, Q2 2015

% of respondents

Overcoming financial restraint and demonstrating ROI



Managing the explosion of customer data



Analyzing data to create personalized experiences



■ Very well ■ Well ■ Fair ■ Poor ■ Very poor

Note: numbers may not add up to 100% due to rounding
Source: CMO Council and Ebiquity, "The Path Forward: Marketing's Outlook Into the Digital Future," July 30, 2015

194376

www.eMarketer.com

Challenges/Objectives for Which Marketers in Europe and North America Plan to Bring on External Partners, Q2 2015

% of respondents

Generating content marketing



Analyzing and exploiting data



Managing the data explosion



Social media management



Exploiting new channels



■ Yes ■ No ■ Don't know

Note: e.g., agency partners
Source: CMO Council and Ebiquity, "The Path Forward: Marketing's Outlook Into the Digital Future," July 30, 2015

194379

www.eMarketer.com

Marketers Face Mobile Advertising Challenges

Smartphones are hard to monetize

Mobile accounted for more than half of digital ad spending in 2015, and marketers continue to see increased value in mobile advertising. While there are benefits, there are challenges too, according to Q3 2015 research.

According to AdRoll, 41% of US marketers said the lack of attribution transparency was one of the biggest challenges of mobile advertising. Additionally, more than a third of respondents said that users or consumers not converting on mobile is another challenge.

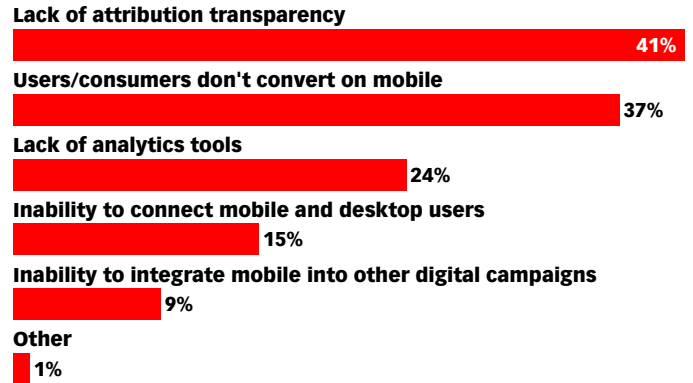
Lack of analytics tools and the inability to connect mobile and desktop users were also some of the biggest challenges of mobile advertising, according to marketers.

Mobile devices—smartphones in particular—are not the easiest screens to monetize. In fact, the smallest screen is the one that cause the most trouble, according to September 2015 research from AdMonsters.

Two-thirds of US publishing professionals said that smartphones caused the most monetization trouble. Tablets and over-the-top (OTT) and TV screens also caused issues for a fair number of respondents, but were not as much of an inconvenience as smartphones were.

Biggest Challenges of Mobile Advertising According to US Marketers, Q3 2015

% of respondents



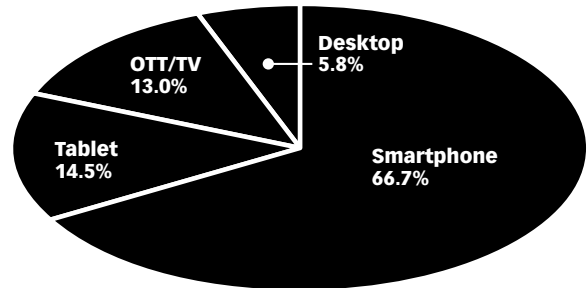
Source: AdRoll, "State of the Industry: A Close Look at Retargeting, Programmatic Advertising, and Performance Marketing: United States 2016" conducted by Qualtrics, Jan 21, 2016

203635

www.eMarketer.com

Type of Screen that Causes the Most Monetization Trouble According to US Publishing Professionals*, Sep 2015

% of respondents



Note: n=138; *focused on publisher ad operations on a daily basis
Source: AdMonsters, "State of Ad Ops 2015" sponsored by Sizmek, Nov 16, 2015

201264

www.eMarketer.com

Mobile Attribution Remains Challenging, Particularly in Path Analysis and Conversion Efforts



Gabriella Weinstein

Senior Mobile Product Marketing Manager

Rue La La

Mobile attribution is becoming quite a challenge for marketers, particularly the difficulty in tracking path analysis and conversion. Gabriella Weinstein, senior mobile product marketing manager at Rue La La, recently spoke with eMarketer's Rimma Kats about mobile attribution and how it compares to attribution measured through other channels, like desktop and TV.

eMarketer: How is Rue La La assessing the value of its mobile marketing and mobile media efforts against efforts that the company is making in other channels?

Gabriella Weinstein: When I think of the highest level that we assess any of our marketing efforts, it stems from the customer. We have persistent login across our channels and if someone makes a purchase on one channel, we attribute all of that to the customer. When we run campaigns, whether they are paid, owned or earned, we look at it from a customer perspective.

eMarketer: Are you comparing mobile to other channels, such as desktop, or even traditional channels, like print, radio or TV?

Weinstein: We mainly do digital. We use the same valuation whether we're doing mobile ads, install ads or we're doing desktop acquisition and more traditional digital marketing. We use the same lifetime value [LTV] framework across the board.

eMarketer: On a high level, how do the channels that you use typically break down in terms of the contribution they make toward your goals?

Weinstein: We don't share too many of those numbers, but at the highest level we have upwards of 70% of our traffic coming in on devices. Devices generate more than 50% of our revenue. From a visitation standpoint, between 40% and 50% of our traffic comes from our marketing emails. And of that, 60% or so, on average, is opened on mobile devices.

"People are severely underestimating the amount of effort that it takes to get an attribution engine up and running."

eMarketer: What challenges, whether technical or logistical, does mobile present for path analysis or conversion tracking?

Weinstein: It's a huge challenge. Big data is taking over everywhere. However, people are severely underestimating the amount of effort that it takes to get an attribution engine up and running.

eMarketer: How do these challenges prevent you from assigning credit to mobile or even affect your confidence in the credit that you're allocating to mobile marketing?

Weinstein: We have a lot more information on users and can target them accordingly. We're lucky in that sense.

It's about making those linkages and attributing the right amount of value to each one of those engagements. There's so much that we're asking users to do and accredit to market. We've done some analysis that, internally, they have to see something four times before they take action on it. What does that mean in the paid media world? What does that mean outside of it? And how do we value each one of those engagements? It's just increasingly difficult.

Tracing Mobile Actions to a Transaction Helps Overcome Mobile Attribution Hurdle



Tim Jenkins

CEO

4Info

Chuck Moxley (not pictured)

CMO

4Info

Without an industry standard, various methodologies are used to measure the return on investment in mobile marketing and media. Some focus solely on measuring the lift in foot traffic, while others concentrate on sales lift. Advertising technology provider 4Info falls into the latter category. 4Info CEO Tim Jenkins and company CMO Chuck Moxley spoke with eMarketer's Cathy Boyle about how they link offline sales to mobile ads, as well as to ads served on other screens.

eMarketer: Some people describe mobile attribution as being a mess. What are your thoughts about that assessment?

Tim Jenkins: There is a lot of confusion in the marketplace about what's real vs. what's snake oil, and that has been a problem from day one. When you're talking to a platform that specializes in site visits as their primary form of attribution, they're going to paint a picture around how they measure that and what that really means vs. someone else who says, "It's not really an indicator of the conversion, it's more an indicator of campaign progress."

What really matters is being able to trace mobile actions all the way through to a transaction. Mobile is a mess only from the standpoint of marketers not understanding exactly what they get from each different attribution method.

Chuck Moxley: What you're hearing [when you hear mobile is a mess] is the cross-screen folks who are coming from the display world, where cookies are standard. They're trying to figure out [a new way to track mobile users] and that's where probabilistic modeling comes in, because they don't have another choice.

We went in the other direction. We solved the hard problem first—matching mobile devices to users in a deterministic fashion. Finding them on the desktop world is easy because there's a standard of cookies that everybody uses.

eMarketer: How do you connect an ad served to a mobile device and then to an offline purchase?

Jenkins: We have associated mobile devices directly with home addresses—a physical address—by tracking the latitude, longitude and device IDs that we see at that particular location over an extended period of time.

"Mobile is a mess only from the standpoint of marketers not understanding exactly what they get from each different attribution method."

Once the device is tied to that physical address, that address is used as a match point to tie to all the offline third-party and first-party data files to the device. The address is also tied to the transaction data that's captured directly by frequent shopper card aggregators, credit card companies and retailers through their CRM [customer relationship management], to the device.

eMarketer: Can you do this matching to other screens as well?

Jenkins: We work with a third party, who has taken a large online cookie pool and rolled it up using the various forms of PII [personally identifiable information] that's captured by that cookie, and they have tied that directly to the same physical address that we have the mobile devices tied to.

We see an ad request online in an exchange that comes through with an ID that matches the same household that we've associated with the mobile phones. We know that we can then serve an ad to somebody on the mobile phone when that ID pops up in mobile exchanges. We can

do true sequential ad serving, frequency capping, pacing, all of those things based on that user ID that's now tied to cookies on the online side and to mobile phones in a cookieless fashion on the mobile side.

Inbound Calls to Marketers Are Skyrocketing, But Easily Overlooked in Attribution



Kyle Christensen

Vice President, Marketing

Invoca

Most marketers are well aware of consumers' addiction to smartphones, yet many forget the device is a telephone. Consumers are increasingly tapping on "click-to-call" buttons, and as a result attributing credit to calls is an increasingly important part of mobile attribution. Kyle Christensen, vice president of marketing for Invoca, a provider of cloud-based inbound call marketing automation, spoke with eMarketer's Catherine Boyle about the types of data and insights that can be gleaned from calls in order to quantify the value of mobile marketing and media.

eMarketer: How many marketers are accounting for calls in their attribution models?

Kyle Christensen: It varies by industry, but for a lot of marketers calls are not anywhere on their mind. Yet there were almost 80 billion phone calls from consumers to businesses this year and it's expected to go up to over 160 billion phone calls in the next three years.

The trend is inescapable from a consumer behavior point of view, and publishers like Google and Facebook are following the trend, too. Google is adding click-to-call to everything, and look at what Facebook's done in the last

year or so. They've added click-to-call and they've also turned on voice communications in WhatsApp.

Marketers are going to start to wake up and realize, "Hey, we need to start paying attention to this."

eMarketer: Given the projected growth of inbound calls, what challenges does call tracking pose for measurement and attribution?

Christensen: The challenge when a person jumps from using a mobile phone as a computer to using it as a telephone is marketers have no insight into what happens on that call—what's the call about, who is on the call, why are they calling me, how should I credit my investment in the campaign that drove that call, etc. Despite having invested billions of dollars in marketing automation technology and execution technology across all the other channels, that stuff goes out the window with calls.

eMarketer: What kind of metrics are you tracking and what insights can you provide as a result?

Christensen: We capture several layers of "call intelligence." One layer has to do with pure attribution; if it's a search campaign, it's everything from what was the ad group and the keyword that they clicked. If it's an email campaign, it's the email open rate. Basically, we can capture any kind of attribution data that you can get from other types of digital campaigns. That's one part of it.

The next is information about the callers themselves. When someone calls in, we know the phone number they're calling in from. We can load that phone number up in the advertiser's existing CRM [customer relationship

management] system or third-party database. We know the location they're calling in from, [for instance] if someone is calling from the East Coast vs. the West Coast. Information like that is used to generate a real-time profile of the caller.

The third layer would be information about what's actually being said in conversations. So our technology is scanning the phone call for key words and phrases that the caller might have said along the way. Or they may have mentioned competitor X or the person said, "Hey, I'm really interested in product Y with features D." That information is all very valuable.

"If the digital marketing team doesn't have the call data, they have no visibility into the purchase that just took place."

eMarketer: Do you treat frequent callers differently from infrequent or new callers?

Christensen: Yes. We know right away if you're a repeat caller or you're a new caller. We can get more sophisticated than that, too. The way our technology works is anyplace you would put a phone number—like on a website landing page or in an ad—you put a little piece of Invoca code. That code generates unique phone numbers that are valid just for that session. It's a temporary "shadow number" that allows us to get to attribution.

So if you and I were to do a search for a keyword and come to a landing page, on the same landing page, we would see different phone numbers and that's how we know it's Cathy calling or it's Kyle calling. And not only does that bit of code render unique phone numbers, it can also talk to any of the other technologies you have running on your site.

If the business has a retargeting platform that is dropping a cookie on the site or they have a marketing automation system with a certain ID for that person, we can use those IDs to look up that caller.

eMarketer: What if a mobile search ad triggers the call and the person requests information, hangs up and makes a purchase from that business from a mobile app. Does that call receive partial credit for that purchase?

Christensen: It's an interesting question because it's similar to one of my favorite use cases. DirecTV is one of

our customers and they have people who will do a search and end up loading a particular satellite TV package into their shopping cart but not purchase it, because they have additional questions. So they'll call, have a conversation on the phone and decide to buy that package over the phone.

If the digital marketing team doesn't have the call data, they have no visibility into the purchase that just took place. And so they start to do things like putting that person into an abandoned cart program and start sending that person an email or showing that person display ads for 25% off the Gold TV package, despite the fact that that person already purchased it.

Whereas with call intelligence they say, "Hey, we know the call took place. We know that call was tied to this search session earlier, so we credit the keyword. We also know that the purchase took place and over the phone the person mentioned that they had an interest in the sports channels offered." In that case, the marketer would start to retarget that person by sending an email with a discount for the sports package.

LET'S RUMBLE. IN THE OMNICHANNEL JUNGLE.



ALISHA WAGNER // LOOKS ONLINE, BUYS GYM GEAR IN STORE

Omnichannel marketing from Neustar starts with authoritative identity. With a single, unbiased, and accurate view of customers and prospects, you can finally segment, target and measure with precision—across channels and devices. Let us give your omnichannel marketing the punch it deserves.

Learn more at www.neustar.biz/marketing-solutions.

neustar[®]

©2016 Neustar, Inc.

Any consumer information is compiled at the household level using Neustar's products and services and is not based on actual online behavioral data. All characters appearing in this advertisement are fictitious. Any resemblance to real persons, living or dead, is purely coincidental.



Coverage of a Digital World

eMarketer data and insights address how consumers spend time and money, and what marketers are doing to reach them in today's digital world. [Get a deeper look at eMarketer coverage](#), including our reports, benchmarks and forecasts, and charts.



eMarketer Corporate Subscriptions: The Fastest Path to Insight

All eMarketer research is available to our clients via an annual corporate subscription. The subscription provides clients with access to all eMarketer analyst reports, signature charts, interviews, case studies, webinars and more. See for yourself how easy it is to find the intelligence you need. [Learn more about subscription options](#).



Confidence in the Numbers

Our unique approach of analyzing data from multiple research sources provides our customers with the most definitive answers available about the marketplace. [Learn why](#).

Schedule a personalized demonstration or request a quote today.

Go to eMarketer.com, call 212-763-6010, or email sales@emarketer.com.